



Florence School of Regulation Climate (FSR Climate)

FSR Climate provides analysis and evaluation of EU climate policies and serves as a forum for debate and dissemination of research carried out in this area

Research

The research by FSR Climate mainly focuses on the economic effects of the EU Emission Trading System (EU ETS) but it also addresses other topics such as renewable and energy efficiency policies in the EU, pathways to European decarbonization, low-carbon innovation and investment, sustainable development and transition towards sustainable and resilient society. Team members have recently published their research in leading international journals, such as *Climate Policy*, *Energy Economics*, *Energy Journal*, *Energy Policy*, *Environmental and Resource Economics*, *Journal of Cleaner Production*, *Journal of Economic Inequality*, *Resource and Energy Economics*, *Review of Environmental Economics and Policy*, *Scandinavian Journal of Economics*.

Projects

In 2016-2018 FSR Climate has led the **LIFE SIDE project (Supporting the Implementation and Development of the EU ETS)**, co-funded by the LIFE Programme of the European Commission. The project provided information and support to European policymakers with the design and implementation of the new EU ETS legislation. Currently the Climate team is involved in two projects: **INNOPATHS**, a four-year H2020 research project working with key economic and societal actors to generate new low-carbon pathways for the European Union and a project called **FRESCO** (the Future of RES Communities), funded by the *Foundation Tuck*. Based on in-depth analysis of the current state of play and on experts' views, the project will contribute to better identifying the prospects for RES communities in Europe over the next decade.

Highlight

Economic Assessment of the EU ETS

Within the framework of the LIFE SIDE project, FSR Climate has carried out **a literature-based analysis of the EU ETS in Europe**. The assessment focuses on five specific areas, namely free allowance allocation, competitiveness effects and carbon leakage, interactions with other policies, low-carbon innovation and investment, and the international dimension of the ETS. It also provides an overall, multi-criteria evaluation

of the EU ETS. Access the assessment report: <http://lifesideproject.eu/wp-content/uploads/2019/04/1-LIFE-SIDE-final-EU-ETS-Assessment-report.pdf>.

Training

FSR Climate offers residential, on-line training courses and executive training seminars, targeting different audiences (policy makers, academics, stakeholders, NGOs). The trainings are designed to enable learning and networking opportunities through open debates and interactive sessions.

Examples of past training courses:

Executive Training Seminar: Global Quest for Investment Finance for the Low Carbon Economy (11 April 2019)

<http://fsr.eui.eu/event/executive-training-seminar-global-quest-for-investment-finance-for-the-low-carbon-economy/>

Jointly organised by the School of Transnational Governance and the FSR Climate of the European University Institute, this Executive Training Seminar looked closely at the role of Central Banks and of State Investment Banks in the transition to low carbon economy, possible ways of scaling up climate finance in developing and emerging countries, and the different national paths to contribute to the Paris Agreement.

Residential training course (7-8 March 2018)

http://lifesideproject.eu/event/residential-training-course-on-the-eu-ets/?instance_id=11

Ad-hoc training course targeted at European policy makers, providing a comprehensive analysis of the functioning and regulation of the EU ETS and of its interaction with other European policies.

Online training course on the EU Emissions Trading System (11 June – 13 July 2018)

A **5-week online course** including video lectures, readings, a live class and interactive online activities.

<http://fsr.eui.eu/training/energy/eu-emissions-trading-system/>.

Course structure:

- Week 1 (11-15 Jun) EU climate policies and the EU ETS
- Week 2 (18-22 Jun) Allowance allocation, competitiveness effects, and carbon leakage
- Week 3 (25-29 Jun) Low-carbon innovation and investment
- Week 4 (2-6 Jul) Interactions with other policies and the Market Stability Reserve
- Week 5 (9-13 Jul) The International dimension.

Policy dialogue

FSR Climate actively engages policy makers, academics and stakeholders in an informed dialogue on the development and implementation of climate policies.

To this purpose, FSR Climate organises high-level policy workshops, conferences and on-line debates.

In 2017-2019, under the direction of Professor **Simone Borghesi**, the FSR Climate team organised in Florence a few major events:

Florence Process Workshops (21 March 2019, 14 May 2018, 25 September 2017, Florence)

<http://fsr.eui.eu/event/third-carbon-market-workshop/>
<http://fsr.eui.eu/event/second-carbon-market-workshop/>
http://lifesideproject.eu/event/carbon-market-workshop/?instance_id=10

Launched by DG CLIMA of the European Commission, the Florence Process aims to stimulate amongst international policymakers and experts an on-going debate on carbon markets.

Jointly organised with DG Climate Action of the European Commission, these three workshops gathered stakeholders (from the academic, industry, NGO sectors) and senior policy makers from different carbon markets worldwide to discuss and exchange experiences in the design and implementation of emissions trading.

Side Event, EU State of Union Conference (2 May 2019, Florence)

Trust in the Single Market? The case of the EU Emissions Trading System

<http://fsr.eui.eu/event/trust-in-the-single-market-the-case-of-the-eu-emissions-trading-system/>

Jointly organised by FSR Climate (European University Institute) and the European Association of Environmental and Resource Economists (EAERE).

FSR Climate Annual Conference (26-27 November 2018, Florence)

<http://fsr.eui.eu/event/fsr-climate-annual-conference-2017/>

At its 4th edition, the FSR Climate Annual Conference has established itself as a European forum for debate of the *Economic Assessment of European Climate Policies*. The 2018 conference covered the main climate-related existing policies, at EU, national and subnational levels with plenary sessions on *Energy efficiency*, *Renewable policies*, *Environmental taxation*, and *Emissions Trading*.

Policy Session WCERE (26 June 2018, Gothenburg)

<http://fsr.eui.eu/event/policy-session-at-wcere-2018-linking-carbon-markets-prospects-and-challenges/>

This Policy Session discussed both advantages and risks that a fully-linked market would involve, addressing potential economic benefits brought by linking existing ETSs.

EU ETS Public Debate at European Parliament (20 June 2018, Brussels)

http://lifesideproject.eu/event/public-debate-the-european-parliament/?instance_id=18

High-level event engaging stakeholders and policy makers from the European Parliament and the European Commission in an open debate on latest developments in the EU ETS legislative process.

Side Event, EU State of Union Conference (10 May 2018, Florence)

Equity and solidarity in the EU Emissions Trading System: any lessons for international climate governance?

http://lifesideproject.eu/event/equity-and-solidarity-in-the-eu-emissions-trading-system-any-lessons-for-international-climate-governance/?instance_id=14

Event organised within the framework of the EUI State of the Union, as part of the policy dialogue carried out under the LIFE SIDE project.

Policy Workshop: The Reform of the EU ETS and its Implications for the Energy Markets (23 February 2018)

<http://fsr.eui.eu/event/reform-eu-ets-implications-energy-markets/>

Jointly organised by the Energy and Climate Areas of the Florence School of Regulation, this workshop focused on the revision of the EU ETS and its implications for the wholesale electricity market.

FSR Climate Team

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