Italy’s Green Recovery Strategy and the European Climate Agenda
challenges and opportunities

Ifri Green Deal Virtual Lunch Series

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## Italy’s most difficult challenges to achieve the -55% objective for 2030

- Italy among the few to have reached EU 2020 targets (pre-pandemic)
- Current NECP deemed sufficiently ambitious in all dimensions
- Additional policy measures, technological options and resources needed to deliver more by 2030

### Flexibility in reaching sectoral targets

- **Streamlining authorisation procedures**
  - Cooperate with the Regions to identify suitable areas;
  - Identify off-shore areas for renewable energy generation

- **Decarbonisation of the gas sector**
  - Biomethane: mandatory quotas and sustainable feedstocks
  - Hydrogen: blending of RES over-production in NG grids

- **Kick-start the hydrogen economy**
  - IPCEI process
  - R&D in demand and supply
  - Infrastructure development incl. RES electricity deployment

### Market

- EU integration
- Internal reforms

### 2050 challenges

- Massive RES electricity development (onshore and offshore)
- Reducing energy demand of buildings and transport
- Residual emissions tackled through increased natural CO2 absorptions & CCUS
- Establish new energy trade relations

### Bring new technologies to market maturity

- Offshore technologies
- Electric storage
- Advanced biofuels
The recovery funds: priorities and lessons learned

- draft plan presented in January 2021
- dialogue with the Commission expected to be concluded by April 2021
- six missions: digital, green, infrastructure, education & research, inclusion, health
- “green revolution and ecological transition” among the main missions of the plan

**green revolution and ecological transition (draft)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Green enterprise and circular economy</td>
<td>€7.00bn</td>
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<tr>
<td>Renewable energy, hydrogen and sustainable mobility</td>
<td>€18.22bn</td>
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<tr>
<td>Energy efficiency and building renovation</td>
<td>€29.55bn</td>
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<tr>
<td>Protection of the territory and of the water resource</td>
<td>€15.03bn</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>€69.80bn</strong></td>
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**“110% Superbonus”**

- tax credit scheme
- pre-existing measure, improved over time
- tackles several policy objectives
The 2021 Green Deal issues -
Raising the CO2 price and remaining competitive

• 2020 target overachieved, new ambitious 2030 targets in reach
• still room to improve to electricity mix: fuel switching & phase out of coal
• an increased CO2 price is a powerful driver to accelerate the transition and to get all sectors to contribute

Accelerated energy transformation & jobs, competitiveness, and low carbon leadership

• making the best use of infrastructure: energy system integration
• keeping all technological options open
• new technologies: innovative offshore renewables e.g. wave energy converters; hydrogen production and application technologies; advanced biofuels
• communication & involvement of the general public: ownership of the process
Thank you for your attention!