AUSTRIA

TOTAL REVENUES (2013-2015)

| Total revenues generated (000 EUR) | 187,917 EUR |
| Total used for climate and energy | 171,590 EUR |
| Total share used for climate and energy | 90% |
| 2013 | 2014 | 2015 |
| 55,752 | 53,568 | 78,597 |
| Used for climate and energy | 36,904 | 54,839 | 79,847 |
| % share | 66% | 102% | 102% |

Revenue used for climate and energy purposes, of which:
- Domestic use: 77%
- International use: 13%

OVERVIEW

Austria generated 187.9mn EUR from the auctioning of EU ETS allowances; however, the revenues are not ‘earmarked’ for any specific purpose. Reported programmes are examples of what the revenues could have funded each year,1 amounting to over 50% or close to (above) 100% of the revenues generated (90% on average). Although precise estimates cannot be drawn, total spending for energy and climate is much larger than the sum of generated revenues.

DOMESTIC REVENUE USE

The total amount of domestic spending reported by Austria is 146mn EUR. This amount spread across programmes under the Environmental Support Act (UFI) and the Climate and Energy Fund (KEF).

Figure 1 Reported domestic use of revenues (000 EUR)

<table>
<thead>
<tr>
<th>Energy efficiency</th>
<th>Renewable energy</th>
<th>Sustainable transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>63.0% (92,177)</td>
<td>32.8% (48,015)</td>
<td>4.2% (6,173)</td>
</tr>
</tbody>
</table>

KEY PROJECTS/PROGRAMMES/ACTIVITIES

Although no specific projects can be attributed to the use of revenues, Austria has chosen to report the following projects, programmes and activities:
- From the Environmental Support Act:
  - Energy saving in companies [33.7mn EUR; 2014-2015]
  - Energy efficiency including in buildings [41.6mn EUR; 2013-2014]
  - Biomass district heating, biomass boilers, heat distribution networks [48mn EUR; 2014-2015]
- From the Climate and Energy Fund:
  - Model regions for climate and energy2 [8mn EUR; 2015]
  - Support for photovoltaics [8.7mn EUR; 2015]
  - Electric mobility [6.2mn EUR; 2015]

INTERNATIONAL REVENUE USE

Austria reported spending of 25.2mn EUR for international uses between 2013-2015. Part of it was channelled bilaterally (22.2mn EUR) or to multilateral institutions and programmes (3 mn EUR) for climate change mitigation and adaptation in developing countries and other parts of the world (including inter alia the UNFCCC Adaptation Fund, the LDC Fund, the EBRD; via NGOs, university projects, national ministries).

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The commitments for policies under which the programmes were funded provide some context to the auction revenue use. In 2015, amounts for projects under the UFI correspond to about 84% of total commitments for the support of energy efficiency and renewable energy (55.8mn EUR).3 Projects supporting renewable energy, energy efficiency and sustainable transport under the KEF represent about 20% of the total sums committed to the Fund in 2015 (115mn EUR).4 Austria’s reported international climate finance contributions correspond to about 8% of total contributions reported under MMR Art. 16 for 2013-2015.5

---

1 Austria’s reporting was limited to examples from two national programmes; however climate and energy related spending also occurs at the level of the Federation, federal provinces and municipalities.
4 Source: Austria’s submissions under Article 16 of the MMR. Retrieved from: http://rod.eionet.europa.eu/obligations/704
BELGIUM

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>353,721</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>Not yet used</td>
<td>Not yet used</td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>Not yet used</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>114,992</td>
<td>97,079</td>
<td>141,650</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>% share</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
Domestic use: -
International use: -

OVERVIEW
Belgium generated 353.7mn EUR from the auctioning of EU ETS allowances over the reporting period. However the revenues could not be used in absence of a cooperation agreement among the regional governments of Flanders, Wallonia and Brussels Capital and the Federal government. In October 2016 a cooperation agreement was reached, enabling the use of the revenues. A distribution of the revenues was made, and each government has stated the types of programmes, projects or activities selected for funding. Only partial information on the future use of the revenues is available at this stage.

DOMESTIC REVENUE USE
Auctioning revenues have not yet been used in Belgium. The right-hand section describes future recipient programmes, projects and activities as decided by each of the Belgian governments.

The first 326mn EUR from the auctioning revenues have been allocated to the different governments:
- Flemish Region: 53% (173mn EUR)
- Walloon Region: 30% (98mn EUR)
- Brussels Region: 7% (23mn EUR)
- Federal level: 10% (32mn EUR)

The remainder of the revenues will be allocated thus:
- Flemish Region: 52.76%
- Walloon Region: 30.65%
- Brussels Region: 7.54%
- Federal level: 9.05%

INTERNATIONAL REVENUE USE
The revenues from auctioning of allowances will be used for international climate financing by the Federal government,1 the Brussels-Capital region (11.25mn EUR between 2016 and 2020) and the Flemish region (25mn EUR between 2016-2019).2 This includes bilateral support to Third Countries, as well as contributions to the Global Environment Fund, the Green Climate Fund, the Adaptation Fund, the Least Developed Countries Fund, and the Special Climate Change Fund.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES
Insufficient data at the time of reporting to assess the relative importance and added value of the auctioning revenues.

---

1 Quantitative information could not be provided for all governments as of January 2017.
2 The Walloon region has not yet indicated whether revenues would be used for international climate finance.
**BULGARIA**

**TOTAL REVENUES (2013-2015)**

<table>
<thead>
<tr>
<th>Total revenues generated (000 EUR)</th>
<th>210,864 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total used for climate and energy</td>
<td>190,978 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>90%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual revenues (000 EUR)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total share used for climate and energy</td>
<td>36,415</td>
<td>103,492</td>
<td>121,820</td>
</tr>
<tr>
<td>% share</td>
<td>97%</td>
<td>99%</td>
<td>85%</td>
</tr>
</tbody>
</table>

**Revenue used for climate and energy purposes, of which:**

- **Domestic use: 100%**
- **International use: 0%**

**OVERVIEW**

Bulgaria generated 210mn EUR over the period 2013-2015 from the auctioning of ETS allowances and used an average of 90% of this amount for climate and energy purposes in accordance with the EU ETS Directive.

**DOMESTIC REVENUE USE**

The revenues were used exclusively for domestic purposes on the basis of national priorities set in the Climate Change Mitigation Act.

**Figure 1: Domestic use of auction revenues (000 EUR)**

Over the period 2013-2015, the national aid scheme for RES energy was partly supported with auctioning revenues. Over 2014 and 2015, 41mn EUR of auctioning revenues were channelled to complement the national budget for the financing of the National Programme for Energy Efficiency in residential buildings. Additionally, the revenues were also used to finance 24 energy efficiency projects under the Investment Climate Program of the through the National Trust EcoFund (NTEF).

**INTERNATIONAL REVENUE USE**

No use of the EU ETS auction revenue for international climate and energy purposes was reported.

**RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES**

The total domestic budget for climate and energy purposes was reported to be higher than the value of the auctioning revenues dedicated to such purposes. However, the auction revenue can be put in the context of the total budgets of the reported programmes/actions to which they were contributing. For example auctioning revenues contributed 12% of the total estimated value of the support provided for renewable energy (1bn EUR for 2013-2015). When compared to the total budget of the National Programme for Energy Efficiency (511mn EUR), auctioning revenues channelled to this programme (for 2014-2016) represented 11%. Finally, auctioning revenues contributed 85% of the total value of the energy efficiency projects (14mn EUR) implemented through the National Trust Eco Fund.

---

2. Under the scheme, the public supplier (National Electricity Company – NEK) is obliged to buy the electricity produced under feed-in tariffs. The NEK is then compensated through the support scheme which is sourced from: public service obligation, paid by all consumers per MWh, set by the independent regulator; revenues auctioning; revenues of the National Programme for Energy Efficiency in Buildings and the National Trust Eco Fund for projects related to increased energy efficiency of buildings.
3. It should be noted that it was reported that at the total budget of the National Programme for energy efficiency of residential buildings was 511,291,881 EUR (i.e. 1bn BGN) for the period 2014 – 2016. Annual data was not available. It was also reported that a total amount of 54,272,322 (106,147,000.436 BGN) were auctioning revenues received in the central budget account “SEBRA” and channelled to the National Programme for energy efficiency of residential buildings.
4. NTEF manages assets from the state budget, including under the Debt-for-Environment and the Debt-for-Nature swaps, funds generated via the Assigned Amount Units (AAUs) international trade deal(s), the sale of greenhouse gas emissions quotas for aviation activities, as well as funds, provided by other environmental protection agreements between the Republic of Bulgaria and international or local financing sources.
5. Source: Based on estimations made by the Ministry of Energy on the basis of total RES energy costs and the market value of RES energy.
6. Source: Data provided by the Ministry of Finance.
7. Source: Data provided by representatives from the National Trust Eco Fund.
Use of ETS auctioning revenues by EU Member States, December 2016

CYPRUS

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues generated (000 EUR)</td>
<td>4,079</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>3,697</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>91%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
Domestic use: 100%
International use: 0%

OVERVIEW

Cyprus used 3.7mn EUR of its auctioning revenues domestically for climate and energy purposes over the three year period, an average share of 90% of the total revenues generated. Revenues are used mainly by the Ministry of Agriculture, Rural Development and Environment, and since 2015 also by the Ministry of Energy, Commerce, Industry and Tourism for the renewable energy fund.

DOMESTIC REVENUE USE

The figures reported in the chart cover 2013 to 2015. The total amount disbursed for domestic purposes is 3.7mn EUR. The programmes aim at protecting and regenerating degraded forests from fires, improving agricultural productivity to adapt to the impacts of climate change, and research and development of renewable energies and energy efficiency.

Figure 1 Domestic use of auction revenues (000 EUR)

INTERNATIONAL REVENUE USE

Cyprus has not yet used its auctioning revenues for international purposes. By the end of 2016, Cyprus will however contribute 350,000 Euro from the auctioning revenues to the Green Climate Fund.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

Evidence suggests that auctioning revenues play an important role in Cyprus as the budget and financing sources for climate programmes and activities are limited. According to the interviewed contact point, without the auctioning revenues, most programmes would not be funded at the same level or would have to be delayed. In 2014, research work for the adaptation of agriculture to climate change received 87,000 EUR from auctioning revenues, contributing to 36% of the yearly budget of 242,000 EUR of the Agricultural Research Institute. In 2015, the Fund for Renewable Energy Sources and Energy Savings received 2mn EUR from the auctioning revenues, contributing to 72% of total yearly expenditure of 2.77mn EUR. Forestry programmes reported would likely not have been funded at all.

1 Including revenues carried-over from previous years.
2 Source: Cyprus’ Ministry of Agriculture, Rural Development and Environment.
CZECH REPUBLIC

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>80,686</td>
<td>55,709</td>
<td>111,494</td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>73,150</td>
<td>26,925</td>
<td>110,896</td>
</tr>
<tr>
<td>% share used for climate and energy</td>
<td>91%</td>
<td>48%</td>
<td>99%</td>
</tr>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>247,889 EUR</td>
<td>210,971 EUR</td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>92%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 100%
- International use: 0%

OVERVIEW

The Czech Republic used approximately 211 million EUR of auctioning revenue for climate and energy purposes over the three year period, an average share of 85% of total revenues generated. All the revenue channelled to climate and energy purposes was used domestically, with the majority going to the New Green Savings Program (NGSP), a financial support scheme with a focus on energy efficiency, which is almost entirely supported by the auctioning revenues.

DOMESTIC REVENUE USE

The revenue was used mainly to fund a range of energy efficiency and renewable energy programs. This included investment support to technology development centres as well as subsidies for renewable energies.

![Figure 1 Domestic use of auction revenues (000 EUR)](image)

The New Green Savings Program is designed to promote energy efficiency and energy saving measures carried out by households, focused on refurbishment of private dwellings (insulation), construction of new dwellings in low-energy or passive standard and utilization of low-emission or renewable sources of heating in households. The NGSP is the main national spending program that addresses energy efficiency and saving needs in households in the Czech Republic.

INTERNATIONAL REVENUE USE

No use of the EU ETS auction revenue for international climate and energy purposes was reported.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

There is a clear effort to ensure complementarity of the New Green Savings Program (and other programs supported by auction revenues) and ESI/ERDF funds in place in the Czech Republic. The ENERG Program is only focused on business sector energy efficiency measures in Prague (as Prague is a relatively wealthier region, businesses are not eligible for ESI funds). This is to complement other EU funding sources. As the auctioning revenues are the sole financing source of the New Green Savings Program, the interviewed contact point was of the view that the program could have been stopped or could eventually continue at a much smaller (rather insignificant) scale if auction revenues were not available as a revenue source.

---

1 EUR totals are based on the average annual exchange rate. The figures in national currency take precedence.
2 Used in this case is defined as ‘committed’ to the specific purpose.
TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>2,651,092 EUR</td>
<td>2,651,092 EUR</td>
<td>2,651,092 EUR</td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>2,651,092 EUR</td>
<td>2,651,092 EUR</td>
<td>2,651,092 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

OVERVIEW

Over 2013-2015 approximately 2,651mn EUR was generated from the auctioning of allowances in Germany. The auction revenues have to be used solely for purposes designated within the Federal Special Fund for Energy and Climate (EKF), for the coverage of administrative expenses of the management of the ETS scheme (DEHSt) and, if applicable, for a reserve. Coverage of the expenses of the management of the ETS scheme (DEHSt) is carried out outside the EKF fund. From 2015 onwards the fund had an annual budget of 3bn EUR covered by auction revenues and national budget contributions.²

DOMESTIC REVENUE USE WITHIN EKF FUND

Launched in 2010, the EKF fund provides finance for inter alia: research for renewable energies, energy storage and network technologies, energy efficiency, electromobility and electricity price compensation for energy-intensive industries. Figure 1 below shows the breakdown of the fund uses, based on annual budget figures 2013-2015.¹

KEY PROJECTS/PROGRAMMES/ACTIVITIES

- Support of measures for energetic renovation of buildings "CO2 building renovation programme" of KfW (353.6mn EUR; 2013-2015)
- Measures for technical development of electromobility – sustainable transport (481.7mn EUR; 2013-2015)
- Electricity price compensation for energy-intensive industries (237.3mn EUR; 2013-2015). For reporting purposes, this is included in domestic revenue use under ‘Other domestic/EU uses’.

INTERNATIONAL REVENUE USE

A total of approximately 195mn EUR was identified within the EKF fund that accorded with international use of the auction revenue. This includes expenditure under the headings International climate and environmental protection (188.6mn EUR over 2013-2015); International energy and resources partnerships, as well as technology cooperation (4.0mn EUR over 2013-2015) and Energy and Climate Foreign Policy (2.4mn EUR over 2013-2015).

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The EKF is one of the central financing instruments for Germany in the field of energy and climate. The importance of the fund is partly demonstrated by the fact that if the revenue from the auctioning of allowances doesn’t reach the needed amount for covering the costs of the programmes under the EKF, the fund is topped up by national budget.

¹ The Special Fund for Energy and Climate (EKF) includes a compensation payment to energy intensive companies to compensate for increases in energy prices due to emission trading (currently included under the category ‘Other domestic/EU uses’).
² https://www.bundesregierung.de/Webs/Breg/DE/Themen/Energiewende/EnergieErzeugen/energie_klimafonds/_node.html
³ The EKF is the sum of auction revenues and national budget contributions. The auction revenue use amount was therefore assigned to use categories on the basis of the EKF budget.
DENMARK

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>175,484</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>175,484</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 50%
- International use: 50%

OVERVIEW

Denmark generated 175mn EUR from auctioning of ETS allowances over the period 2013-2015, however, the revenues were not ‘earmarked’ for any specific purpose. Accordingly, in reporting on the use of auctioning revenues pursuant to Article 17 of the Monitoring Mechanism Regulation, Denmark has identified the two overall programmes which are in consonance with the purposes specified in Articles 3d and 10 of Directive 2003/87/EC. Denmark has reported the use of auctioning revenues for both domestic and international purposes.

DOMESTIC REVENUE USE

Denmark reported the use of all auctioning revenues channelled for domestic use in the period 2013-2015 for the funding of research and development and demonstration projects for reducing emissions [87mn EUR].

The EUDP is a public subsidy scheme which supports the development and demonstration of energy technologies that contribute to making Denmark independent of fossil fuels by 2050, increase security of supply and crating green growth and jobs. The EUPD supports the achievement of Danish targets for energy and climate.

INTERNATIONAL REVENUE USE

Denmark reported one programme under international revenue uses, namely the Danish Climate Fund. The Fund was established to assist developing countries implement emission reductions and adapt to climate change.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

Over the period 2013 - 2015, Denmark allocated to energy research 369mn EUR. Compared to the total budget, the amount of auctioning revenues reported to have been channelled to the EUDP was 24% over the whole period.

Over 2013 - 2015, Denmark allocated a total of 172mn EUR for the Danish Climate Fund. Compared to the total budget of the Fund, auctioning revenues reported to have been channelled to the fund amounted to 50% over the whole period.

---

1 Source: http://www.oes-cs.dk/olapdatabase/regnskab/index.cgi
ESTONIA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th>Total revenues generated (000 EUR)</th>
<th>46,801 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total used for climate and energy</td>
<td>22,112 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>47.2%</td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>18,074</td>
</tr>
<tr>
<td>2014</td>
<td>7,447</td>
</tr>
<tr>
<td>2015</td>
<td>21,280</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>9,037</td>
</tr>
<tr>
<td>2014</td>
<td>3,623</td>
</tr>
<tr>
<td>2015</td>
<td>9,452</td>
</tr>
<tr>
<td>% share</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>50%</td>
</tr>
<tr>
<td>2014</td>
<td>48.7%</td>
</tr>
<tr>
<td>2015</td>
<td>44.4%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
Domestic use: 94%
International use: 6%

OVERVIEW

Estonia used 22.1mn EUR of its auctioning revenues for climate and energy purposes over the three year period, an average share of 47% of total revenues generated. Most of the revenue used for climate and energy was spent domestically on energy efficiency and renewable energy development projects, with a few international projects also supported in 2014-2015.

DOMESTIC REVENUE USE

The total amount used by Estonia for domestic purposes is 20.7 mn EUR. The largest programmes support buildings renovation which improve energy efficiency and install renewable energy.

Figure 1 Domestic use of auction revenues (000 EUR)

<table>
<thead>
<tr>
<th>Energy efficiency</th>
<th>Renewable energy</th>
<th>R&amp;D: energy efficiency and clean technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.9% (5,161)</td>
<td>74.8% (15,485)</td>
<td>0.2% (42)</td>
</tr>
</tbody>
</table>

KEY PROJECTS/PROGRAMMES/ACTIVITIES

- Support for the renovation of apartment buildings [9mn EUR; 2013]
- Grant for promoting the use of renewable energy and modernisation of heating systems [3.2mn EUR; 2014]
- Support for promoting energy efficiency and the use of renewable energy in public sector buildings [8.4mn EUR; 2015]
- Support for the organization and top teams formed during the Garage48 GreenTech Tallinn 2015 hackathon [37,000 EUR; 2015]
- Support to the Climate Launchpad competition [5,000 EUR; 2015]

INTERNATIONAL REVENUE USE

Estonia channelled 1.4mn EUR of its auctioning revenues for international climate finance over 2014 and 2015. In 2014, 323,000 EUR were used to fund a UNEP project for climate change adaptation and community resilience in Afghanistan, and 100,000 EUR on a project involving the purchase of PV and development of emergency communication solutions in SIDS of the Pacific. In 2015, 800,000 EUR were channelled to the GCF and 200,000 EUR to support the ‘Let’s Do It! World’ international civil movement for waste clean-up.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

Although domestic projects would have likely been funded without the use of auction revenues, the revenues allowed for more projects to be funded, faster. As an example of the contribution share of revenues from total budget of programmes, revenues used for energy efficiency improvement in public buildings in 2015 corresponded to an estimated 16% of the 2015 State budget for such projects. In 2014-2015, auctioning revenues contributed to 79% of Estonia’s total international climate finance.

---

1 The Estonian State Budget Strategy foresees that 50% of the revenues must be used for climate and energy purposes.
2 Calculated based on a gross estimate that the annual Estonian State budget contribution to improvement of public buildings is about 40mn EUR and 2015 contribution of the revenues to energy efficiency was 6.3mn EUR. Source: Estonian Ministry of Environment.
**SPAIN**

### TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th>Total revenues generated (000 EUR)</th>
<th>1,165,731 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total used for climate and energy</td>
<td>1,104,117 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>95%</td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td><strong>2014</strong></td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>346</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>346</td>
</tr>
<tr>
<td>% share</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Revenue used for climate and energy purposes, of which:**
- Domestic use: 100%
- International use: 0%

### OVERVIEW

Spain generated 1,165mn EUR from auctioning of EU ETS allowances and used on average 95% of those revenues over the period 2013-2015. Domestic expenditure for energy and climate purposes was estimated to substantially exceed the amounts generated from auctioning revenues, but no estimates of the overall expenditure were available.

### DOMESTIC REVENUE USE

Auctioning revenues were reported to have been used for domestic purposes through actions and programmes implemented by the Ministry of Agriculture, Food and Environment and the Ministry of Industry, Energy and Tourism. According to Law 17/2012 on the General Budget of the State, 90% of the estimated revenues from the auctioning of GHG emission allowances, and up to a maximum of 450mn EUR, are used for financing the costs foreseen in the Electricity Sector Law related to the promotion of the renewable energy and 10% of the estimated revenues, and up to a maximum of 50mn EUR, is 'earmarked' to the climate change policy. This is reflected by Figure 1 which delineates the types of uses reported by Spain.

![Figure 1 Domestic use of auction revenues (000 EUR)](image)

#### KEY PROJECTS/PROGRAMMES/ACTIVITIES

Spain used the generated auctioning revenues for actions in:
- Support to energy from renewable resources [1bn EUR; 2013-2015]
- Water Resources Policy related to adaptation and mitigation of climate change [55mn EUR; 2013-2015]

A share of the auctioning revenues generated were used for actions targeted at mitigating climate change:

### INTERNATIONAL REVENUE USE

No international use of the revenue was reported in Spain. The decision was made on the basis of the legislation in place and the domestic focus on the reduction of greenhouse gas emissions.

### RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The contribution made by auctioning revenues to specific programmes and actions might be compared to the total budget of those programmes and actions. For example, the total budget for the PIMA programmes for 2015 amounted to 49,8mn EUR, whereas auctioning revenues channeled towards the PIMA programmes amounted to 27,4mn EUR (i.e. 55% of the total budget for 2015). For renewable energy, the estimated total budget for the period 2013-2015 was 17,25bn EUR in comparison to 1bn EUR from auctioning revenues for the same period.

---

1. The National Budget draws from estimations of auctioning revenues. That means that the value estimated as auctioning revenues can be different from the value of revenues that is finally created. Therefore, at the end of the year the budget can be higher or lower than the value of revenues really created. When a budget item is created and marked as auctioning revenues in the budget, it is not referred to the revenues of a specific year. Thus, it is not possible to detect if a budget item created in year X includes revenues from year X-1. The system only allows detecting if a budget item created in year X is disbursed in year X+1.
FINLAND

TOTAL REVENUES (2013-2015)

| Total revenues generated (000 EUR) | 224,230 EUR |
| Total used for climate and energy | 126,837 EUR |
| Total share used for climate and energy | 57% |

### 2013 | 2014 | 2015
--- | --- | ---
Annual revenues (000 EUR) | 66,970 | 63,495 | 93,764
Used for climate and energy | 1,960 | 31,112 | 93,764
% share | 3% | 49% | 100%

Revenue used for climate and energy purposes, of which:

- Domestic use: 74%
- International use: 26%

OVERVIEW

Finland generated 224mn EUR from auctioning EU ETS allowances over the period 2013-2015, however, **auction revenues were not ‘earmarked’ for any specific purpose**. The Ministry of the Environment is the responsible authority for MMR reporting and the information about the amount of auctioning revenues is provided by the Energy Authority, the auctioneer. The information concerning the use of auctioning revenues is derived from the government budget. Auctioning revenues were treated as any government revenue in the national budget, and thus reporting was done on the basis of the equivalent financial value of the revenues generated. Finland’s expenditure for *domestic* climate and energy purposes amounted to 761mn EUR over the period 2013-2015. According to Finland’s reporting under Article 16 of the MMR, *international* spending via multilateral and bilateral channels amounted to 323mn EUR over the period 2013-2015.

DOMESTIC REVENUE USE

In 2015, Finland reported expenditure equivalent to 100% of the financial value of generated auctioning revenues. Although no programmes/projects/activities were reported, it was clarified that the data reported for 2015 included only a fraction of government spending on renewable energy schemes (RES), such as a sliding premium for wind energy. The total amount allocated in the State budget for 2015 for the production of renewable energy was 214mn EUR.

INTERNATIONAL REVENUE USE

Although no programmes or projects were reported by Finland, it was indicated that in 2013-2014 revenues from auctioning of ETS allowances were channelled to Official Development Assistance activities, including climate finance. According to data reported on MMR Article 16, the total financial support utilised for climate-specific purposes through the ODA in 2013 and 2014 amounted to 207mn EUR.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The budgets for climate and energy both domestically and international climate finance (1bn EUR) exceed by far the auctioning revenues generated (224mn EUR). In 2013-2014, relative to the total amounts reported under Article 16 of the MMR (climate-specific ODA), auctioning revenues reported as used in the respective years represented 16%. In 2015, revenues were reported to have been directed towards the promotion of RES. As such, relative to the total budget for RES for 2015, auctioning revenues generated and spent in the respective year represented 43.8%.

---

1. In 2014, based on the plans made by the Ministry of Foreign Affairs, 49% of the allocation was transferred to the MFA in 2014 which was planned to target climate relevant activities.
2. It should be duly noted that Finland did not report any specific projects/programmes/activities in the initial report. However, in the follow-up questionnaire and interviews, it was reported that for 2013-2014 the revenues had been channelled to the ODA and, starting 2015, reporting was based on government spending on various renewable energy schemes.
3. However, Finland did report having channelled revenues for international purposes through ODA in 2014 and 2013 for domestic purposes (renewable energy) in 2015.
4. Data provided by the Ministry of Economic Affairs and Employment; It should be noted that the total figure includes only direct domestic finance for energy sector actions (e.g. renewables, energy efficiency, R&D, pilots projects and related initiatives). Finance flows for sector-specific actions e.g. in agriculture, forestry, transport etc. which are not included in this figure.
6. Source: Valtion talousarvion tilijäätelu 2015, Budget Number 32.60.44 (Uusiutuvan energian tuotantotuki (arviomääräraha)): http://www.valtiokonttori.fi/kasikirja/public/download.aspx?ID=909338&GUID=%7BC2050A64-9EE0-41E7-8AE3-06BC22983F66%7D
7. It should be noted that, revenues channelled to climate and reported via Article 16 might have not been used the same year (ODA budget has 3 year budget cycle).
FRANCE

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>219,247</td>
<td>215,345</td>
<td>312,116</td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>219,247</td>
<td>215,345</td>
<td>312,116</td>
</tr>
<tr>
<td>% share used for climate and energy</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 100%
- International use: 0%

OVERVIEW

France has generated approximately 746.7mn EUR from the auctioning of EU ETS allowances. France has each year between 2013 and 2015 channelled the entire sum of its auctioning revenues (100%) towards the “Habiter Mieux” programme run by the National Agency for Housing (ANAH), a financial support policy aimed at renovating and improving energy efficiency in low-income private housing.

DOMESTIC REVENUE USE

The total sum reported in the chart below covers 2013 to 2015. The amount corresponds to the full sum of France’s revenues allocated to subsidies for the renovation of private housing, or 746.7mn EUR.

Figure 1 Domestic use of auction revenues (000 EUR)

INTERNATIONAL REVENUE USE

No use of the EU ETS auction revenue for international climate and energy purposes was reported.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

Over the period 2013-2015, the auctioning revenues contributed 746.7mn EUR of the total budget of the ANAH’s “Habiter Mieux” programme of 1.9 billion EUR, or 39%. In 2016, the budget was set at 701mn EUR, of which 343.3mn EUR (49%) are expected to originate from the auctioning revenues.

According to the contact person from the Ministry for Sustainable Development, without the auctioning revenues as a financing source, the programme would likely continue but may have to be cut down. It is uncertain whether another source of financing could cover the gap.

---

1. http://www.anah.fr/
GREECE

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>473,866</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy (000 EUR)</td>
<td>436,396</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>92%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>147,638</td>
<td>131,069</td>
<td>195,159</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>142,530</td>
<td>116,669</td>
<td>177,197</td>
</tr>
<tr>
<td>% share</td>
<td>97%</td>
<td>89%</td>
<td>91%</td>
</tr>
</tbody>
</table>

Revenues used for climate and energy purposes, of which:
- Domestic use: 100%
- International use: 0%

OVERVIEW
Greece generated approximately 473mn EUR from the auctioning of allowances over the period 2013-2015, and used 436mn EUR for climate and energy purposes, a share of 92%. National legislation requires that the revenues go to a Renewable Energy Fund, which is designed to compensate producers of renewable energy in Greece. Reporting data is generated by the Greek electricity market operator (LAGIE).

DOMESTIC REVENUE USE
All the revenue reported as being used for climate and energy purposes was accounted for by the renewable energy fund. Over the reporting period, approximately 37mn EUR was allocated as a subsidy for energy intensive industrial plants (compensation for carbon leakage). However, this is not categorized as use for climate and energy purposes).

Figure 1 Domestic reporting of auction revenues (000 EUR)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation for producers of renewable electricity (436.4mn EUR; 2013-2015)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to energy intensive plants to compensate for carbon leakage (37.5mn EUR; 2013-2015, outside the scope of Article 10(3) of Directive 2003/87/EC)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INTERNATIONAL REVENUE USE
No use of the EU ETS auction revenue for international climate and energy purposes was reported.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES
The revenue from auctioning of EU ETS allowances is an important source of funding for the renewable energy fund. Each year there is a ministerial decision about the allocation of the revenues to the fund. e.g. for 2016, it is stipulated that 72% of auction revenues will go to this fund for renewable energy, while 32% will go to the energy efficiency and household building fund. The fund plays a key role in the area of renewable energy, as it is designed to compensate producers of renewable energy. Before the current arrangements, the revenue from the auctioning of allowances was used as a source for the feed-in tariff for renewable energy.

---

1. Law No.4062/2012 (Project HELIOS and Promotion of the Use of Energy from Renewable Sources - Transposition of Directive 2009/28/EC)
2. Article 40 of Law No. 2773/1999 (Law on the Liberalisation of the Energy Market)
4. Any revenue that is acquired through the auction of GHG emission rights constitutes revenue of the “Special Account for RES and CHP” with which the feed-in tariff is paid out (art.143 par.2d Law No.4001/2011). Renewable energy policy database and support – RES-LEGAL EUROPE, National profile Greece, Nov 2013
CROATIA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>Total revenues generated (000 EUR)</th>
<th>Total used for climate and energy</th>
<th>Total share used for climate and energy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>87,024 EUR</td>
<td>50,795 EUR</td>
<td>58%</td>
</tr>
<tr>
<td>2013</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2014</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2015</td>
<td>87,024 EUR</td>
<td>50,795 EUR</td>
<td>58%</td>
</tr>
</tbody>
</table>

**OVERVIEW**

Croatia began auctioning allowances in January 2015, so aggregated revenues in this year also included auctioning volumes from 2013 and 2014. Over this period a total of approximately 87mn EUR was generated from the auctioning of EU ETS allowances and approximately 51mn EUR was used for climate and energy purposes. The total amount of revenues from auctioning of allowances to be used for climate and energy purposes is channelled into the Environmental Protection and Energy Efficiency Fund. Established in 2003, this fund is designed to secure additional resources for the financing of projects in the field of environmental protection, and in the field of energy efficiency and renewable energy sources.

**DOMESTIC REVENUE USE**

The amount of domestic use of the auction revenue corresponds to reported disbursements from the fund (commitments not reported here). The largest share of the revenues (approximately 41mn EUR) was accounted for by expenditure on energy efficiency implementation in private and public buildings.

**KEY PROJECTS/PROGRAMMES/ACTIVITIES**

- Individual measurement of thermal energy consumption, encouraging integral energy renovation of family homes and other private and public buildings (41.5mn EUR; 2015)
- Financial incentives for energy efficient and environment friendly vehicles, promoting integrated transport (4.5mn EUR; 2015)
- Encouraging autonomous PV systems, solar thermal collectors, biomass boilers and geothermal pumps (1.6mn EUR; 2015)

**INTERNATIONAL REVENUE USE**

No use of the EU ETS auction revenue for international climate and energy purposes was reported over 2013-2015.

**RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES**

The Environmental Protection and Energy Efficiency Fund is established as an extra-budgetary fund, meaning that financial sources for the Fund’s operation are not secured from the state budget. Based on different kinds of environmental fees\(^1\), the annual income of the Fund is approximately 200mn EUR. In 2015, the Fund approved 127mn EUR for energy efficiency and renewables programmes, meaning that meaning that the reported disbursed revenue in 2015 represented approximately 39% of this total.\(^2\) The Fund plays a key role in implementation of Croatian energy efficiency policy (the Fund is obliged to provide co-financing of measures defined in the NEEAP).\(^3\)

---

\(^1\) e.g. fees for environmental emissions (SO2, NOx, greenhouse gasses), charges on burdening the environment with waste, special environmental charge for motor vehicles, etc. [http://www.fzoeu.hr/en/use_of_funds/sources_of_funding/](http://www.fzoeu.hr/en/use_of_funds/sources_of_funding/)


\(^3\) Ibid.
HUNGARY

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th>Total revenues generated (000 EUR)</th>
<th>189,134 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total used for climate and energy</td>
<td>63,239 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>33%</td>
</tr>
<tr>
<td>2013</td>
<td>49,365</td>
</tr>
<tr>
<td>2014</td>
<td>17,296</td>
</tr>
<tr>
<td>% share</td>
<td>35%</td>
</tr>
</tbody>
</table>

OVERSEVIEW

Hungary has generated 189.1 mn EUR from the auctioning of EU ETS allowances and used 63.2 mn EUR for climate and energy purposes over the three year period, an average of 36% of the revenues generated. The revenues from the auctioning of allowances is divided among the Central Budget the Ministry of National Development (MND) and the Ministry of National Economy (MNE). The MND and MNE can only use the proportion of revenues allocated to them on climate and energy-saving purposes.

DOMESTIC REVENUE USE

The total amount used in Hungary for domestic purposes is 60.2 mn EUR. The main programmes support buildings renovation which help improve energy efficiency, and sustainable transport. In 2013, Hungary transferred 17.3 mn EUR of its auctioning revenues into the central budget. A more specific allocation of these funds is not available.

INTERNATIONAL REVENUE USE

Hungary made one contribution to international climate finance in 2015 using auctioning revenues, when channelling 3.2 mn EUR towards the International Bank for Reconstruction and Development.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

In 2014-2015, auctioning revenues contributed to a large extent to programmes for energy efficiency in buildings. Where the central budget contributed 4.5 mn EUR for energy in buildings and energy efficiency, the auctioning revenues together contributed 29.1 mn EUR.

1 Although less than 50% of the revenues have so far been used for climate and energy purposes, Hungarian Regulations (e.g. Government decree 368/2011. (XII. 31.)) provides for the use of 50% of the revenues for such purposes.
3 Source: Hungary central budgets for 2014 and 2015.
IRELAND

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>119,336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>119,336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td></td>
<td>41,677</td>
<td>35,982</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td></td>
<td>41,677</td>
<td>35,982</td>
</tr>
<tr>
<td>% share</td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 72%
- International use: 28%

OVERVIEW

Approximately 119.3mn EUR was generated in Ireland from the auctioning of allowances over the period 2013-2015. Ireland does not earmark auction revenues for specific uses, including the auctioning revenues accruing from the operation of the European Union’s Emissions Trading Scheme in Ireland. Accordingly, in reporting on the use of auctioning revenues, Ireland identified a small number of programmes funded from the Exchequer which accord with the purposes specified in Articles 3d and 10 of Directive 2003/87/EC. These reported programmes are presented below.

DOMESTIC REVENUE USE

For the purposes of the reporting exercise a small number of domestic programmes were identified by Ireland over the period. Figure 1 is a summary of the main use categories of the reported programmes and activities.

KEY PROJECTS/PROGRAMMES/ACTIVITIES

- Afforestation Programme (49.0mn EUR; 2013, 2015)
- Better Energy Warmer Homes Programme (31.0mn EUR; 2013, 2015)
- Ocean Energy Programme (608,000 EUR; 2014)
- Administrative Expenses of Management of the ETS Scheme (3.6mn EUR; 2013-2015)

INTERNATIONAL REVENUE USE

In 2014, for the purposes of the reporting exercise, Ireland identified approximately 33.54mn EUR of disbursements to multilateral and bilateral climate activities. Multilateral payments identified included the Least Developed Countries Fund (900,000 EUR) and the UNFCCC Least Developed Countries Expert Group (100,000 EUR). In terms of bilateral climate funds, Ireland reported a variety of programmes and projects in the areas of agriculture, forestry, energy and other cross-cutting purposes (to a total of 32.54mn EUR).

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

As the auction revenues are not allocated for specific use in Ireland, it is not possible to assess the extent to which they contribute to specific programmes and projects. However, to put the auction revenues in context, the Department of Communications, Energy and Natural Resources (now the Department of Communications, Climate Action & Environment) reported 86.48mn EUR 2014 outturn and 75.85mn EUR 2015 outturn on energy purposes. Government expenditure on the Better Energy Schemes, which are funded through the Sustainable Energy Authority of Ireland, was 53.75mn in 2014\(^2\) and in 2015 €46 million was spent under the Better Energy Programme.\(^3\)

---

\(^1\) As Ireland do not earmark the auction revenues for specific use, 100% use of the revenues for climate and energy purposes is assumed.

\(^2\) Annual Report 2014, Department of Communications, Energy and Natural Resources

\(^3\) Annual Report 2015, Department of Communications, Energy and Natural Resources
ITALY

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues (000 EUR)</td>
<td>1,379,861</td>
<td>1,250,960</td>
<td>1,336,444</td>
</tr>
<tr>
<td>Total used for climate and energy (000 EUR)</td>
<td>422,166</td>
<td>427,871</td>
<td>408,567</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>30.6%</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 49%
- International use: 51%

OVERVIEW

Italy has generated 1,380mn EUR from the auctioning of EU ETS allowances. In 2013-2015, Italy has used 430mn EUR or 30% of its auctioning revenues generated between 2012-2014 for climate and energy purposes. As per Legislative Decree n. 30/2013, 50% of the revenues have been committed to be used for climate and energy purposes. Specifically, 30% of the 50% are committed to the Ministry of Economic Development, and 70% of the 50% to the Ministry for the Environment, Land and Sea.

DOMESTIC REVENUE USE

Italy reported the use of 173.9mn EUR of its revenues generated between 2012-2014 for domestic purposes. The majority of the programmes funded are for energy efficiency. Other programmes (e.g. mitigating landslide risks) were selected based on national priorities.

Figure 1 Domestic use of auction revenues (000 EUR)

- Energy efficiency: 46.5% (80,900)
- Climate adaptation: 25.4% (44,200)
- Fees for the management of the ETS: 25.9% (45,030)
- Sustainable transport: 2.2% (3,800)
- Other: 2.2% (3,800)

KEY PROJECTS/PROGRAMMES/ACTIVITIES

- Programmes for the implementation of the Energy Efficiency Directive [80.9mn EUR; 2015-2016]
- Mitigation of landslide risks in mountain communities in view of adapting to the effects of climate change [44.6mn EUR; 2015]
- Climate Adaptation [430,376 EUR; 2016]
- Assessment of the environmental effects of the actions of mobility management in urban areas [36,000 EUR; 2015]
- Sustainable transport [44.2mn EUR; 2016]

INTERNATIONAL REVENUE USE

Italy channelled 182mn EUR of its auctioning revenues for international climate finance. From this, Most of the revenues (127.9mn EUR) were used to fund international programmes under the UNEP and UNFCCC (GCF, SCCF, Development Fund, etc.) and international financial institutions (World Bank, Development Banks of Asia and of Africa, etc.). The other part (54.1mn EUR) was channelled bilaterally to the governments of developing countries for environmental protection and sustainable development, including climate change mitigation and adaptation.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The revenues provide significant added value for the programmes funded. As an example, the revenues contributed one third of the goal of the Italian Energy Efficiency Fund to reach of 150mn EUR by the end of 2016. The revenues are essential for financing international programmes and bilateral agreements with developing countries in the field of climate and energy sectors.

---

1 Specific allocation to projects is made a year after the revenues were generated (n+1), and reported in the year after that (n+2), therefore the revenues from 2015 will be used in from 2016 and reported in from 2017. Legislative Decree n. 30 of 13 March 2013 foresees that 50% of the revenues must be used for climate and energy purposes.
2 54.2mn EUR generated in 2013 are allocated for climate and energy purpose but are not formally committed to specific projects.
3 12.3mn EUR generated in 2014 are allocated for climate and energy purpose but are not formally committed to specific projects.
4 The revenues from auctioning of allowances in 2015 have not yet been allocated among competent administrations. The amount of 1.2mn EUR is the payment due to the competent authority responsible for the auctioning management system.
5 http://www.fitef.com/fondo-italiano-per-l-efficienza-energetica/
LITHUANIA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>65,732</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td></td>
<td>65,732</td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>19,978</td>
<td>17,340</td>
<td>28,414</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>19,978</td>
<td>17,340</td>
<td>28,414</td>
</tr>
<tr>
<td>% share</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 99%
- International use: 1%

OVERVIEW

Lithuania used 65.7mn EUR of auctioning revenue for climate and energy purposes over the three year period, an average share of 100% of total revenues generated. Almost all the revenue going to climate and energy purposes was channelled to the Climate Change Special Programme under which key projects in Lithuania were funded.

DOMESTIC REVENUE USE

The total amount used by Lithuania for domestic purposes is 62.1mn EUR. The largest programmes support public and private building renovations for energy efficiency gains and the installation of renewable energy technologies.

Figure 1 Domestic use of auction revenues (000 EUR)

INTERNATIONAL REVENUE USE

In 2015, Lithuania used 339,000 EUR from its auctioning revenues in contributions to the GCF (100,000 EUR) and to fund the development of the usage of renewable energy technologies in Moldova (biomass boilers and solar panels; 239,000 EUR).

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The revenues from the auctioning of ETS allowances have progressively replaced the revenues from the sale of AAUs, which were the funding source for some of the key programmes. Over 2013-2015, auctioning revenues have contributed to 66.7% of total disbursements from the Climate Change Special Programme. Schemes such as supporting owners of private housing in renovating their home and installing renewable energy technologies would likely not be funded were the revenues no longer available. Other schemes would more likely still be funded from the national budget, or from EU funds. In 2015, auctioning revenues contributed to 87% of Lithuania’s total international climate finance contributions.

1 The total amount of revenues used for domestic purposes is lower than total revenue reported as used as there can be project withdrawals or cancellations over time. All revenues reported as used for climate and energy were assigned to this purpose within the Climate Change Special Programme (national climate fund) and cannot be used for other purposes.

2 Source: Lithuania’s submissions under Article 16 of the MMR. Retrieved from: http://rod.eionet.europa.eu/obligations/704
LUXEMBOURG

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th>Total revenues generated (000 EUR)</th>
<th>16,984 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total used for climate and energy</td>
<td>8,920 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>53%</td>
</tr>
<tr>
<td>2013</td>
<td>4,985 EUR</td>
</tr>
<tr>
<td>2014</td>
<td>5,155 EUR</td>
</tr>
<tr>
<td>2015</td>
<td>6,844 EUR</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: -
- International use: -

OVERVIEW

Luxembourg has generated 17mn EUR from the auctioning of EU ETS allowances; however, the revenues are not ‘earmarked’ for any specific purpose. Luxembourg has not reported projects for which revenues contributed to. The sum of the generated revenues can be compared with Luxembourg’s budget and expenditure in the areas of climate and energy and for international climate finance.

Over the period 2013-2015, the Ministry of the Economy and the Ministry of Environment spent approximately 63mn EUR on domestic climate and energy-related programmes, including the subsidy scheme and the fund mentioned below (key projects/programmes/activities).¹ Under the subsidy scheme, financial support was provided to firms to meet EU environmental norms and legislation, to support investments in renewable energy, energy efficiency, and energy co-generation, and for environmental studies.² The Ministry of Environment’s Fund for the Protection of the Environment also has a specific objective for addressing atmospheric pollution, noise, climate change, the use of new energy sources and renewables.³

DOMESTIC REVENUE USE

Luxembourg has not reported domestic projects, programmes or activities to which the revenues may have contributed. However, example programmes are provided in the right-hand section.

KEY PROJECTS/PROGRAMMES/ACTIVITIES

- Subsidy scheme for the protection of the environment and the rational utilisation of natural resources [50mn EUR; 2013-2015]

INTERNATIONAL REVENUE USE

Although Luxembourg has not reported international projects, programmes or activities to which the revenues may have contributed, reports provided under Article 16 of the MMR indicate that in 2013-2015, contributions totaling 123.7mn EUR were made to multilateral finance institutions and programmes for climate mitigation and adaptation (including inter alia the GEF, the GCF), and for bilateral funding in developing countries.⁴

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The sum of the auctioning revenues reported as used between 2013-2015 correspond to approximately 14% of the expenditure from the Ministry of the Economy and Ministry of the Environment for the key programmes cited above.¹ The revenues used correspond to about 7% of total spending from Luxembourg for international climate finance over the period 2013-2015.

¹ Source: Activity reports 2013, 2014 and 2015 from the Ministry of the Economy.
² Loi du 18 février 2010 relative à un régime d’aides à la protection de l’environnement et à l’utilisation rationnelle des ressources naturelles.
LATVIA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>36,304</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>248</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>0.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
Domestic use: 100%
International use: 0%

OVERVIEW

The total revenue generated over the period 2013-2015 from the auctioning of EU emission allowances was approximately 36.3mn EUR. A small proportion of this amount (approximately 0.25mn EUR) was used to cover different administrative expenses related to climate change, including the management of the ETS scheme. However Latvia reports that almost all revenues generated from the auctions of allowances since November 2012 have not yet been used and have been carried over to subsequent years. According to national legislation 100% of auctioning revenues shall be used for tackling climate change and adaptation to climate change.

DOMESTIC REVENUE USE

A new financial instrument called the Emission Allowances Auctioning Instrument (EAAI or Latvian abbreviation EKII), which is funded directly from EUA/EUAA auction revenues, was developed over this period. The EAAI is aimed at tackling global climate change, supporting adaptation to the consequences of climate change and reducing greenhouse gas (GHG) emissions in accordance with national legislation on pollution.

In 2016 the first two open project tenders were launched. These included "Reduction of greenhouse gas emissions in protected architectural monuments of national significance " (9mn EUR) and "Reduction of Greenhouse gas emissions - Low Energy Consumption Buildings" (23mn EUR). These amounts are planned to be disbursed in 2016-2019.

INTERNATIONAL REVENUE USE

No use of the EU ETS auction revenue for international climate and energy purposes was reported over 2013-2015.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

EAAI is the national instrument, which focuses on achievement of climate policy objectives. The cooperation of EAAI is to be based on four pillars: i) Support for investment projects; ii) Support for technology and process development; iii) Support for initiative projects; iv) Administrative expenses, including public awareness and educational activities. To put the auction revenues generated in context, one report identified approximately 27.8mn EUR of public funding for energy efficiency in 2014.

---

1 It should be noted that a financial instrument aimed at reducing GHG emissions was being developed over the reporting period and became active in 2016. This new national financial instrument is financed by auction revenues (accumulated from 2012).
2 Exchange rate used 1 EUR=0.702804LVL domestic currency Latvian Lats. The reported figures in national currency take precedence.
MALTA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>14,565</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>20,563</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% share</td>
<td></td>
<td></td>
<td>141%</td>
</tr>
<tr>
<td>Annual revenues</td>
<td>4,466</td>
<td>3,915</td>
<td>6,185</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>2,870</td>
<td>5,686</td>
<td>12,007</td>
</tr>
<tr>
<td>% share</td>
<td>64%</td>
<td>145%</td>
<td>194%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 100%
- International use: 0.3%

OVERVIEW

Malta generated 14.6mn EUR from the auctioning of EU ETS allowances over the period. Although the revenues are not ‘earmarked’ for any specific purpose, all domestic climate and energy programmes and spending financed by the Maltese National Consolidated Fund1 and within the scope of Article 10(3) of Directive 2003/87/EC have been reported. Over the years 2013 to 2015, the budget for these programmes has exceeded the sum of generated auctioning revenues by 41%, therefore a use of 100% of the revenues may be assumed.

DOMESTIC REVENUE USE

All climate and energy programmes financed by the Maltese National Consolidated Fund are summarised in the chart below and in the right-hand section. Main schemes support the installation of renewable energies and improvement of energy efficiency in buildings via subsidies and grants.

Figure 1 Domestic reporting of auction revenues (000 EUR)

INTERNATIONAL REVENUE USE

Malta reported a contribution of 50,000 EUR to the GCF in 2015. Malta’s reports provided under Article 16 of the MMR indicate that contributions totalling 270,675 EUR over the period 2013-20152 were made to the UNDP, UNFCCC and bilaterally to developing countries.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

Auctioning revenues generated make up about 71% of total spending for climate and energy purposes originating from the Maltese National Consolidated Fund. Although the revenues are not earmarked for any specific purpose, Malta reported that the absence of revenues from auctioning of allowances would likely imply a reduction of funding of the domestic programmes reported. In 2013-2015, reported spending for international climate finance (50,000 EUR) corresponded to 18% of total international climate finance spending, or 31% of total international climate finance spending in the year it was spent (2015).

---

1 The Consolidated Fund receives all government proceeds.
2 https://www.wasteservmalta.com/
3 Including the abovementioned contribution to the GCF.
NETHERLANDS

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>452,588</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy (000 EUR)</td>
<td>452,588</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>134,237</td>
<td>131,101</td>
<td>187,250</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>134,237</td>
<td>131,101</td>
<td>187,250</td>
</tr>
<tr>
<td>% share</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: -
- International use: -

OVERVIEW

The Netherlands generated approximately 452.6mn EUR from the auctioning of EU ETS allowances over 2013-2015; however, the revenues are not ‘earmarked’ for any specific purpose. The sum of the generated revenues can be compared with Dutch budgets and expenditure in the areas of climate and energy. Domestically over the period 2013-2015, the Dutch Ministry of Economic Affairs and the Ministry of Infrastructure and Environment budgeted 3.5bn EUR for key subsidy programmes for climate and energy purposes. These include financial support schemes for renewable energy, energy efficiency, sustainable heating, carbon capture and storage, energy innovation, and sustainable transport.

DOMESTIC REVENUE USE

The Netherlands have not reported domestic projects, programmes or activities to which the revenues may have contributed. Examples are provided in the right-hand section.

KEY PROJECTS/PROGRAMMES/ACTIVITIES

Although the Netherlands have not reported programmes, budgets for main 2013-2015 subsidy schemes from the Ministry of Economic Affairs:
- Promotion of sustainable energy production [3.3bn EUR]
- Sustainable heating for existing homes [13mn EUR]
- Carbon Capture Storage [121mn EUR]
- Energy innovation [59mn EUR]
- Subsidies for solar panels [30mn EUR]
- Electric driving [7mn EUR]

Budget for 2013-2015 subsidy schemes from the Ministry of Infrastructure and Environment:
- Climate subsidies [11.6mn EUR]

INTERNATIONAL REVENUE USE

Although the Netherlands have not reported international projects, programmes or activities to which auction revenues may have contributed, Dutch reports provided under Article 16 of the MMR indicate that in 2013-2014, contributions totaling 657.8mn EUR were made to multilateral finance institutions and programmes (including inter alia the GEF, the LDC Fund; UNDP, UNEP and FAO programmes), and for bilateral funding in developing countries.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The budgets for climate and energy both domestically and international climate finance largely exceed the sum of the revenues generated from auctioning of allowances. Generated revenues correspond to approximately 13% of the budgets of the Ministry of Economic Affairs and of the Ministry of Infrastructure and Environment for climate and energy subsidies. In 2013-2014, the revenues generated corresponded to about 40% of spending for international climate finance.

---

1 http://www.rijksbegroting.nl/2013/voorbereiding/begroting,kst173862_25.html
2 http://www.rijksbegroting.nl/2013/voorbereiding/begroting,kst173855_43.html
3 The Article 16 report of the MMR presenting data on international climate contributions by the Netherlands in 2015 is not publicly available.

POLAND

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues (000 EUR)</td>
<td>244,021</td>
<td>78,009</td>
<td>132,823</td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>128,677</td>
<td>39,024</td>
<td>68,518</td>
</tr>
<tr>
<td>% share</td>
<td>53%</td>
<td>50%</td>
<td>52%</td>
</tr>
</tbody>
</table>

OVERVIEW

Poland has generated 454mn EUR from auctioning EU ETS allowances over the period 2013-2015, but revenues were not ‘earmarked’ for any specific use. Over the period 2013-2015, Poland reported the equivalent value of 50% of the revenues generated as used for domestic purposes. The amount of generated revenues can be compared with Poland's expenditure in the areas of climate and energy for domestic purposes. On a domestic level, over the period 2013-2015, Poland's expenditure for climate and energy purposes was estimated to be higher than the amount generated from auctioning revenues, but no concrete estimates were available.

DOMESTIC REVENUE USE

Poland did not earmark the use of auctioning revenues. However, projects, programmes and funds having the equivalent value of 52% (average for the three year period) of the total generated revenues to which auctioning revenues could have contributed were reported for different types of uses.

KEY PROJECTS/PROGRAMMES/ACTIVITIES

Poland reported 481 representative programmes and projects to which the auction revenues could have contributed. Amongst the programmes reported are:
- The Green Investment Scheme – GIS [55mn EUR; 2013]
- Projects for renewable energy sources [33mn EUR; 2013]

The Green Investment Scheme (GIS) guarantees the "greening" of financial resources generated from the sale of AAUs, creating an institutional structure to ensure the effective management of the scheme and that funds are used for purposes directly or indirectly related to climate protection. The GIS is implemented under the National Fund for Environmental Protection and Water Management (NFEP&WM).

INTERNATIONAL REVENUE USE

No use of EU ETS auction revenues for international climate and energy purposes was reported.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

Poland’s expenditure for climate and energy purposes is higher than the amount generated from auctioning revenues. In Poland, an important source of funding environmental protection and energy efficiency measures is the National Fund for Environmental Protection and Water Management. To put the auction revenues in context, in 2013 and 2014, the Fund concluded contracts for financing projects spending approximately 12bn EUR\(^1\) of its own funds for climate programmes and projects.

PORTUGAL

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>239,087</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy (000 EUR)</td>
<td>220,111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>92%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>72,782</td>
<td>67,095</td>
<td>99,210</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>71,402</td>
<td>65,010</td>
<td>83,699</td>
</tr>
<tr>
<td>% share</td>
<td>98%</td>
<td>97%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 96%
- International use: 4%

OVERVIEW

Portugal generated approximately 239mn EUR from the auctioning of allowances over the period 2013-2015, and used approximately 220mn EUR for climate and energy purposes, a share of 92%. All auctioning revenues are channeled to the Portuguese Carbon Fund, which supports activities under categories including mitigation, adaptation and risk management, research and development, cooperation and internationalization, communication and awareness-raising and development and implementation measures of national climate policy and the carbon market. Support for renewable energy accounts for the largest share of auction revenue use.

DOMESTIC REVENUE USE

All domestic use reported was activity of the Portuguese Carbon Fund. Support for renewables accounted for the largest share of domestic revenue use (offsetting part of the extra generation from renewable energy sources up to 100% of the extra cost).

Figure 1 Domestic use of auction revenues (000 EUR)

INTERNATIONAL REVENUE USE

Support to Portuguese speaking developing countries under the Fast Start programme is earmarked from auction revenues. Portugal reported approximately 8.8mn EUR of auction revenue use for bilateral purposes over the period 2013-2015. This went primarily to energy, water and sanitation projects in countries such as Cabo Verde, Moçambique and São Tomé e Principe. Examples of energy projects (which together accounted for approximately 5.5mn EUR) include Installation of photovoltaic systems in 50 villages (Moçambique) or National Energy Plan for Forest Biomass (Angola).

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

Auction revenues are a key source of funding for the Portuguese Carbon Fund, typically funding between 70-85% of the total yearly budget of the fund.1 There is no direct transfer of the state budget to the Carbon Fund (since 2009). In the national context, the Strategic Framework for Climate Policy 2030 highlights the role of the Portuguese Carbon Fund as a privileged instrument for the implementation of climate policies2. The Fund therefore has a strong focus on tackling climate change, and has allowed Portugal to initiate a very diverse climate programme, for example facilitating the development of a climate component of the development cooperation programme.

---

1 Source: interview with Climate Change Department, Portuguese Environment Agency
ROMANIA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated</td>
<td>415,844</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(000 EUR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>201,377</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(000 EUR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>48%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>122,736</td>
<td>97,891</td>
<td>195,216</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>91,172</td>
<td>67,693</td>
<td>42,511</td>
</tr>
<tr>
<td>% share</td>
<td>74%</td>
<td>69%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Revenue used for climate and energy purposes, of which:
- Domestic use: 100%
- International use: 0%

OVERVIEW

Romania generated approximately 415mn EUR over the period 2013-2015 and used on average 48% of the generated amount for climate and energy purposes. The revenues were used solely for domestic purposes. The amount of revenues used for climate and energy purposes can be compared to the total expenditure of Romania for climate and energy purposes. At national level, domestic expenditure for climate and energy was estimated to exceed the amounts from auctioning revenues but no concrete estimates were available.

DOMESTIC REVENUE USE

The legislative act regulating the use of auctioning revenues is the Government Emergency Ordinance no. 115/2011 which stipulates that auctioning revenues are to be channeled to support projects and programmes which have the result of reducing greenhouse gas emissions.

Over the period 2013-2015, Romania used auctioning revenues primarily for projects and activities aimed at encouraging a shift to low-emission and public forms of transport and to a lesser extent for financing afforestation activities.

KEY PROJECTS/PROGRAMMES/ACTIVITIES

- Projects to support the development of subway lines [108mn EUR; 2013-2015]
- Implementation of a system to encourage bicycle transport in Bucharest [9mn EUR; 2014]
- Afforestation works [7mn EUR, 2013]

Additionally, Romania reported use of auctioning revenues for the:
- Procurement of vehicles to encourage a shift to public forms of transport [74mn EUR; 2013-2015]

INTERNATIONAL REVENUE USE

Romania did not use revenues generated from auctioning of ETS allowances for international purposes. The revenues have been channelled only for domestic use.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

The amount of auctioning revenues spent on different projects can be compared to the total budget of the projects or actions in order to estimate the relative importance of auctioning revenues.

For example, compared to the total budget of the projects to support the development of subway lines (2bn EUR), auctioning revenues represented 5%. Auctioning revenues also constituted 66% of the value of the project for the Implementation of a system to encourage bicycle transport in Bucharest (15mn EUR).

---

1 It should be duly noted that the estimate relies on own calculations. The subway projects for which the use of auctioning revenues had been reported were identified in Annual Reports from the Ministry of Transport. The total budget reported for those projects was aggregated in order to reach an estimate of the total budget allocated. Sources: Annual Report 2013, 2014, 2015 of the Ministry of Transport – Subway extension projects: Subway Lines 4, 5 and 6.
SWEDEN

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th>Total revenues generated (000 EUR)</th>
<th>121,719 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total used for climate and energy</td>
<td>85,106 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>70%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual revenues (000 EUR)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used for climate and energy</td>
<td>35,700</td>
<td>33,598</td>
<td>52,421</td>
</tr>
<tr>
<td>% share</td>
<td>100%</td>
<td>56%</td>
<td>58%</td>
</tr>
</tbody>
</table>

OVERVIEW

Sweden generated 122mn EUR from the auctioning of EU ETS allowances; however, the revenues are not ‘earmarked’ for any specific purpose. However, to provide some context to the auction revenue figures, on a domestic level, over the period 2013-2015, Sweden spent 107mn EUR for climate and energy purposes (including energy efficiency, renewable energy, promoting research innovation and commercialization for sustainable energy products and services). According to Sweden's reporting under Article 16 of the MMR, international spending via bilateral and multilateral channels amounted to 884mn EUR over the period 2013-2015.

DOMESTIC REVENUE USE

For domestic purposes, the total budget of the programmes, projects and activities reported can be put in perspective to understand what contribution auctioning revenues could have made (see figure).

INTERNATIONAL REVENUE USE

Sweden reported auctioning revenues for international purposes through multilateral channels in 2014 and 2015. In 2014 and 2015, Sweden reported that auctioning revenues complemented the national budget for the Green Climate Fund under the UNFCCC and the Nordic Development Fund. The total budget for the Green Climate Fund under UNFCCC in 2014 was 1mn EUR, respectively 32.9mn EUR in 2015. The total budget for the Nordic Development Fund for 2015 was 6.5mn EUR.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

When compared to the total spending data found in official sources for domestic and international climate and energy purposes over the period 2014-2015 (991mn EUR), the auctioning revenues generated in Sweden amounts to approximately 12% of the expenditure. Evidence collected suggests that the reported programmes and activities (both domestic and international) had been funded even before auctioning revenues were available and would continue to be funded even if a reduction or discontinuation of auctioning revenues were to occur.


SLOVENIA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th>Revenue used for climate and energy purposes, of which:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic use: 100%</td>
</tr>
<tr>
<td>International use: 0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL REVENUES (2013-2015)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues generated (000 EUR)</td>
<td>58,802 EUR</td>
</tr>
<tr>
<td>Total used for climate and energy</td>
<td>41,631 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>71%</td>
</tr>
<tr>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td>17,739</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td>8,889</td>
</tr>
<tr>
<td>% share</td>
<td>50%</td>
</tr>
</tbody>
</table>

OVERVIEW

Over the period 2013-2015 a total of approximately 59mn EUR was generated from the auctioning of EU ETS allowances and approximately 42mn EUR was used for climate and energy purposes, an average share of 71%. All revenues reported within the scope of the EU ETS Directive were used for domestic climate and energy purposes.

DOMESTIC REVENUE USE

Reported domestic uses of auction revenues includes both committed and disbursed sums. Over 45% of the revenues reported as used for climate and energy purposes (2013-15) were used to support energy efficiency measures in buildings, while the rest was allocated to sustainable energy and renewable transport. 58,000 EUR was used to cover the administrative expenses of the ETS scheme.

Figure 1 Domestic use of auction revenues (000 EUR)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency</td>
<td>7,279</td>
<td>13,600</td>
<td>13,600</td>
</tr>
<tr>
<td>Sustainable transport</td>
<td>13,600</td>
<td>13,600</td>
<td>13,600</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>8,275</td>
<td>8,321</td>
<td>24,421</td>
</tr>
<tr>
<td>Administrative fees of programmes (incl. ETS)</td>
<td>13,600</td>
<td>13,600</td>
<td>13,600</td>
</tr>
</tbody>
</table>

INTERNATIONAL REVENUE USE

No use of the EU ETS auction revenue for international climate and energy purposes was reported over 2013-2015.

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

To put the revenues from the auctioning of ETS allowances into context, the total assets of an important environmental development fund (Eco Fund or Eko Sklad) were 246.2 million EUR (Dec 2015).1 The Eco Fund’s purpose is to promote development in the field of environmental protection, and is the only specialised institution in Slovenia that provides financial support for environmental projects. For example a call in 2013 made 24mn EUR available to legal entities for investments in environmental protection (including energy efficiency).2 The Eco Fund provides both loans and grants to legal entities, individuals and municipalities in areas such as in environmental infrastructure, environmentally sound technologies and products, energy efficiency, energy saving investments, and use of renewable energy sources, as well as investments in electric cars and buses for public transport on compressed natural gas or biogas.3

---

1 [https://www.ekosklad.si/o-eko-skladu/osnovni-podatki](https://www.ekosklad.si/o-eko-skladu/osnovni-podatki)
3 [https://www.ekosklad.si/information-in-english](https://www.ekosklad.si/information-in-english)
SLOVAKIA

TOTAL REVENUES (2013-2015)

<table>
<thead>
<tr>
<th>Total revenues generated (000 EUR)</th>
<th>203,847 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total used for climate and energy</td>
<td>30,157 EUR</td>
</tr>
<tr>
<td>Total share used for climate and energy</td>
<td>14.8%</td>
</tr>
<tr>
<td>Annual revenues (000 EUR)</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>61,703</td>
</tr>
<tr>
<td>2014</td>
<td>57,635</td>
</tr>
<tr>
<td>2015</td>
<td>84,509</td>
</tr>
<tr>
<td>Used for climate and energy</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>62</td>
</tr>
<tr>
<td>2014</td>
<td>15,010</td>
</tr>
<tr>
<td>2015</td>
<td>15,085</td>
</tr>
<tr>
<td>% share</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>0.1%</td>
</tr>
<tr>
<td>2014</td>
<td>26%</td>
</tr>
<tr>
<td>2015</td>
<td>18%</td>
</tr>
</tbody>
</table>

OVERVIEW

Slovakia used 30.2mn EUR of its auctioning revenues for climate and energy purposes over the three year period, an average share of 14.8% of total revenues generated.\(^1\) All the revenue used for climate and energy purposes was spent domestically, with the majority going to a programme for energy efficiency in public buildings (e.g. city halls, schools). The remainder of the revenues are ‘earmarked’ for domestic uses which include the reduction of the risk of carbon leakage (30%) and projects with measurable and achievable greenhouse gas emission reductions (30%) under the State Aid Scheme, support activities to achieve the objectives of the State Environmental Policy (20%), and de minimis projects (20%).\(^1\)

DOMESTIC REVENUE USE

Almost all revenue uses have so far supported energy efficiency in public buildings through the Environmental Fund, amounting to about 30mn EUR and contributing to about 250 projects in 2014-2015 (schools, kindergartens, town halls, etc.).

Figure 1 Domestic use of auction revenues (000 EUR)

INTERNATIONAL REVENUE USE

No use of the EU ETS auction revenue for international climate and energy purposes was reported. Slovakian legislation does not currently foresee the use of auctioning revenues for international purposes.\(^\)\(^3\)

RELATIVE IMPORTANCE/ADDED VALUE OF THE AUCTIONING REVENUES

A programme similar to the one reported ended in 2013 and was funded by European Structural Investment Funds and the EBRD.\(^4\) With the new programme, about 95% of eligible costs for energy efficiency improvements in public buildings selected for funding are covered by auctioning revenues, while the rest originates from other public finances (municipalities, schools, etc.). While the auctioning revenues make an important contribution to the programme, another source of funding would have to be found if these did were not available in order to fulfil the objectives of the Energy Efficiency Directive.

---

1. Although less than 50% of the revenues have so far been used for climate and energy purposes, Act No. 414/2012 Coll. on emission trading provides for the use of 100% of the revenues for such purposes.
2. As set in Act No. 414/2012 Coll. on emission trading.
3. Neither under Act No. 414/2012 Coll. on emission trading nor under Decree No. 10/2013 Coll. on use of auctioning revenues.
**UNited Kingdom**

### Total Revenues (2013-2015)

| Total revenues generated (000 EUR) | 1,473,122 EUR |
| Total used for climate and energy | 1,473,122 EUR |
| Total share used for climate and energy | 100% |
| 2013 | 2014 | 2015 |
| Annual revenues (000 EUR) | 485,361 | 401,504 | 586,257 |
| Used for climate and energy | 485,361 | 401,504 | 586,257 |
| % share | 100% | 100% | 100% |

**OVERVIEW**

Approximately 1,473mn EUR was generated from the auctioning of allowances over the period 2013-2015. The UK **does not earmark auction revenues for specific uses**, and therefore reported spending on programmes equivalent to 100% of the financial value of auction revenues for each of the years 2013-2015. The data submitted only includes domestic spend and a proportion of international spend by the Department of Energy and Climate Change (DECC). The UK clarified that total UK yearly spending on the purposes specified under Article 10 (3) of the EU Emission Trading Directive 2003/87/EC is higher than the equivalent financial value of auction revenues in each of the reporting years.

**Domestic Revenue Use**

For the purposes of the reporting exercise a number of flagship climate and energy programmes were identified by the UK over the period. Figure 1 is a summary of the main use categories of the reported programmes and activities.

**Key Projects/Programmes/Activities**

- Renewable Heat Incentive (694.4mn EUR; 2013-2015)
- Carbon Capture and Storage (110.9mn EUR; 2013-2015)
- Green Deal scheme for making energy-saving improvements (50.1mn EUR; 2013)
- Coverage of administrative expenses of the management of the ETS scheme (2.2mn EUR; 2013-2015)

**International Revenue Use**

For the purposes of the reporting exercise, the UK reported a total of approximately 275mn EUR of disbursements to the Climate Investment Funds (CIFs) - Clean Technology Fund (CTF) over 2013-2015. The CIFs are a set of World Bank managed trust funds implemented through 5 multilateral development banks and funded by a group of 14 donors, including the UK. The CTF focuses on energy access and creating opportunities for economic development through the use of renewable energy.

**Relative Importance/Added Value of the Auctioning Revenues**

As the auction revenues are not allocated for specific use in the UK, it is not possible to assess the extent to which they contribute to specific programmes and projects. However, it is an important source of revenue. To put the auction revenues in context, in 2013-14 DECC core department expenditure on a range of climate and energy schemes was approximately 849mn EUR (721mn GBP), 1,255mn EUR (1,012mn GBP) in 2014-15 and 1,407mn EUR (1,021mn GBP) in 2015-16. The UK clarified that decisions on expenditure are not directly dependent on income raised from auctioning of allowances.

---

1. As the UK do not earmark the auction revenues for specific use, 100% use of the revenues for climate and energy purposes is assumed.
2. EUR totals are based on the average annual exchange rate. The figures in national currency take precedence.