

Global Energy Budget Scheme

The global energy budget scheme is an economic tool to decrease resource use and by that address climate change and biodiversity loss on one hand, and to increase global equity on the other hand. It achieves these aims by effective economic incentives realised in the form of international and national financial transfers.

It contributes to the implementation of several Sustainable Development Goals, such as on energy, climate change, inequality, economic growth and sustainable consumption and production.

It builds on **energy entitlements** that are allocated among countries on international level and among households and public and private organisations on national level covering high-carbon energy use. Underconsumers can sell their unused entitlements for 'quota money'. Consumers who use above the average can buy entitlements from underconsumers through a management body.

...common but differentiated responsibility can be guaranteed through the global allocation of entitlements

...deep decarbonization is achieved in a global framework

...private funding is mobilised for decreasing environmental pressures and reducing inequality

The **Transition Fund** provides interest free loans for investment in energy efficiency and low carbon, modern energy services for everyone, both energy producers and consumers. It also supports research and innovation in pursuit of new technologies. The payback period is adjusted to the energy savings or income generation and can be also paid in 'quota money'. The scheme can be broadened to other types of green, e.g. biodiversity friendly products and services as well.

...underpins research, development and diffusion of new technologies

...helps escape from energy poverty

...prevents risky household debts in introducing modern energy services

The 'quota money' can be also exchanged for products and services in the **secondary market for socially and environmentally sound goods and services**. This would be a market open only to producers and service providers achieving certification on environmental and ethical criteria.

...boosts green growth

...transforms consumption and production patterns

...facilitates decent employment through the applied ethical standards

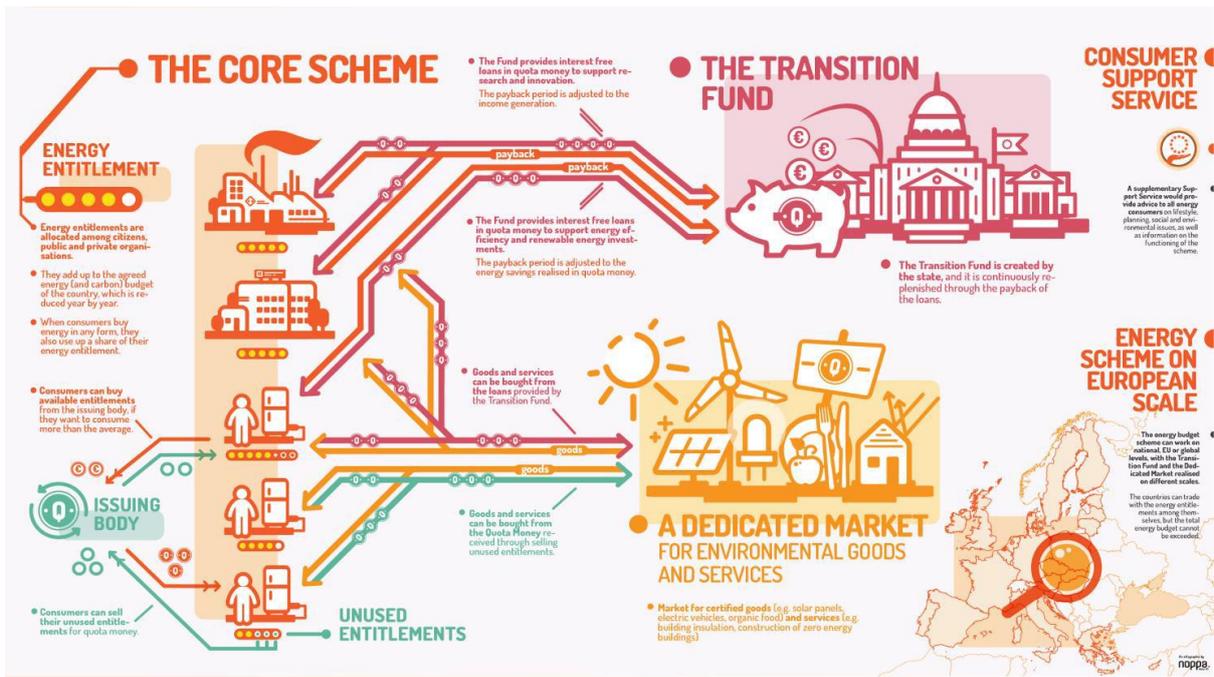


Figure 1. The Energy Budget Scheme (See the full [infographic](#))