



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Panel 1: Climate Change

**International Conference on Civil Society
Contributions to Policy Innovation in the PR China**

10 May 2012

Michael Mehling



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



About Ecologic Institute

• Who We Are

- A private non-profit think tank for applied environmental research, policy analysis and consultancy
- Founded 1995 in Berlin, Germany
- Offices in Berlin, Brussels, Vienna, Washington DC, and San Mateo CA,
- Currently 120+ employees
- Ranked 6th among Environment Think Tanks in the 2010 and 2011 Global Think Tank Index of the University of Pennsylvania

• Who We Work With

- International Organizations
(e.g. UNEP, UNFCCC, UNIDO, CBD, World Bank, OECD, NATO)
- European Union
(e.g. European Commission, European Parliament, Eur. Environment Agency)
- National Parliaments and Government Agencies
(e.g. German Environment Ministry, UK Department of Energy and Climate Change, US Environmental Protection Agency)
- Non-Governmental Organizations
- Educational Institutions
- Foundations
- Business



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Presentation Outline

- ▶ Issues of Current Relevance in European and Chinese Climate Cooperation and Civil Society
- ▶ Case Study: ICAP Training Course on Emissions Trading for Emerging Economies and Developing Countries



Relevant Issues for Civil Society Involvement

- ▶ Inclusion of International Aviation in the European Union Emissions Trading System (EU ETS): Identifying Benefits and Opportunities for Constructive Engagement
- ▶ Promotion and Deployment of Clean Energy Technologies: Policy Learning, Competitiveness, Trade Measures
- ▶ International Climate Cooperation on Mitigation and Adaptation: Building Coalitions for Action



Ecologic Institute
Berlin
Brussels
Vienna
Washington DC



Case Study: ICAP Training Course on Emissions Trading for Emerging Economies and Developing Countries



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Understanding Climate Change and Policy Responses

At an epistemic level, climate change moves beyond conventional knowledge boundaries:

- ▶ *Interdisciplinary* (natural sciences, engineering, economics and social sciences, humanities, law, etc.)
- ▶ *Multidimensional* (from global trends and governance frameworks to regional and local implementation)
- ▶ *Dynamic* (subject matter is prone to rapidly changing circumstances as well as scientific and political controversy)



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Consequences for Capacity Development and Training

Because of the scale, cost and complexity of climate change and related policies, building capacity is challenging, but vital:

- ▶ Urgency of the challenge leaves *no room for failure*, calling for best available practices
- ▶ Capacity building can help leapfrog lengthy *learning periods* and avoid costly or detrimental *mistakes*
- ▶ But there is *no “one-size-fits-all”*: in order to be effective, capacity building has to account for local circumstances



Capacity Building and Training for Emissions Trading

Because of its administrative and regulatory complexity, coupled with the importance of confidence for a functioning market, *adequate capacities* are crucial for *emissions trading*:

- ▶ Design and implementation of emissions trading strains financial and staffing resources, necessitating best practices
- ▶ Weak oversight and enforcement risk compliance shortfalls or even market manipulation and abuse
- ▶ Strong governance builds confidence at home and abroad



Guiding Principles for the Didactic Concept

The complexity of emissions trading calls for effective didactic concepts that *address capacity needs and reflect local circumstances and priorities*:

- ▶ The course format and substantive elements should ideally be elaborated *with local experts and stakeholders*
- ▶ A *modular structure* can add *flexibility* to tailor course concept to changing audiences and knowledge levels
- ▶ A *high level of interactivity* is key for comprehension



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Sharing knowledge on ETS: the ICAP Training Courses



- ▶ Training Courses (“Summer Schools”) on Emissions Trading for Participants from Emerging Economies and Developing Countries
- ▶ Intensive two-week training course for 25 – 30 highly qualified professionals (from public sector, academia, business, NGOs)
- ▶ Highly competitive selection process with large number of applications
- ▶ Six courses implemented between 2009 and 2012





Making ETS Knowledge Work for China

- ▶ Beijing (23 May to 1 June 2011) in cooperation with Tsinghua University
- ▶ 27 participants from China, India, South Korea, Thailand, Vietnam, Indonesia, Malaysia and the Philippines (from 170 applicants)





Sharing knowledge on ETS: the ICAP Training Courses



- ▶ Original course designed and implemented by the Ecologic Institute (since 2011 in cooperation with GIZ and SiNERGi)
- ▶ Held under the auspices of the International Carbon Action Partnership (ICAP), funded by the European Commission
- ▶ Faculty has included decision makers and practitioners from ICAP member jurisdictions (European Union, Regional Greenhouse Gas Initiative (RGGI), Western Climate Initiative (WCI), Tokyo Metropolitan Government (TMG), Australia and New Zealand), as well as representatives from international organisations and established educational and research institutions



Sharing knowledge on ETS: the ICAP Training Courses



Overview of Course Contents:

- ▶ Basic concepts and theory of emissions trading as a policy instrument
- ▶ Experience with emissions trading around the world
- ▶ Emissions trading in the international climate regime
- ▶ Perspectives of a global carbon market of linked trading systems
- ▶ ETS and the specific needs and interests of developing countries
- ▶ Technical issues and design choices: scope and coverage of a trading scheme, data collection and inventory generation, allocation methods
- ▶ Monitoring, reporting and verification, registry design and implementation
- ▶ Market development, carbon price dynamics, business perspectives



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Curriculum: Week 1

Day	Monday 18 July 2011	Tuesday 19 July 2011	Wednesday 20 July 2011	Thursday 21 July 2011	Friday 22 July 2011
09:00	Welcome Address <small>(Spanish Ministry of the Environment)</small> Outline of the Course, Learning Methods and Objectives <small>Michael Mading (Ecologic Institute)</small>	Instrument Choice in Climate Policy: Theory and Practice <small>Benjamin Götsch (Ecologic Institute)</small>	Establishing an Emissions Trading System: Design Elements and Choices <small>Nicholas Bianco (World Resources Institute)</small>	Emissions Trading in the European Union: History, Development and Review of the EU ETS <small>Frank Convery (University College Dublin)</small>	Defining the Scope and Coverage of a Trading System <small>Jim Whitestone (Ontario Ministry of the Environment), Jürgen Landgraf (German Emissions Trading Authority)</small>
10:30	<i>Coffee Break</i>	<i>Coffee Break</i>	<i>Coffee Break</i>	<i>Coffee Break</i>	<i>Coffee Break</i>
11:00	Interactive Introduction of Participants and Q&A <small>(facilitated by Ecologic Institute)</small>	Emissions Trading in the Policy Mix: Opportunities, Challenges and Policy Interactions <small>Benjamin Götsch (Ecologic Institute), Miriam Schröder (SNERG)</small>	Current and Emerging Emissions Trading Systems: An Overview <small>Nicholas Bianco (World Resources Institute)</small>	The EU ETS in Practice: 2005-2010 <small>Frank Convery (University College Dublin), Dirk Weirauch (German Ministry for the Environment)</small>	Allocating Allowances in an Emissions Trading System: Options, Implications and Experience <small>Jim Whitestone (Ontario Ministry of the Environment), Dirk Weirauch (German Ministry for the Environment)</small>
12:30	<i>Lunch</i>	<i>Lunch</i>	<i>Lunch</i>	<i>Lunch</i>	<i>Lunch</i>
14:00	Climate Change: An Introduction into the Science and Economics <small>(Afonso Gualmes, Spanish Ministry of the Environment)</small>	Brief Introduction: International Climate Policy and the Kyoto Flexible Mechanisms <small>Pedro M. Barata (Climate Change Commission, Portugal)</small>	Group Exercise: Developing an Allocation Plan (1st Session) <small>(facilitated by Ecologic Institute and SNERG)</small>	Initial Experiences in other ETS: RGGI, New Zealand and J-ETS <small>Jim Whitestone (Ontario Ministry of the Environment), Nicholas Bianco (World Resources Institute)</small>	Administrative Structures for Emissions Trading - Building on Existing Infrastructures <small>Ignacio Angel Sanchez Garcia (Spanish Ministry of the Environment)</small>
15:30	<i>Coffee Break</i>	<i>Coffee Break</i>	<i>Coffee Break</i>	<i>Coffee Break</i>	<i>Coffee Break</i>
16:00		From Project Mechanisms to Emissions Trading: Rationale of a Transition <small>Pedro M. Barata (Climate Change Commission, Portugal)</small>	Group Exercise (cont'd)	Tools and Methodologies for Data Collection and Inventory Generation <small>Benjamin Götsch (Ecologic Institute), ...</small>	Stakeholder Simulation: Allocating Allowances in an Emissions Trading System <small>(facilitated by Ecologic Institute and SNERG)</small>
Evening	<i>Evening Reception</i>				



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Curriculum: Week 2

Day	Monday 25 July 2011	Tuesday 26 July 2011	Wednesday 27 July 2011	Thursday 28 July 2011	Friday 29 July 2011
09:00	Implementing the EU ETS in the Host Country: Experiences and Prospects Mariano Gasco (Spanish Ministry of the Environment)	Site Visit: Registry Establishing a Functioning Registry, Standards and Best Practices Javier Cardona (Spanish Registry)	Developing Countries in the Global Carbon Market: Overview and Development Mario Fernández Díez-Pozo (Spanish Ministry of the Environment)	Carbon Market Dynamics: Price Formation, Creating Scarcity, Causes and Solutions for Volatility Aneke Boral (Purdue Carbon)	Group Exercise: Developing an Allocation Plan Presentation of Results Expert Jury Panel: (European Commission, Pedro Zapfel (European Commission), Melissa Santis Gregorio (Spanish Ministry of the Environment), Benjamin Zisch (Ecologic Institute))
10:30	Coffee Break	Coffee Break	Coffee Break	Coffee Break	Coffee Break
11:00	Expanding the EU ETS: The Integration of a New Sector Yvonne-Christine Schmitt (European Commission)	Site Visit (cont'd)	Participants' Experiences with ETS in Developing Countries: Presentations & Group Discussion (Moderation: Ecologic Institute)	Carbon Markets in Action: Market Analysis and the Role of Financial and Energy Markets Aneke Boral (Purdue Carbon)	Presentation of Results (cont'd)
12:30	Lunch	Lunch	Lunch	Lunch	Lunch
14:00	Ensuring Operation of the Trading Scheme: MRV & Enforcement Jürgen Landgrebe (German Emissions Trading Authority)	Site Visit: Compliance Entity Corporate Strategies to Manage Compliance and Hedge Market Risks N.N. (btd)	Field Report from a New Member State: Implementing the EU ETS Vlad Trusca (INFPCCC)	Avoiding Carbon Leakage and Competitive Distortions: ETS Design and the Influence of Policies Tomas Koliba (Estonian Environment)	Wrap Up: ETS From Theory to Practice Michael Mulder (Ecologic Institute) The Future of the Carbon Market: Challenges and Opportunities Peter Zapfel (European Commission)
15:30	Coffee Break	Coffee Break	Coffee Break	Coffee Break	Coffee Break
16:00	Group Exercise: Developing an Allocation Plan (2 nd Session) (facilitated by Ecologic Institute and SINERG)	Site Visit (cont'd)	Linking Emissions Trading Systems: A Long-Term Perspective Jim Whitestone (Ontario Ministry of the Environment), Michael Mehling (Ecologic Institute)	Group Exercise: Developing an Allocation Plan (3 rd Session) (facilitated by Ecologic Institute and SINERG)	Farewell Ceremony and Certificate Award Including High-Level Address N.N. (btd)
Evening					Evening Reception



Formats for ETS Capacity Building and Training

Conveying the *technical capacity* for emissions trading as well as an understanding of the *political and social implications* of this policy instrument necessitates use of multiple formats:

- ▶ Traditional (“classroom”) presentations
- ▶ Virtual presentations (videoconferencing)
- ▶ Online and offline reference material (e.g. presentation slides, course readers, case studies, posters)
- ▶ Interactive methods and approaches



Importance of Interactive Methods

Interactive methods are critical for *comprehension* and *retention* of the complex subject matter:

- ▶ Interactive elements allow *better engagement* of participants and provide *more diverse experience*
- ▶ Theoretical concepts become *more tangible* after participants had an opportunity to apply them in practice
- ▶ Some methods (e.g. simulations, role-playing) help understand different *stakeholder perspectives and priorities*



Categories of Interactive Methods

Interactive methods are based on a constructivist approach to learning and can involve various approaches:

- ▶ *Informal group work* (e.g. group discussions, “Q & A”)
- ▶ *Formal group work* (groups form and are assigned specific tasks, e.g. role playing, simulations, group presentations)
- ▶ *Participant assessment* (e.g. formal evaluation/test, quiz)
- ▶ Where circumstances allow: *site visits*



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Interactive Elements of the ICAP Training Courses

▶ Trading Simulation

90 minute exercise with groups assigned different production and compliance costs for a compliance entity, conveying role of compliance and carbon price

▶ Allocation Simulation

90 minute exercise with four groups representing four electric utilities with different generation portfolios and carbon intensities tasked with agreeing first on a company position and then a common energy sector compromise on preferred allocation method for emissions trading; new rounds change circumstances



▶ Group discussions

5/17/2012

Mehling: Panel 1 – Climate Change

19



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC

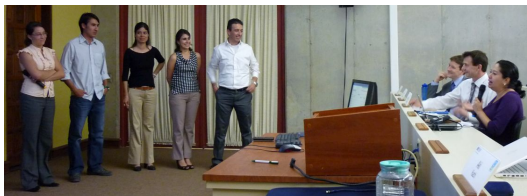


Interactive Elements of the ICAP Training Courses

► Flagship Exercise: Group Project and Presentation

“Developing an Emissions Trading System”

Groups are assigned one of three country scenarios, with detailed information on emissions and emissions reduction potentials of different sectors. Over the course of multiple sessions, and through several rounds of increasingly challenging questions, participants are tasked with developing a credible emissions trading concept for their country and present this to a jury



5/17/2012

Mehling: Panel 1 – Climate Change

20



www.ecologic.eu

Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Lessons on the Role of Civil Society in Capacity Building

- ▶ Course format and substantive elements elaborated by a civil society NGO *with local experts and stakeholders*
- ▶ Civil society representatives form an important element among participants in order to *help educate and engage with stakeholders* across all levels of society
- ▶ Without civil society participation, complex policy efforts with wide-ranging economic and political ramifications will lack acceptance and ultimately fail due to *legitimacy challenges*



Ecologic Institute

Berlin
Brussels
Vienna
Washington DC



Thank You!

Ecologic Institute, 1630 Connecticut Ave. NW, Suite 300

Washington, DC 20009

☎ +1-202-518-2060, 📠 + 1-202-387-4823

michael.mehling@ecologic-institute.us

www.ecologic-institute.us