

The role of carbon pricing in the future EU Climate Policy

Policy Session at the 5th World Congress of Environmental and Resource Economists, Istanbul 2014

Date: Tuesday 1 July 2014, 8.45 – 10.30 am

Venue: Rumeli Hall, Room 2



The policy session will discuss the **upcoming EU Climate Policy Framework for 2030**, with particular emphasis on the role of carbon pricing in this framework.

The European Union has set itself the objective to reduce greenhouse gas emissions 80-95% below 1990 levels by 2050, which effectively requires a decarbonisation of main emitting sectors. 2014 will be a crucial year for this endeavour: in January 2014, the EU Commission has tabled its proposal for the future of the European climate policy mix. This proposal is meant to address the identified shortcomings of the current climate policy mix, to propose climate targets for 2030 and beyond, and to describe how EU climate policy should evolve in order to reaching those targets. The process is expected to lead to a decision by the end of 2014, defining the EU's position in the UN climate negotiations.

Of particular interest in the EU climate policy framework are the role of, and the limits to carbon pricing. The EU Emissions Trading Scheme is considered as the cornerstone of the EU's climate policy mix, but it has been widely criticised for the volatility of the emerging carbon price and the failure to provide an incentive for low-carbon investments, but also for lacking integration with other climate and energy policies. The challenge is therefore both to reform the ETS, and to map out a future EU climate policy mix with the ETS as a central piece.

This raises a number of issues:

- **How to balance effectiveness and efficiency (in the short and in the longer term) while recognising the limits to political, administrative and legal feasibility?**
- **How to trigger radical low-carbon innovation – whether to focus on particular sectors and technologies, or to leave it to the market to find the most efficient solutions?**
- **How to stimulate the necessary investment into low-carbon infrastructure in a time of feeble economic recovery and limited public budgets? And, last not least,**
- **how to manage the increasing overlap and interaction between climate and energy policies, which both have their own political dynamics and their respective legal and institutional settings?**

These questions will be discussed in a panel of five eminent experts, representing different roles in the interface between science and policy. The selected panellists are well versed in policy debates and in the academic discourse. The policy session builds on the EU-funded research project CECILIA2050, in which four of the five panellists are involved as researchers or as members of the Policy Advisory Board. For more information, see <http://cecilia2050.eu/>

Format and composition

The proposed policy session will be staged as a panel discussion, addressing the future EU climate policy framework and the role of carbon pricing in this policy mix. It convenes four eminent experts from intergovernmental institutions, civil society and academia, each of whom have a long standing experience working on the interface between science and policy making. Each of the four panellists will give an impulse statement of 10 minutes, followed by 20-30 minutes of moderated panel discussion, and finally 20-30 minutes of open discussion.

- [Andreas Barkmann, European Environment Agency](#)
Beyond ETS - introduction to the EU climate policy framework: balancing energy efficiency, promotion of renewables and carbon pricing;
- [Aldo Ravazzi Douvan, Senior Economist, Italian Ministry of Environment](#)
Beyond Repair? What will be the role of the EU ETS in the future EU climate policy mix?
- [Paul Ekins, University College London](#)
Beyond climate policy: how to manage the interplay between climate and energy policies?
- [Andrzej Blachowicz, Climate Strategies](#)
Beyond Efficiency: What is the place for solidarity in European climate policy mix?
- Benjamin Görlach, Ecologic Institute (moderator)

Speaker Profiles

Andreas Barkman

Head of Group Climate Mitigation, Energy and Air Pollution
European Environment Agency

Andreas Barkman joined the European Environment Agency in 2001. As the Head of group for Climate Mitigation, Energy and Air Pollution he is responsible for managing and coordinating EEA activities and outputs related to EU policy in the area of climate change mitigation including: the EU Monitoring Mechanism Regulation, the EU ETS and the Effort Sharing Decision. Furthermore, the group that Andreas leads is responsible for the EEA's work on renewable energy and energy efficiency as well as for work packages related to air pollution in areas such as the EU National Emission Ceilings Directive, the LRTAP convention and the European Pollutant and Release and Transfer Register.

Andreas has broad experience of the environmental field. Prior to joining the EEA he worked on a wide range of environmental topics through positions held in the international manufacturing industry, the power industry and as a consultant. He holds a MSc. in chemical engineering and a PhD in environmental modelling.

Aldo Ravazzi Douvan

Aldo Ravazzi Douvan is an economist. His professional life, in Italy and internationally, is focused on environment, energy and sustainable development. In Italy, notably at the Ministry of environment, land & sea, and at IRI, he has been working on environment, public finance and regional policies. At the international level, he is Co-President of OECD Committees on biodiversity, water and ecosystems since 2010 and on environmental performance country reviews since 2012; previously, he has been chairing the OECD Committees on the integration of economic and environmental policies and on environmental taxation.

He is a member of the major European and international networks on economic instruments for environmental policy, environmentally harmful subsidies and green tax reforms at the EEA, European Commission (MBI Forum), GCET, Green Budget Europe (where he is Vice-President). He has advised several governments in the frame of OECD environmental reviews and has been Project Leader for the UE/Morocco Twinning on environmental integrated management.

He is (or has been) adviser for several European research projects on environmental policy, resources, indicators (GRDP, In-Stream, Dynamix, Cecilia 2050, EEO, EREP, CEPS Water Pricing Task-Force, IEEP-EFRs, IEEP-EHSs, etc.). He is a member of the Scientific Committees of AAA (Environmental Analysts Association), Rientro Dolce (Demography & Environment), Foundation Centro Futuro Sostenibile; he collaborates with Ambiente Italia, Foundation Sustainable Development, UN-MED-SDSN centre.

He has participated to numerous conferences and publications related to environment and sustainable development, e.g. Rio+20 and World Water Forum (Marseille 2012). He has organised several international conferences, e.g. European Association of Environmental and Resource Economists (EAERE 2011 Rome) and the International Conference on Fiscal Federalism and Environmental Fiscality (Ancona 2011). Aldo Ravazzi Douvan has studied at University of Roma 1 La Sapienza and at University of York. He teaches Environmental Economics at University of Roma 2 Tor Vergata and Sustainable Development at University of Roma Luiss.

Paul Ekins

Professor of Resources and Environmental Policy

Director, UCL Institute for Sustainable Resources, University College London

Paul Ekins has a Ph.D. in economics from the University of London and is Professor of Resources and Environmental Policy at and Director of the UCL Institute for Sustainable Resources, University College London. He is also a member of UNEP'S International Resource Panel; a Fellow of the Energy Institute; a Senior Consultant to Cambridge Econometrics; a Co-Director of the UK Energy Research Centre, in charge of its Energy Systems and Modelling theme; and he leads UCL's participation in the EPSRC SUPERGEN consortium on hydrogen fuel cells and on bioenergy research. He is a member of Ofgem's high-level Sustainable Development Advisory Group, and was Chairman of the Government-funded National Industrial Symbiosis Programme (NISP). He has extensive experience consulting for business, government and international organisations, which has included over 50 projects and consultancies over the last ten years, and many advisory positions. He has also been a consultant to the Government's Sustainable Development Commission, and an adviser to the UK Government's Advisory Committee on Business and the Environment and Round Table on Sustainable Development, and has been a frequent contributor to His Royal Highness the Prince of Wales' annual course for senior executives on business and the environment at the University of Cambridge.

Paul Ekins' academic work focuses on the conditions and policies for achieving an environmentally sustainable economy, and he is an authority on a number of areas of energy-environment-economy (E3) interaction and environmental policy, including: sustainable development assessment methodologies; resource productivity; sustainable energy use; E3 modelling and scenarios; the adjustment of national accounts to take account of environmental impacts; environmental economic instruments and ecological tax reform; sustainable consumption; and environment and trade. He is the author of numerous papers, book-chapters and articles in a wide range of journals, and has written or edited twelve books.

Andrzej Blachowicz

Managing Director
Climate Strategies

Andrzej has been involved in climate change and energy policy issues since 2001. He served as a Cabinet member and advisor on climate change to the Polish Minister of Environment during the Polish EU Presidency. Andrzej's previous posts included managing international cooperation at the Polish National Centre for Emission Management (KASHUE-KOBiZE) – a government agency, directing the Brussels office of the Center for Clean Air Policy and developing carbon business at HVB Bank in Germany. Andrzej has been one of the Poland's lead experts during the negotiations of the EU climate and energy package, as well as in the UNFCCC process.

Andrzej is a Marshall Memorial Fellow of the German Marshall Fund and a fellow of the US Department of State. He holds a master degree in environmental management from the University of Warsaw and also completed the international courses at the UN University in Tokyo.

Benjamin Görlach (Session organiser, moderator)

Head, Economics and Policy Assessment
Ecologic Institute

Benjamin Görlach is an environmental economist and Senior Fellow with Ecologic Institute. In recent years, a main focus of Benjamin Görlach's research has been to understand the performance of economic instruments in climate policy. In this context, he was lead author of a study on the role of environmental taxes as a sustainable response to the economic and financial crisis and has coauthored several reports and articles on the climate policy instrument mix and the design and implementation of economic instruments for climate mitigation. His past and current work includes an evaluation of Germany's 1998 environmental tax reform, studies on the removal of environmentally harmful subsidies, and analyses of different aspects of the EU Emissions Trading Scheme (EU ETS) and its implementation in Germany, and the role of the ETS in the wider European climate policy mix. Benjamin Görlach is the coordinator of the CECILIA2050 project, a three-year European research project that describes how the European climate policy instrument mix should evolve until 2050 to guide the transformation to a low-carbon economy. Since 2009, Benjamin Görlach has been one of the facilitators of the ICAP Summer Schools on Emissions Trading for participants from emerging economies and developing countries, nine editions of which have so far been staged in Europe, China, and Latin America.

Benjamin Görlach was previously with the German Emissions Trading Authority (DEHSt) at the Federal Environment Agency. His work in the economics and statistics sections included evaluations of the EU ETS and its implementation in Germany as well as economic analyses to support the further development and refinement of the scheme. Benjamin has studied economics and philosophy in Freiburg, Maastricht and Dublin, and holds an M.Sc. in International Economic Studies from the University of Maastricht.