



Institut du développement durable
et des relations internationales



Centre for European
Policy Studies



Fondazione Eni Enrico Mattei

Hosted by

The National Administration of the Emissions Trading Scheme

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P O L A N D

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

Second meeting, Warsaw, 23 & 24 June 2010

“How to finance the EU low carbon strategy within the framework of equity, solidarity and participation”

Venue: MDM Hotel
Pl. Konstytucji 1, Warsaw
[Map enclosed]

Agenda

DAY ONE: 23 June 2010

10:00 *Registration and welcome*

10:15 **Welcome**

10:30 **Introduction** of the European Dialogue by the co-chairs

10:45 **Session 1. Review of the (May) Commission Communication on EU climate change policy**

This session will discuss the European Commission communication published on May 26th "Analysis of options to move beyond 20% greenhouse gas emission reductions and assessing the risk of carbon leakage". The session will highlight the key issues that the EU faces and elaborate on the reasons for the choices the Communication has made. It will also outline the sequence of next (implementation) steps and finally, discuss potential implications for the international negotiations. Focus will be the (potential) benefits of raising its GHG reduction target from a domestic perspective (i.e. self-interest) and balance those with potential costs in an inter-EU perspective. The first EU Dialogue meeting in Madrid (12 & 13 April) identified 3 main (potential) benefits: (i) green jobs (controversial), (ii) energy security (to be further defined), and (iii) innovation, where a consensus is emerging.

11:15 Discussion

13:00 **Lunch**

14:00 **Session 2. Challenges and opportunities of low-carbon strategies**

PART I: Strategic approaches towards a low-carbon power sector in 'new' member states

The decarbonisation of the power sector poses possibly the biggest challenge for low carbon strategies in so-called 'new' member states, often relying on coal as the major fuel, while being dependent to a very large extent on gas from a single source and limited interconnections. While it can be argued that the 'old' EU has been somewhat slow to recognise the scale of the challenge – certainly before the latest gas crisis – a number of policies and actions are being put in motion by the EU but also member states. They include the transition provisions for auctioning of EUAs in the power sector, the building (with the help of EU finance) of interconnectors, the push towards renewable energy and energy efficiency and, the development of national energy policies that are taking shape in most if not all 'new' member states. This combination of national and EU measures, if properly applied, can offer a major new opportunity for low-carbon strategies based on the creation of a long-term sustainable energy policy. This session will first thoroughly identify the major challenges facing 'new' member states and at the same time try to use the power sector¹ as a case study for demonstrating possible avenues for low-carbon transition.

This session will be accompanied by an especially produced non-technical high-level Paper (of approx. 5 pages) prepared by Artur Wyrwa of AGH Kraków as well as a Summary of the Roadmap 2050 on a low carbon economy.

Comments

14:50 Discussion

16:30 Break

17:00 Session 2. Challenges and opportunities of low-carbon strategies (Cont'd)

PART II: Finance challenge and opportunities

The EU financial instruments through the EU budget and EIB have the potential to play a central role in driving the process to a low carbon economy. To do so the EU needs to integrate energy and climate change objectives across budget interventions in a coherent and integrated manner. While reinforcing R&D and demonstration support through the Strategic Energy Technology (SET) Plan is important, it is by far not the only or even the main instrument. The Trans-European and pan-European (low-carbon) energy transport links, as well as the appropriate national, regional and local infrastructures can be assisted and coordinated through a coherent use of a number of EU funds. For member states and regions eligible for EU Cohesion and Convergence Funds, appropriate funding strategies can assist developing a low-carbon economy *and* boost sustainable growth and employment. Those can be coordinated also with SET Plan and TEN-T and TEN-E (Trans European Network for Transport and Energy) funding. However, the coordinated use of funds and the development of integrated coherent multiannual strategies is far from simple and not only requires appropriate EU funding regulations, but also a strong commitment of member states, a substantial reengineering of the EU budget and the appropriate level of resources. Finally, the EU will need to find a way to coordinate the financing of climate change obligations with developing countries if it wants to have a strong voice in the mechanisms ruling climate funding.

This session will be accompanied by an especially produced non-technical Paper (leader CEPS – Jorge Nunez-Ferrer) to be circulated beforehand.

Comments by:

17:45 Discussion

19:00 End of first day

20:00 Dinner (see invitation attached)

¹ The analysis will also make reference to transport including the future of rail and public transport.

DAY TWO: 24 June 2010

09:00 Welcome

09:30 Session 3. Transport infrastructure

Following the discussions during the first session of the European Dialogue, which focussed on policy design and long-term policy and their consistency but also instruments and integration, this second session will focus on overall transport policy design, including pricing policies in conjunction with infrastructure use and finance. This will include the modal shift improvements, with a particular focus on the need to (re)vitalize rail freight and passenger transport in the new Member States, as a matter of coherence and credibility of the future sustainable transport EU policy.

Note that the European Dialogue will return to the transport issue in its third session in Venice on 25 & 26 October 2010.

This session will be accompanied by an especially produced non-technical Paper on possible EU actions and instruments to (re)vitalize the development and use of low carbon rail freight and passenger transport, in particular in the new Member States (leader IDDRI), to be circulated beforehand.

10:05 Discussion

11:30 Break

12:00 Brief summary of highlights and next steps

12:15 Discussion

13:00 End of meeting followed by light lunch