

The European Union Emissions Trading Scheme (EU ETS): (Some) Experiences on Stakeholder Engagement and Communication

Partnership for Market Readiness (PMR)

PMR Technical Workshop: Stakeholder Engagement and Communication

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Marrakesh, 24 October 2013

- **The views and opinions presented here are partly based on results from research commissioned by the German Federal Ministry for the Environment, Nature Protection and Reactor Safety, the German Federal Environment Agency and the European Commission.**
- **The contents of this presentation does not necessarily reflect any official position of Germany or the European Union.**

- **Background**
 - Climate policy & carbon pricing/ETS are highly political issues
 - Climate policies like ETS are (technically) demanding
- **Stakeholder engagement is a standard procedure in any legislative process**
 - (Very) different for different jurisdictions
(for example: Germany vs. EU/UK/USA)
- **Why a broad stakeholder engagement is key for (EU) ETS**
 - Creating transparency (which is a general requirement)
 - Raising, broadening and maintaining (broad) public support
 - Bringing in a broad range of expertise on often complicated issues
 - “Decontaminating” the (unavoidable) political conflicts

- **Reminder: EU ETS is in an ongoing preparation/ evaluation/ reform process in it's 13th year**
- **Formats in general**
 - Background and explanatory documents (impact assessments as an important source!)
 - Consultations (increasingly online)
 - Hearings
 - Specific institutional arrangements
 - Information dissemination platforms
 - Have a look on the European Commission's online resources at the web!

- **An illustrative (legislative/evaluation) process in the EU**
 - Initial information input: Green Papers, Communications etc.
 - laying out purpose, options, implications
 - (Online) consultation: open to all stakeholders
 - Report on stakeholder consultation
 - Stakeholder hearing: on invitation (to almost everybody)
 - Legislative proposal (by the Commission)
 - Parliamentary process
 - Committee discussions (and lobbying)
 - Committee hearings: on invitation
 - Committee & plenary voting
 - Negotiations between Parliament, Council & Commission, followed by more or less complicated voting procedures

- **An illustrative (legislative) process in Germany**
 - Preparatory process
 - Legislative proposal by the ministries (no green paper!, no impact assessment!)
 - Hearing of relevant stakeholders: on invitation
 - Cabinet decision, submission to the parliament
 - Parliamentary process (selective elements only, interactions with 2nd chamber, the Bundesrat, not addressed)
 - Committee discussions
 - Committee hearing: on invitation
 - Committee and plenary voting
 - For EU ETS as a complicated issue a broader stakeholder engagement became necessary: The “Arbeitsgruppe Emissionshandel” as a new institutional arrangement

The “Arbeitsgruppe Emissionshandel”

An interesting/new institutional arrangement (1)

- **Founded in 2001 in the run-up of the EU ETS**
- **Hosted by the Federal government, but organized as an entity strictly separated from the government**
 - Own budget, own secretariat
 - 75 Members to date
 - Federal government
 - Federal States
 - Emissions Trading Authority
 - Political parties
 - Industry associations & (large) enterprises
 - Trade unions
 - Environmental NGOs
 - Service providers

The “Arbeitsgruppe Emissionshandel”

An interesting/new institutional arrangement (2)

- **Working structures: A permanent hearing**
 - Plenary: 113 meetings by now (Ø 9 p.a.)
 - Four sub-working groups
 - Cross-cutting issues
 - Implementation
 - Legal and institutional issues
 - CDM and JI activities
 - Agenda issues
 - early consideration of emerging (political) processes as well as emerging (political & technical) problems
 - multi-party information dissemination
 - “technical dialogue”
 - Annual report (to the public) and public events

- **Stakeholder engagement & communication will (and should) not substitute political conflicts & political pressure but can help to make it more productive**
 - Informing the political process and maintaining (robust/permanent) dialogue structures can (sometimes) help to make political escalations (more) productive
 - Key conflicts are often more on the general policies than the specific instrument
 - Smart engagement strategies try to separate these two dimensions – to the extent possible
 - Key conflicts often result from distributional conflicts, pushing (potential) winners and (potential) losers into a structured engagement & communication framework sometimes helps

- **Politically and technically complex and/or demanding and/or evaluation-intensive policies like ETS require early and comprehensive stakeholder engagement & communication**
 - Lawmakers are stakeholders and must be addressed/included
 - The discussion on technical issues should include legal and institutional issues from the very beginning
 - Structured and institutionalized engagement can provide (valuable) problem alerts
- **Comprehensive and well-prepared impact assessments or comparable analysis can significantly help to set the scene**
- **Internet resources and online consultations offer new opportunities**
- **Comprehensive stakeholder engagement and communication (initially driven by complexity of new policies) can change the political culture – at least for certain policies and over time**

**Thank you
very much**

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