

## European Roundtable on Climate Change and Sustainable Transition

### DRAFT Outline of 2019 Activities

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The European Roundtable on Climate Change Policy (ERCST) was launched in September 2016. It was initially housed at the International Centre for Trade and Sustainable Development (ICTSD) and is based in the heart of the European quarter in Brussels. In November 2018, it has achieved full legal status, and was registered as a Belgian non-profit organization. Additional information on ERCST is available at <http://www.ercst.org/>.

ERCST is intended to provide a neutral space where policy-makers and regulators can meet stakeholders, and discuss climate change policy and how to manage a sustainable transition to a low GHG economy. While focused on European climate policy, this initiative intends to fully recognize, and incorporate in its activities and thinking, the global dimension of climate change policy.

The European Roundtable on Climate and Sustainable Transition aims to provide rigorous intellectual analysis, stemming from the experience and input of its staff, as well as other research available, and the input of the stakeholders who join its activities. It represents its own views and strives to ensure in a very strict way its independence and integrity. ERCST aims to provide original ideas and research into European and international debates, which it can fully support through the logic of its arguments and the evidence that it can bring forward.

In 2019, ERCST will focus its efforts and offer a number of work-streams that operate with different formats such as Task Forces, moderated European Roundtables in Brussels and other capitals, briefings and lunchtime meetings. The following themes are a DRAFT list of activities envisaged, but will be revised and finalized at the beginning of 2019. Also, activities will be adapted as the 2019 political agenda develops:

- **EU Emission Trading System (EU ETS):**

- *The State of the EU ETS 2019.* This will be a yearly project, which builds on the “functioning of the European carbon market” report released by the European Commission, as well as a report the European Roundtable will issue in the first quarter of each year. It is a combined effort of ERCST, I4CE, The Wegener Centre on Climate Change, ICIS and EcoAct. In addition, it aims to bring together a small group of speakers and stakeholders deeply involved in EU ETS discussion. The 2019 Report itself discusses the environmental delivery, market functioning, economic delivery and Phase 4 review of the EU ETS.

- *Implementation of Phase 4 EU ETS.* 2019 will see a continuation of the process of developing Phase 4 of the EU ETS. ERCST will provide input to the debate around the issues that have arisen from the Phase 4 agreement, and try to reach a balanced package of implementing legislation and reviews that are in the pipeline. This could include the review of the Carbon Leakage List, functioning and review of the Market Stability Reserve, the implications of voluntary cancellations by Member States, indirect cost compensation, overlapping policies and the funding mechanisms.

- *EU ETS in a long-term perspective.* The EU ETS will be implementing its Phase 4 changes but many will think ahead to the longer-term on the role that carbon pricing and the EU ETS will play in the longer-term. This is especially true given the current discussions regarding EU long-term climate strategy and the role that different climate change policy instruments will play, in light of the goals of the Paris Agreement.

- **Developing the EU long term climate strategy.** Together with Bruegel ERCST has completed in 2018 a research and outreach project, which included a technical and a policy paper, in the run up to the renewal of the European Commission’s 2011 Roadmap for moving to a competitive low-carbon economy in 2050. Changes in carbon constraints, policies and technologies (and linked costs), and the real-world delivery of some predictions from the 2011 Roadmap meant that the Commission had to revisit the 2011 document. ERCST will continue to cooperate with other

think tanks on the debate that will deliver the EU long-term climate strategy during 2019.

- **Just Transition.** One key element in garnering support for a rapid transition to a low GHG economy is to show that there is a good understanding of the impacts of the measures that are being put in place to move to a low GHG economy, and that there is plan to mitigate social and economic impacts during the period of transition. Both at the EU, as well as the global level, these are issues that will prove critical, especially as issues of trade will start to have an increasingly important role. ERCST will continue working on Response Measures in the UNFCCC context, and strive to increase the understanding of this issue at the EU level.
- **National Energy and Climate Plans (NECPs).** Under the new Governance Regulation, Member States have to communicate NECPs to the Commission for the period 2021-2030 for assessment, to ensure that the EU's 2030 climate and energy targets are met. In 2019, the first draft NECPs will be submitted by the Member States. ERCST will start monitoring these NECPs, with special attention given to the effects of overlapping policies on the EU ETS.
- **Trade and climate change.** ERCST has long-standing world-class expertise in the nexus between trade and climate change policies, a suite of subjects that is receiving increasing attention. In 2019 ERCST will work with governments and IGOs to identify practical policy innovations in trade law and policy that can help serve climate change goals. These range from identifying promising options for inclusion in regional trade agreements, to solutions at the difficult multilateral level.
- **International climate change policy.** ERCST sees its role very much as a bridge bringing the international dimension of the climate change debate to Brussels, and especially to stakeholders that do not make that connection as part of their day-to-day activities. The understanding and implementation of the Paris Agreement will receive significant international attention this year – including the role of (inter-)national carbon markets.

- **Development of global carbon markets and Article 6 of the Paris Agreement.** Carbon markets in their current impersonation are reaching the end of their useful life. The Paris Agreement recognized the role of carbon markets with provisions on cooperative approaches and a mechanism in Article 6 of the Agreement. Many markets are developing at the national level and there are many views, and initiatives, on how the emerge of a global carbon market will proceed. This is a topic that will have impact on the EU ETS as well as for the competitiveness of EU industry. The informal forum on Article 6, which has been organised by ERCST's staff since 2016, will continue in 2019.
- **Response measures under the Paris Agreement.** Response measures is an important component of the Paris Agreement and finds resonance in the just transition discussion and the need to manage the transition to a low carbon economy. Its international dimension is not yet well understood. It is envisaged that an informal dialogue on response measures, which was started in 2018, will continue in 2019
- **The EU NDC after the Talanoa Dialogue.** In 2018, ERCST carried out a project together with EUI outlining the various options to revisit the EU NDC and the criteria on which to assess them. A number of workshops in EU capitals were organised to debate this important topic with national stakeholders. With the Talanoa Dialogue ending after COP24, and EU elections coming up in 2019, this topic will receive increasing attention leading up to 2020, which ERCST will monitor closely and continue to work on.
- **Carbon Pricing Leadership Coalition.** ERCST is intimately involved in the Carbon Pricing Leadership Coalition (CPLC) – a partnership on carbon pricing hosted by the World Bank. Andrei Marcu is co-chairing (together with Prof. Michael Mehling from MIT) the CPLC's first International Research Conference on Carbon Pricing to be held in January 2019.

## Background and team

The European Roundtable on Climate and Sustainable Transition is open to researchers, NGOs, experts and other stakeholders, filling a gap in the institutional “climate landscape”. It is a place where all views will be welcomed, encouraged and listened to. It also aims to have governance that will ensure that this approach is also translated in the way the initiative is run.

**Mr. Andrei Marcu** is Executive Director of ERCST. He has created, and successfully managed for five years, the CEPS Carbon Market Forum. Prior to that Mr. Marcu has been the founder and CEO of the International Emissions Trading Association (IETA), as well as acted in a number of leadership positions in the area of public policy.

**Mr. Jean-Yves Caneill** joined ERCST as Senior Advisor in 2018 after a successful thirty-year long and distinguished career at Electricité de France (EDF), where he was responsible for climate change policy. He provides advise to ERCST on issues ranging from the EU Emission Trading System, to the decarbonisation of the power sector and international climate change negotiations under the UNFCCC.

**Mr. Aaron Cosbey** is a Senior Associate to ERCST. He is a development economist with 25 years’ experience in the law and economics of sustainable development, particularly in the areas of trade and climate change. Aaron is also a Senior Associate at IISD and has consulted to a wide variety of governments and institutions.

**Mr. Wijnand Stoefs** is a Researcher at ERCST. He joined ERCST at its inception, after having been one of the main actors that launched and developed the Carbon Market Forum. He has also worked in the European Commission in DG BEPA on Member State reforms in the context of the European Semester.

**Mr. Domien Vangenechten** is a Junior Researcher at ERCST. He joined ERCST as a Junior Associate in the summer of 2017 after successfully completing his studies at the universities of Leuven and Maastricht.

**Ms. Martina Di Palma** is a Junior Associate at ERCST. Before joining ERCST, she completed a traineeship in the Environment unit of the European Organisation for the Safety of Air Navigation.

## Participation

ERCST is a non-profit and non-advocacy organization. Participation in ERCST is open to all stakeholders, including academia, research institutions, business organizations, foundations, think tanks, associations, non-governmental organizations, Member States of the EU, non-EU governments, as well as subnational entities.

## Governance

- ERCST is Belgian “association sans but lucrative” (ASBL).
- ERCST has a Scientific Committee which is comprised of representatives of affiliated think tanks. Other Personalities may be invited to join the Scientific Committee by agreement with the existing Members of the Committee. The Scientific Committee will provide the intellectual solidity, and ensure neutrality.
- ERCST has a strict policy of transparency and disclosure of activities and sources of support.

## Founders

The Founders of ERCST are:

- Philippe Chauveau, Solvay
- Michael Mehling, Massachusetts Institute of Technology
- Tomasz Chruszczow, Special envoy for Climate Change and High level Champion for COP 24, Poland
- Andrei Marcu, ERCST

## Members of the Scientific Committee

The Scientific Committee of ERCST is currently comprised of the following members:

- Prof. Carlo Carraro, FEEM
- Dr. Susanne Droege, SWP
- Prof. Stefan Schleicher, Wegener Center for Climate and Global Change, University of Graz
- Prof. Sebastian Oberthür, Institute for European Studies, VUB

## ERCST membership

ERCST will have two categories of members:

- Funding members
- Associate members. Membership will be open for institutions, which are

supportive of ERCST and its activities, without providing financial support. This category may include think tanks, associations, and governments, as well as international organizations.

## **ERCST Products and Activities**

The ERCST outputs and activities (papers, seminars, European Roundtables, etc.), are undertaken strictly under the responsibility of the ERCST and do not represent, nor are they in any way meant to represent an endorsement by ERCST members or any stakeholders of their contents or of the statements made during discussions. All ERCST activities are undertaken under strict Chatham House Rules.