

Going beyond the EU NDC & Impact on the EU ETS

Helsinki meeting

Agenda

Hosted by the Finnish Ministry of the Environment

Date: 13 March 2020

Time: 10:00 – 12:30

Venue: Pankkisali, Aleksanterinkatu 7, 00100 Helsinki, Finland

In the context of the Paris Agreement, the EU is increasing its efforts towards decarbonisation. Currently, the EU climate strategy is centred around three emissions reduction targets compared to 1990 levels: a cutting GHG emissions by 20% by 2020 and by at least 40% by 2030; and an implicit reduction of 80-95% by 2050. These targets have increasingly been put into question, as many stakeholders are pushing the EU to speed up its decarbonisation efforts and embrace the goal of climate neutrality by 2050.

The EU climate and energy targets are being reached through different policies at the EU and Member States (MS) levels. On the one hand, the target and functioning of the EU Emission Trading System (ETS) is set at EU level. On the other hand, targets, such as for non-ETS Sectors (Effort Sharing Regulation – ESR), renewable energy sources (RES) and energy efficiency (EE) are agreed on at the EU level, while the policies to reach these targets are developed and implemented at the Member State level.

Against this backdrop, Member States are implementing mitigation policies, and other policies, which, while maybe not directly targeting climate change, also lead to significant GHG reductions. Member States are outlining their expected reductions both with a 2030 perspective, in the ‘national energy and climate plans’ (NECPs); as well as with a 2050 perspective (the so-called ‘long-term strategies with a perspective of at least 30 years’, released January 1, 2020). Member States can also decide to unilaterally adopt additional policies on energy and climate matters on top of the EU targets.

Other actors can also contribute, independently from the policies that are implemented by Member States or the EU, putting forward more ambitious decarbonisation strategies than what is required under national/EU legislation: local mitigation policies by sub-national entities (e.g. regions or cities), voluntary GHG reductions or RE commitments by companies or other stakeholders, etc.

This meeting will be an opportunity for Finnish stakeholders to discuss the methodology developed by [ERCST](http://ercst.org)¹ to assess and aggregate (voluntary) climate mitigation commitments and participate in a discussion on the climate ambition of the EU, the climate policy objectives by the new European Commission, including on the recent communication on the “European Green Deal”, its’ investment plan, the Just Transition Mechanism and possible impacts on the EU ETS.

¹ ERCST is an independent think tank and non-profit association based in Brussels, Belgium. It aims to provide a neutral space where policy-makers and regulators can meet stakeholders to discuss climate change policy and how to manage the transition to a low GHG-economy in a sustainable way. While focused on European climate policy, ERCST fully recognises, and incorporates in its activities and thinking, the global dimension of climate change policy

09:45 **Registration**

10:00 **Welcome and opening remarks**

- Karoliina Anttonen, Finnish Ministry of the Environment
- Outi Haanperä, SITRA

10:15 - 11:10 **Presentation of the “Beyond the EU NDC Report**

- A. Marcu, ERCST

The first session of this meeting will focus on the [methodology developed by ERCST](#) to assess and aggregate (voluntary) climate mitigation commitments. ERCST plans to use test this methodology through a preliminary analysis of a limited number of final NECPs.

ERCST will present its methodology (15-20mins) on how to map the various types of commitments that have been made at different levels, and how to assess and quantify those commitments. This will be followed by some initial remarks by invited speakers (6-8mins), commenting on the presented methodology and presenting (voluntary) climate commitments from Finland, and a roundtable discussion among participants.

- Laura Saikku, Finish Environment Institute, SYKE
- Etelä-Karjalan Liitto, TBC
- Rasmus Pinomaa, The Finnish Chemical Industry

11:10 – 12:30 **Climate policy developments at the EU level and impact on the ETS**

The second session seeks to focus the discussion on the recent developments at the EU level, including the impending revision of the EU target, and the policy measures announced in the European Green Deal, and potential impacts on the EU ETS and associated measures and instruments.

It will start with a brief presentation (10mins) by ERCST on these recent developments at the EU level, followed by a more focused discussion on the EU ETS. This will include a discussion on the Market Stability Reserve, Carbon Leakage measures and funding mechanisms, such as the Modernisation and Innovation Funds. These funding mechanisms will play an important role in reaching the overall objectives that may emerge from the European Green Deal.

Speakers are invited to give some initial remarks (6-8mins) outlining their views how an increase in ambition will impact the EU ETS and its instruments. It will be particularly interesting to hear the different views on how the EU ETS directive ought to be reviewed to reflect a potential increase in ambition.

These initial remarks will be followed by a roundtable discussion among participants.

- ERCST presentation, Overview of the European Green Deal
- Outi Haanperä, Finnish Innovation Fund, Sitra
- Kari Kankaanpää, Fortum PLC

12:30 **Closing remarks and wrap-up of the meeting**