



European Dialogue on the Energy & Climate Challenge
IDDDRI/CEPS/FEEM

Third meeting, 25-26th October 2010

**“Current challenges for the EU climate policy.
A new vision for 2020”**

International Centre for Climate Governance
Island of San Giorgio Maggiore, Venice

Monday, 25th October 2010

14:30 – 15:15 Registration and welcome coffee

15:15 – 15:30 Welcome and Introduction

Carlo Carraro, Chairman, Scientific Advisory Board of Fondazione Eni Enrico Mattei and President, University of Venice

Laurence Tubiana, Director, IDDDRI

Christian Egenhofer, Senior Research Fellow, CEPS

15:30 – 17:00 Session 1. Does the EU need a new international climate change narrative?

As a staunch supporter of multilateralism, the EU has aimed at a comprehensive legally binding global agreement. It has unilaterally implemented domestic climate policies supporting such an agreement and lead or assisted (e.g. opening carbon markets to CDM or REDD, finance etc.) international efforts to find an equitable agreement. This has been described as ‘directional leadership’. After Copenhagen a ‘comprehensive legally binding’ agreement seems far way if at all possible, leaving the EU struggling with finding a new international narrative (and strategy), which brings the EU back or at least closer to the centre of the international negotiations.

At the same time it faces the EU with a number of hard questions. This includes for example the ‘degree of comprehensiveness’ (e.g. what should be agreed internationally and what can be settled nationally?) or the nature and meaning of ‘legally binding’ (e.g. legally binding under domestic or international law, safeguards, verification etc.), in particular for the time other developed countries, like the USA, are not ready to take on commitments similar and comparable to what the EU is calling upon.

Assuming that a global agreement – whatever the degree of comprehensiveness and the nature of legally binding are – is still possible, the EU faces the question on how it can assist making such an agreement happen.

This includes issues such as:

- i) the role of the EU in international negotiations in Cancun and beyond as well as questions on the responsibilities of so-called parallel processes (e.g. MEF, G8, G20 etc.) including implications of the newly to be created EU External Action Service (EEAS),
- ii) the leverage of the newly centralised EU development policy,
- iii) or issue linkages of climate change with foreign and security policy (“securisation”), trade (e.g. border measures), technology (e.g. technology co-operation) and of course finance, including access to carbon markets and adaptation.

Obviously, the international narrative needs to be consistent with the national one, a topic that will be discussed on the second day.

Chair: **Laurence Tubiana**, Director, IDDRI

Presentation of key points of discussion

Carlo Carraro, Chairman, Scientific Advisory Board of Fondazione Eni Enrico Mattei and President, University of Venice

Christian Egenhofer, Senior Research Fellow, CEPS

Commentators

Benito Mueller, Director of Climate Change, Oxford Institute for Energy Studies

Jean-Paul Bouttes, Director of Strategy, EDF

17:00 – 17:30 Coffee Break

17:30 – 19:00 Session 1 resumes

20:00 Social Dinner

Tuesday, 26th October 2010

09:00 – 09:30 Welcome: Brief summary of the first day

Laurence Tubiana, Director, IDDR

Christian Egenhofer, Senior Research Fellow, CEPS

09:30 – 11:00 Session 2. What new EU climate change vision?

Following a request by EU Dialogue participants in Warsaw, this session will discuss the elements of a new EU climate change 'vision' post Copenhagen and post-economic crisis. The lack of immediate prospects for a 'comprehensive legally binding global agreement' combined with substantial GHG emissions reductions caused by the economic crisis, have challenged the EU's current climate change policy. This comes on top as well as a deteriorated economic and political climate in the EU.

As a result, technology has moved up to the top of the agenda. Following Copenhagen, countries have agreed on voluntary measures in a wide range of fields, which generally are seen as beneficial to local pollution, energy and resource security as well as the development of new and green technologies. The latter is generally seen as the key for future global competitiveness. Hence, the 'global narrative' on climate change has shifted from "reducing emissions" to "developing future green technologies" to stay upfront in the future race for global technological leadership.

With the EU fully embracing this narrative among other in the 'Europe 2020 Strategy', it is necessary to review the expectations that Heads of States and Governments had when they adopted the Climate and Energy Package at the end of 2008. The question is now how to design and implement a new domestic EU climate change policy consistent with the 'new' (yet to emerge) new international narrative. In particular the EU needs to ask whether and if so to what extent the existing Package needs to be complemented by more far-reaching and/or additional measures to fulfil the internal transformational agenda, compatible with the emerging international context. This includes:

- i) an assessment of the existing Package as to its transformational efficiency and its consistency.

First elements are being put into place such as the EU's Strategic Energy Technology (SET) Plan while others are emerging including a (potential) new approach to mobility, new thinking about the building sector and energy efficiency in general or the new EU energy policy.

- ii) Eventual shortcomings may require complementary instruments to deal with innovation and investments in low carbon infrastructure

At the core of this will be infrastructure posing difficult questions on EU competencies and EU funding. EU climate change policy will inexorably be tied to the negotiations on the new budget in 2011/12. All this will also relate to the future of the EU ETS. As the EU is gradually finding out adaptation has significant fiscal implications for EU member states, which will require some sort of solidarity mechanism.

Chair: **Christian Egenhofer**, Senior Research Fellow, CEPS

Presentation of key points of discussion

Michel Colombier, Scientific Director, IDDR

Commentators

Marian Mraz, Head of economic instruments unit within climate change policy department,
Slovak Ministry of Environment

Barbara Buchner, Director Venice Office, Climate Policy Initiative

11:00 – 11:30 Coffee Break

11:30 – 12:30 Session 2 resumes

12:30 – 13:00 Conclusion

Carlo Carraro, Chairman, Scientific Advisory Board of Fondazione Eni Enrico Mattei and
President, University of Venice

Laurence Tubiana, Director, IDDRI

Christian Egenhofer, Senior Research Fellow, CEPS

13:00 End of meeting followed by light lunch