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# From Vision to Policy

## Developing scenarios, mapping policy choices, assessing impacts

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- Originally, the vision of the new EU long-term Climate Strategy focused on a set of headline targets (similar to the 2050 Roadmap)
- Currently, the European vision is moving towards a comprehensive approach, which focuses on horizontal vectors:
  - Regulatory tool box
  - Innovation
  - Finance and investment
  - Social/local action
  - Global leadership

# Impacts of Climate policies



- Stranded assets
  - New (ad hoc) climate policies and regulations can result in stranded assets.
  - Long-term policy planning can decrease this risk.
- Competitiveness
  - Asymmetric climate policies can lead to carbon leakage risks.
- Social impacts
  - Climate policies can have distributional effects
    - e.g. phasing-out fossil fuel subsidies will constitute a loss of income for the poor
    - e.g. phasing-out coal will have strongest effects on local/regional communities

All these impacts need to be managed to ensure a sustainable transition to a low- carbon society.

# Developments to be taken into account



- Certain economic/technological developments could enable different decarbonisation pathways
- Decisions have to be made on how the long-term climate strategy will take into account such developments
- e.g. options to incorporate technological development:
  - i. No development featured
  - ii. Most important developments may be only mentioned in the LTCS
  - iii. Refer to important developments in other EC documents
  - iv. Discuss very important developments qualitatively, but do not model
  - v. Include very important development in modelling
  - vi. Crucial development should be core focus

# Policy assumptions/constraints



- Do we assume technology neutrality?
  - Was the case in the 2050 Roadmap
  - Market theory vs urgency of action – support ‘likely winners’?
- Consider political feasibility?
  - Least cost analysis only?
  - Include political constraints (e.g. no nuclear) to avoid politically unrealistic scenarios?
- Anticipate different Paris Agreement outcomes?
  - 2050 Roadmap made use of different scenarios of global action
  - Should uncertainty of the level of delivery of the Paris Agreement be anticipated or do we assume success?