

Foreword from Prof. Michael Grubb

As Chair since Climate Strategies was legally incorporated in 2006, I have seen the organisation develop into a recognised and trusted source of independent, fact based research and analysis. I am now delighted to let you know that Farhana Yamin takes on this role from 1 May 2012. Farhana is a renowned international environmental lawyer with twenty years' experience of climate negotiations, and is an expert on linkages between climate and development policy. She has written several books on climate policy, including on European and global carbon markets, teaches at University College London, and has been actively involved in the development of international coalitions on climate change responses.

She will be chairing a unique organisation. The *raison d'être* of Climate Strategies sprung from the views and experiences of a small group of policy researchers a decade ago, that the difficulties of the interface between research and policymaking are compounded enormously at the international level. Governments' thinking tends to be influenced by – sometimes surprisingly small – groups of policy-oriented researchers and think-tanks within their own countries. Connecting such researchers internationally, through collaborative projects focused around particular policy challenges, is a complex undertaking. It involves institutional structures that are not easy to classify, or manage; and researchers who are willing to work sometimes in new ways, and who appreciate the need to invest time and effort in collaboration and communication. Funding such work remains challenging.

I offered thoughts on our progress and lessons learned in my address to this year's AGM (available on the CS website), referring to phases of our development; we now enter the third phase.

Our link with the *Climate Policy* journal has on occasion been valuable for facilitating more traditional academic outputs. But as our Executive Director has noted, policymakers rarely read journals; the content and networks it represents is still under-utilised. Similarly, CS could undoubtedly engage more effectively with our Membership, and I look forward to seeing the fruits of Dora's strengthened role in this regard, also with an expansion of Membership being amongst recent developments.

Graham himself is pursuing his long-standing intent to move back to Australia and so we are delighted to welcome Andrzej Blachowicz as incoming Managing Director. With extensive practical experience of climate policy application and analysis, and high level experience as advisor to the Polish Environment Minister under its EU Presidency, Andrzej brings an invaluable perspective on the internal EU challenges that will also complement perfectly Farhana's global reach.

For my part, I am pleased to stay on the Board and continue more limited contributions as the new and expanded Board see fit. I have become more engaged in European and UK energy matters, combining a senior half time role at the UK regulator Ofgem with a part time post at the University of Cambridge, and felt the time was ripe for new and fresh leadership of Climate Strategies.

I close with enormous thanks both to my old colleagues who helped to support Climate Strategies through its first two phases, and also and specifically to Graham Sinden. His executive leadership has navigated a difficult transition, and implemented more effective presentation of our research to support wider engagement and impact. It has been a pleasure to see a number of existing projects coming to fruition, as outlined in this newsletter, and new projects being developed. I trust that you will find these to be of interest, and find engaging with Climate Strategies to be rewarding, as it grows in new ways and directions under the new team.



Introducing the new Executive Director

I am delighted to announce that Andrzej Blachowicz has been appointed as Executive Director of Climate Strategies. He will take up his position on 25 June 2012. Andrzej brings a wealth of experience, particularly relevant to the cohesion of European climate policy given his high-level background in Poland and also wider international experience through his earlier roles, including in CCAP.

Regarding my own role, I will remain as Executive Director until Andrzej takes up his appointment, and continue with Climate Strategies to ensure a smooth transition for the incoming Managing Director.

Dr Graham Sinden
Executive Director

Upcoming events



IAC meeting – to be held on **Thursday 5 July 2012** in Cambridge. IAC members please save the date in your diaries and further information will follow soon.

Charitable registration

At the Climate Strategies Annual General Meeting in Copenhagen (January 2012), the Directors proposed to the membership that Climate Strategies pursue a transition to charitable status. Since its inception, Climate Strategies has been a private, not for dividend company limited by guarantee, and this structure has served the company well. However, following advice on a possible change to the status of the company, the Directors consider that the transition to charity status will both support our fundraising activities and provide a more transparent basis for our activities.

While the day-to-day functioning of Climate Strategies, together with its focus on supporting the best in climate and energy policy research, will not change, we believe that the change to charitable status is in its best interests over the medium to long term. Of course, this transition can only occur with the support of the Members of Climate Strategies. As we pursue this change in status over coming months, Members will receive further information on the transition, will have the opportunity to review the governing documents for the charity, and vote on the overall proposal. More information to follow soon!



'Supporting European Climate Policy to 2030' Conference. George Zodiates (top), Chris Davies (bottom)



Climate Strategies 2012 events

'Supporting European Climate Policy to 2030' Conference

19 & 20 January 2012, Copenhagen, Denmark

EU Climate and Energy policy is facing significant challenges through to 2030 in achieving its long-term targets on emissions reduction, energy security, promoting green growth and its approach to and options for international engagement and action. Timed to coincide with the Danish Presidency of the EU, this conference brought together key climate and energy policy makers and researchers, including leading Danish experts and members of Climate Strategies' research network, to consider the options and priorities for supporting European climate policy to 2030.

'Strengthening the EU ETS' Report Launch

26 March 2012, Brussels, Belgium

The launch of Climate Strategies latest report, 'Strengthening the EU ETS', saw one hundred MEPs, government advisors, climate organisations and industry representatives attend the Cypriot Permanent Representation in Brussels for a presentation and interactive panel session with leading business, government and policy representatives.

Climate Policy Grantham Institute seminar

8 May 2012, Imperial College, London

Please [click here](#) for more information

For further information about the events and to download presentation materials, please visit the [events page](#) on the Climate Strategies website.

Expanding membership

Membership of Climate Strategies provides a mechanism for collaboration, outreach and communication to support the work of Members. It also offers the opportunity for debate, discussion and engagement with fellow climate and energy policy researchers and policymakers in the climate and energy arena.

Historically, membership of Climate Strategies has been offered to founders and project leaders. At the Board meeting in November 2011 it was agreed to expand membership to a broader base of experts, with an initial focus on Europe. The Annual General Meeting in Copenhagen in January 2012 confirmed this change.

As a result of these decisions, membership of Climate Strategies has been opened up to include senior researchers that are usually (though not exclusively) based in universities or research institutes and who, through their research, have made significant, demonstrable and constructive contributions to climate change and energy policy generally at an international level. Many have led or otherwise been closely engaged with Climate Strategies research projects.

We believe membership of Climate Strategies offers researchers significant benefits and opportunities for supporting research collaboration and outreach. In addition, Members can attend the Annual General Meeting, which serves as a key opportunity for:

- presenting, debating and synthesising results from our commissioned research programme and contributing to ideas on the programme; and
- meeting the Board Directors and key stakeholders represented on our International Advisory Council and discussing research with them.

Membership is managed by Dr. Dora Fazekas, who has now returned from maternity leave.



Climate strategies reports that have been published in 2012:

Decarbonising the EU Power Sector

by Thomas Spencer, Céline Marcy, Michel Colombier, Emmanuel Guérin (IDDRI)

[Please click here to download this report](#)

European climate policy is gradually shifting towards a long-term perspective. This paper examined the crucial role the electricity sector has to play in the long-term decarbonisation of the EU economy. The report recommended that the EU send a long-term signal for the decarbonisation of the electricity sector by setting 2030 objectives for the EU ETS, together with complementary policies.

Implementation of an emission trading scheme in Japan: Some food for thought

by Stéphanie Monjon (CIRED)

[Please click here to download this report](#)

This paper quantitatively assessed different design options for an ETS in Japan, especially their impact on carbon leakage as well as on industrial production. The results show that there is no ‘best option’ and that the Japanese government should decide where its priorities lie. The analysis makes explicit the trade-offs implied by the different schemes and provides ‘food for thought’ for the policy-makers.

Strengthening the EU ETS

by Prof Michael Grubb (CS)

[Please click here to download this report](#)

This study discusses options to intervene in the EU ETS against a backdrop of falling EUA prices and the associated loss of a meaningful financial driver for longer-term investment in low carbon infrastructure. It concludes that no single option seems adequate, a combination of responses need to evolve. The recalibration of the set-aside on one hand to address the current surplus; and Reserve Price Auctions or a similar approach to restore confidence and cap downside risk for investors on the other hand.

Finally, negotiations on post 2020 framework needs to start urgently but cannot solve the problems of present price and credibility. The report states that the current crisis is also an opportunity to learn lessons and establish more robust design.

Climate Strategies reports that will be published in May–September 2012:

Climate Change and Living Standards

by Emi Mizuno and Sonja Klinsky

[Please click here to download this report](#)

This project, funded by the Australian Department of Climate Change and Energy Efficiency, highlights the major findings about the implications of ambitious climate policy that emerge from a sub-set of internationally recognised integrated assessment models, and critically examines the ways in which these results are presented.

The analysis suggests that further thought needs to be invested in the communication and representation of model results. Modelling results and insights will be most useful and influential when different audiences are easily able to understand them and see their relevance to policy assessments and decision-making. This project highlights the need for a more plural approach to communicating modelling results to ensure effective and relevant communication to policymakers and civil society, in a manner that provides clarity and empowers sound decisions.

Based on this research we convened a ‘Communicating Climate Policy’ workshop in London on 30 March 2012. The workshop involved twelve participants from a variety of backgrounds for a Chatham House discussion of the results of the recent project. The focus was on issues in communicating research insights and results in ways that are easily understood and applied, without misunderstanding.

Further information and workshop notes can be downloaded from the Climate Strategies website events pages.



Raising Climate Finance from International Transport Sectors: Identification and Analysis of Governance Structures

by Jasper Faber (CE Delft)

[Please click here to download this report](#)

This report analysed the governance structures of market-based instruments for international transport that are effective in reducing emissions and politically feasible. It found that an emissions trading scheme has better chances of being politically acceptable than a levy based system.

Carbon Pricing and its Future Role for Energy Intensive Industries (EII)

by Susanne Droege (SWP)

[Please click here to download this report](#)

This paper summarises research undertaken by the Climate Strategies network on carbon leakage and competitiveness, looking into what is industries’ ability to pass through carbon costs to consumers and how carbon pricing might affect future investment decisions.

This sector-by-sector synthesis is conducted for steel, cement, aluminium, chemicals, and pulp and paper. It found that in the short term, and beyond the compensation provided under current EU legislation, EII could compensate the direct carbon cost through a mix of passing costs through. The competitive position of the EII varies along a set of factors: product varieties and differentiation are highest in chemicals, followed by aluminium, steel, or pulp and paper while it is very low in cement. As for the long term, it becomes clear from our analyses, that it is unlikely that the legal validity of the EU Climate and Energy Package will be changed, which gives a new chance to heal some of the issues with the further development of the EU’s 2050 roadmap.

Carbon Constraints in the International Society (Synthesis)

by Michael Grubb. Funded by the Japanese Institute for Global Environmental Strategies (IGES)

This paper provides an overview analysis of how climate action is developing internationally, with a particular focus on the role of and lessons from emissions trading and potential implications for Japan. One of the key insights from the study is that many different countries are finding their own ways to move forward, based on domestic economic and political conditions. There is no universal blueprint.

The authors have concluded that:

1. Japan is expected to be part of the emerging Asia-Pacific actions.
2. For most sectors of the Japanese economy, carbon costs will, for a long time, be secondary to most other factors determining competitiveness.
3. It is unlikely that any region will introduce border-related measures before 2020, but they are clearly likely to be considered if there is insufficient progress at regional or global levels.
4. It would not make sense for Japan to follow the European model in applying easing policies to sectors purely in relation to their trade intensity. Carbon intensity should always be a relevant factor in selecting sectors for easing policies.



In our project ‘Coping with Complexity in the Evolving International Climate Policy Institutional Architecture’ ([please click here to download](#)) funded by the Austrian Klima und Energiefonds, completed in partnership with WIFO Austrian Institute of Economic Research, the following reports have been published:

Synthesis: Searching for a Global Architecture

by Andreas Tuerk, Michael Mehling, Angela Koeppel and Claudia Kettner

This Synthesis includes lessons for improving the design of the post-2012 and 2020 climate regime. It concludes that finding a common ground on important design features, such as accounting or new market mechanisms, in the short term will impact the ability to create a comprehensive agreement in the long term.

This Synthesis paper draws upon the seven papers of this study:

Alternative Frameworks for International Climate Cooperation: Country Positions in the Run Up to Durban by Andreas Tuerk, Michael Mehling, Antonia Baker

Alternative Frameworks for International Climate Cooperation: Towards a Systematic Assessment Matrix by Michael Mehling

Climate Policy Integration – Evidence on Coherence in EU Policies by Claudia Kettner, Daniela Kletzan-Slamanig, Angela Köppl

Carbon Authority as Price Stabilising Institution in the EU ETS by Claudia Kettner, Angela Köppl, Stefan Schleicher

East-West Regional Dimensions in European Climate Policy by Thomas Spencer, Dora Fazekas, Tim Laing, Simone Cooper

Multi-Country Sectoral Approaches: Potential for Reducing Competitiveness and Leakage Impacts in Austria’s Energy-Intensive Industries by Peter Wooders, Marius Keller, Barbara Anzinger, Tom Moerenhout

The EU Emission Trading Scheme – National Allocation Patterns and Trading Flows by Claudia Kettner, Daniela Kletzan-Slamanig, Angela Köppl



Climate Strategies has been pursuing new research opportunities in collaboration with its members. Two of the key, and potentially high profile projects, are:

Climate Technology and Development project:

led by Dr Heleen de Coninck at ECN (Netherlands)

This project’s principal aim is to broaden and refocus the analytic and policy agendas in order to improve the prospects for enhancing technology development, diffusion and transfer. The project explores both national and international instruments for advancing technology, including the emerging UNFCCC Technology Mechanism and bilateral initiatives, and their interaction with interventions for low-carbon development.

Project partners:

Heleen de Coninck – Energy Research Centre of the Netherlands

Gabriel Blanco – Universidad Nacional del Centro de la Provincia de Buenos Aires, Argentina

Rob Byrne – Sussex University, UK

Kelley Gallagher – Tufts University, USA

Ambuj Sagar – Indian Institute for Technology Delhi

This project is trialling a different style of involvement of Climate Strategies in research projects, with CS offering support for the communication and outreach aspects of the project (expect to see pages on the CS website dedicated to this project).

For this project, the support that Climate Strategies was able to offer was important in securing overall funding of the project from CDKN. This type of engagement between Climate Strategies and its members’ projects is an interesting new model of collaboration, which will prove effective in increasing the impact of climate and energy policy research.

Aviation and Maritime Emissions project:

Climate Strategies, in collaboration with Cambridge University (4CMR) and CE Delft, has commenced a research project, sponsored by the UK Department of Foreign Affairs and Trade, designed to understand how market-based measures to address CO₂ emissions in the international aviation and shipping sectors would impact on developing countries. In particular, the work will assess the scale and incidence of direct and indirect costs and benefits resulting from possible policy interventions, and identify efficient and effective methods for addressing any potential negative impacts on the poorest countries.

Climate Strategies will continue developing its research pipeline, and is keen to explore different models of research support and collaboration. Members who have thoughts on projects, collaboration models or other ways of leveraging the Climate Strategies network are encouraged to get in touch!



The new Climate Strategies Chair

Farhana Yamin is a leading international environmental lawyer and a climate change and development policy expert. She has provided legal and policy advice to many different countries and constituencies over the last 20 years, working especially with the least developed countries and the Alliance of Small Island States.

She worked with the Children’s Investment Fund Foundation from 2009–2012, leading on work relating to development of low emissions development strategies in developing countries and the development of progressive coalitions. She was a Senior Research Fellow at the Institute of Development Studies, University of Sussex from 2003–2009 and published numerous books and articles on the climate/development nexus. She was Director of the Climate Change and Energy Programme of the Foundation for International Environmental Law and Development from 1992–2002.

She has been a lead author for Intergovernmental Panel on Climate Change for three successive reports and was Director of the BASIC Project, which brought together experts and government representatives from Brazil, South Africa, India and China for the very first time in 2004–2008 to discuss climate policy issues. Ms Yamin worked as a consultant to the European Commission from 1998–2002, providing advice on the EU Emissions Trading Directive. She is currently Special Adviser to Connie Hedegaard, EU Commissioner for Climate Action, on issues relating to the international negotiations and teaches climate change law and policy at the University College London.

The new Climate Strategies Director

Mr. Andrzej Blachowicz has been involved in climate change and energy policy issues since 2001. He served as a Cabinet member and advisor on climate change to the Polish Minister of Environment during the Polish EU Presidency. Andrzej’s previous posts included managing international cooperation at the Polish National Centre for Emission Management (KASHUE-KOBIZE) – a government agency, directing the Brussels office of the Center for Clean Air Policy and developing carbon business at HVB Bank in Germany. Andrzej has been one of the Poland’s lead experts during the negotiations of the climate and energy package, as well as a key negotiator in the UNFCCC process.

Andrzej is a Marshall Memorial Fellow of the German Marshall Fund and a fellow of the US Department of State. He holds a master degree in environmental management from the University of Warsaw and also completed the international courses at the UN University in Tokyo.

Words from the new Chair



“I am delighted at becoming Chair of the Board of Climate Strategies. Since Copenhagen, there has been a backlash against climate science and the financial and economic crisis, which have debilitated policy makers the world. In their March 2012 Report, the UN’s High Level Panel on Sustainable Development said the international community needs a ‘a new political economy’ for sustainable development.

This would correct market failures whilst respecting both social development and science based planetary boundaries. My hope for Climate Strategies is that it can play a leading role in helping policy makers define and then put in place the new political economy – building on its already strong network of organisations from East and West and expanding this as needed from developed and developing countries.

Governments have set themselves a deadline of 2015 to agree a new legal agreement ‘applicable to all Parties’ based on commitments that are based on national priorities, seen as fair by everyone but at the same time ambitious enough to avoid runaway climate change. Climate Strategies will work with policy makers at multiple levels – national, international and with businesses – to deliver world-class policy and research input to help governments deliver climate action.”



Climate Strategies current members

- Ambuj Sagar**
Indian Institute of Technology Kanpur (IIT), India
- Andreas Tuerk**
Wegener Center for Climate and Global Change,
University of Graz, Austria
- Anna Korppoo**
Fridtjof Nansen Institute, Norway
- Arild Moe**
Fridtjof Nansen Institute, Norway
- Axel Michaelowa**
University of Zürich, Switzerland (CS Board member)
- Benito Müller**
Oxford Institute for Energy Studies (OIES) UK
- Diana Urge-Vorsatz**
Center for Climate Change and Sustainable Energy Policy at
CEU Central European University (3CSEP), Hungary
- Dora Fazekas**
Climate Strategies, UK
- Emmanuel Guerin**
Institut du Développement Durable et des Relations
Internationales (IDDRI), France
- Felix Matthes**
Öko-Institut, Germany
- Hans-Jürgen Stehr**
Climate Strategies Board Member, Denmark
- Heleen de Coninck**
Energy Research Centre of the Netherlands (ECN),
The Netherlands
- Jasper Faber**
CE Delft, The Netherlands
- Jon Price**
Centre for Low Carbon Futures (CLCF), UK
- Joyashree Roy**
Javdapur University, Kolkata, India
- Karsten Neuhoff**
DIW Berlin, Germany
- Michael Mehling**
Ecologic Institute, Washington DC, USA
- Michel Colombier**
Scientific Director, Institut du Développement Durable
et des Relations Internationales (IDDRI), France
(CS Board Member)
- Murray Ward**
Global Climate Change Consultancy, New Zealand
- Péter Kaderják**
Regional Centre for Energy Policy Research (REKK), Hungary
- Peter Wooders**
International Institute for Sustainable Development
(IISD), Switzerland
- Richard Lorch**
Climate Policy Journal, UK

- Sebastian Oberthür**
Institute for European Studies, Belgium
- Stefan P. Schleicher**
Austrian Institute of Economic Research (WIFO), Austria
- Susanne Droege**
SWP Berlin, Germany
- Tom Brewer**
Georgetown University, Washington DC
- Tom Downing**
Global Climate Adaptation Partnership, UK

New members in 2012

- Christa Clapp**
Climate Change Analyst, OECD, France
- Emi Mizuno**
Researcher, Japan Renewable Energy Foundation, Tokyo
- Joanna Depledge**
Cambridge University, UK
- Professor John Barrett**
University of Leeds
- Julian Barquin**
Pontificia Comillas University, Spain
- Kiriakos Vlahos**
Member of the Board of the Greek Regulatory Authority
for Energy and Associate Professor of Management Science
at ALBA
- Neil Walker**
IBEC, Ireland
- Peter Newell**
University of Sussex, UK
- Regina Betz**
University of New South Wales (UNSW), Australia
- Simone Borg**
Faculty of Laws, University of Malta
- Sonja Klinsky**
Researcher – University of British Columbia, Canada
- Stephen Tindale**
Centre for European Reform (CER), UK
- Thomas Sterner**
University of Gothenburg, Sweden



Climate Strategies is a not-for-profit organisation that provides world-class, independent policy and economic research input to European and international climate and energy policy. Climate Strategies is supported by range of national governments, businesses and foundations. All our research is published in the public domain.

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Climate Strategies
21 Silver Street
Cambridge CB3 9EL
United Kingdom
+44 (0) 1223 761266

www.climatestrategies.org