

EUI Climate Week 2025

6-8 May 2025 | Palazzo Buontalenti, Florence

Draft Programme (9/2/2025)

The task of realising the goals of the Paris Agreement and the EU Green Deal looks very different today compared to not more than a couple of years ago. The political environment is rapidly changing and the EUI Climate Week aims to deepen the understanding of this new reality through an exchange of views between high-level policy makers from the public and private sector as well as from civil society and academia.

Some major geopolitical shifts are becoming clearer. First there is the brutal reality of two ongoing wars on Europe's doorstep, namely in Ukraine and the Middle East. These conflicts have a major impact on markets for energy and raw materials. Second, there are major changes in US policy. While things are still unfolding it is becoming clear that we may experience the end of the multilateral regime that emerged after World War 2. For the third time since 1990, the US has withdrawn from the multilateral climate regime. Third is the rising position of China which has become the world's biggest polluter but has also become a leader in clean technology. The dominant position of China in many industries leads to questions related to governmental interference and to maintaining the free trade tradition of the last decades.

The wide political consensus on climate policy is weakening and instead one can observe an increasing polarization globally. As progress in emissions reductions advances, the low hanging fruit has been reaped, and compliance costs are increasing. This leads to a call for a fair distribution of the short-term costs that climate policy entails. On the other hand, there are convincing signs that business has started the low-carbon transition. Globally for example, twice as many investments went to clean energy compared to fossil fuels. Yet hesitations remain. Questions emerge related to the regulatory complexities of many policies, and generally there is a call for more flexibility in delivering the climate goals. Stable and simple market conditions are required to make a solid business case for those wanting to invest in the low-carbon transition, thereby strengthening their overall competitive strength.

Tuesday, 6 May

10:30-11:00 **Welcome Coffee**

11:00-11:30 **Opening of the EUI Climate Week**
Martti Ahtisaari Peace Hall

11:30-13:00 **The changing geopolitical landscape**
Martti Ahtisaari Peace Hall

The recent geopolitical developments shed new light on the transatlantic and more generally, the EU's relationship with OECD countries, the emerging economies, and the developing world. On top of that Brazil has an increasingly challenging task with new NDCs to be delivered by COP30. Europe is still heavily dependent on imports of energy and critical raw materials, and this has implications on its trade relationships on trade, but also on Europe's international climate leadership and industrial decarbonisation strategies, notably considering the US-China rift. How should the EU review its general international strategy, and more specifically its EU climate diplomacy?

Chair: **Jos Delbeke**, *EIB Climate Chair, Florence School of Transnational Governance, EUI*

13:00-14:30 **Lunch**

14:30-16:00 **How the Clean Industrial Deal can succeed**

Martti Ahtisaari Peace Hall

The central aim of the Clean Industrial Deal is to marry EU decarbonization with economic competitiveness. Its purpose is to unlock clean investments, lower energy prices, boost clean tech manufacturing and industrial decarbonization, and put in place conditions for companies to compete globally. Following the launch of the initiative in early 2025, this session will delve into the main elements of the Clean Industrial Deal, discussing its main features and implementation prospects. Particular attention will also be devoted to the main policy trade-offs characterising this area and to the potential smart measures to efficiently manage them.

Chair: **Simone Tagliapietra**, *Adjunct Professor, Florence School of Transnational Governance, EUI*

14:30-16:00 **How to motivate society to act?**

Martti Ahtisaari Peace Hall

The European Union has achieved a significant milestone by establishing the European Green Deal targets for 2030. Meeting these targets requires a high level of public mobilization, particularly in the areas of transport and buildings, which account for over one-third of greenhouse gas emissions. It is expected that as climate action intensifies, public acceptance and sense of justice will become more prominent on the EU agenda, especially if Member States fail to address them adequately.

Climate policies are implemented through a combination of regulations, support schemes, educational initiatives, and economic mechanisms like carbon pricing. One crucial aspect of achieving these targets is the implementation of ETS2, which is set to become operational in 2027. By June 2025, Member States are required to develop social climate plans that prioritize the most vulnerable groups in society as a condition for receiving funding from the Social Climate Fund. However, Member States have different starting points in this regard.

Chair: **Joanna Pandra**, *Adjunct Professor, Florence School of Transnational Governance, EUI*

16:00-16:30 **Coffee break**

16:30-18:00 **Electrification & Energy Prices**

Martti Ahtisaari Peace Hall

A major EC initiative is the Competitiveness Compass, announced to 'frame the work for the rest of the term'. One of the three pillars is the joint plan for decarbonisation and competitiveness, including the proposed Electrification Action Plan. To accelerate electrification of industry – precondition for competitiveness – Europe needs both to increase the volumes and close the price gap vis-à-vis the US and China, respectively. This calls first and foremost for accelerating investment in the EU production. Somewhat less developed are strategies to boost affordable low-carbon electricity through imports. The session will explore the linkages between the domestic and external strategy, as for example being developed in the Clean Industrial Deal.

Chair: **Jan Cornillie**, *Research Associate, Florence School of Transnational Governance, EUI*

16:30-18:00 Next frontier in sustainability reporting*Elinor Ostrom Room*

The future of sustainability reporting lies in balancing implementation, practicality, and global impact. As the CSRD and the EU Taxonomy move into full implementation, financial and non-financial companies face data-related challenges and operational hurdles, with SMEs being particularly burdened. Amidst ongoing concerns of ‘overregulation’, the Commission’s recent omnibus proposal introduces changes intended to simplify compliance. However, these changes also raise critical questions about whether they strike the right balance between feasibility and ambition, or if they risk diluting the rigor of EU sustainability standards. Globally, non-EU companies and regions are shaping their own reporting frameworks, offering valuable comparisons. This panel will explore the impact of the omnibus package, strategies for balancing ambition and pragmatism, and broader implications for Europe’s competitiveness.

Chair: **Laura Iozzelli**, *Research Fellow, Florence School of Transnational Governance, EUI*

18:00-19:00 Drinks**Wednesday, 7 May****9:00-9:30 Welcome Coffee****9:30-11:00 Advancing carbon market integration under Article 6***Martti Ahtisaari Peace Hall | Co-organised with the Florence School of Regulation*

The current state of carbon market integration will be reviewed. In previous years, the number of Emissions Trading Systems (ETSs) grew worldwide but their integration progressed more slowly due to divergent design features (e.g., intensity-based vs. cap-based systems). The COP29 in Baku has been hailed as breakthrough for international carbon market cooperation leading to a common set of rules that operationalise Article 6 of the Paris Agreement. How can this development facilitate the integration of compliance markets? In this context, who are realistic candidates for linking and what are enablers and barriers for internationally integrated ETSs. This event is the first part of the annual Net Zero Carbon Market Policy Dialogue (NZCMPD) organised under the framework of the EU-funded [LIFE COASE](#) project.

Chair: **Simone Borghesi**, *Director - Climate, Florence School of Regulation, EUI*

9:30-11:00 Incentivising Climate Action in Agriculture*Elinor Ostrom Room*

In Europe, over the recent two decades the greenhouse gas emissions of agriculture stagnated, while the capacity of land use to sequester carbon in biomass and soils has recently declined. However, technological options are available to reduce net emissions from agriculture, forestry, and land use by around 30% until 2040 in a cost-efficient manner. In addition, agriculture and forestry products have an untapped potential to substitute the use of fossil fuels in the aviation and maritime sector and as a feedstock in chemical industry. However, to date, there are too few effective economic incentives for European farmers to apply those technologies to reduce greenhouse gas emissions, to enhance the removal of carbon dioxide from the atmosphere or to provide substitutes. In addition, investment facilities, including those for young farmers, are at present not geared towards climate-friendly agriculture. This session will focus on discussing a specific strawman proposal for

incentivising and investing in climate action in agriculture. No doubt it will be challenging to formulate an effective, efficient, and fair public policy that can on one side address the heterogeneity of European farming systems and on the other turn around the high level of political frustration of large parts of the farming and rural community.

Chair: **Artur Runge-Metzger**, *Fellow, MCC*

11:00-11:30 **Coffee Break**

11:30-13:00 **Twenty years of EU ETS: looking back, looking ahead**

Martti Ahtisaari Peace Hall

Some observers claim that the liquidity in the EU ETS will decline significantly as of 2035, and hence may be subject to more price volatility. Several options have been suggested to mitigate this risk including allowing certified removal credits. Some suggested as well the creation of a kind of liquidity management in the EU ETS, comparable to the role of central banks. Obviously, all options need to be designed with full respect of the climate targets. The EU ETS may be strengthened while benefitting from more flexibility.

Chair: **Peter Vis**, *Senior Adviser, Rud Pedersen Public Affairs*

11:30-13:00 **Can carbon markets help scale carbon removals?**

Elinor Ostrom Room

Carbon dioxide removals (CDR) are expected to play a key role in the next two decades. In 2024 the EU adopted a Certification framework, and at COP29 methodological standards for removals were adopted under the PACM. Both nature-based and engineered solutions, however, face challenges on global markets, and policies.

What is the potential for integration of CDR in emissions trading systems (ETS), and climate plans (NDC) under the Paris Agreement? Is it possible to assess the impact of the new UN standards on the sector? Which governance gaps still need to be addressed to allow countries to cooperate on the matter?

Chair: **Jacopo Bencini**, *Research Associate, Florence School of Transnational Governance, EUI*

13:00-14:30 **Lunch**

14:30-16:00 **Is aviation delivering emission reductions?**

Martti Ahtisaari Peace Hall

Aviation accounts for about 2.5% of global energy-related CO₂ emissions, having been growing faster than rail, road or shipping. National and regional policies to advance emission reductions from aviation are few, with the EU ETS leading the way. Meanwhile, CORSIA, ICAO's global offsetting scheme for aviation, will enter its mandatory phase in 2027, after a pilot phase marked by undersupply of credits and uncertainties at the level of single countries. So far, what has been delivered? Which solutions could be applied to bring the sector back on track towards its decarbonization goals, also by encouraging sustainable aviation fuels at larger scale? As the EU may consider taxing kerosene under the Energy Taxation Directive, and including departing flights in the EU ETS, several policy questions arise, both at the EU, international and multilateral level.

Chair: **Beatriz Yordi**, *Director, Carbon Markets and Clean Mobility (CLIMA.B), DG CLIMA, European Commission*

16:00-16:30 **Coffee Break**

16:30-18:30 **Panel: Security, Decarbonization, Reindustrialization**

Martti Ahtisaari Peace Hall

The panel will discuss how Europe's security can be strengthened through its decarbonization policy and the implementation of the Green Deal. Investing in energy efficiency as well as in renewables will improve Europe's resilience, a process that started after the Russian invasion in Ukraine. Equally, making the EU's economy more circular, will allow to minimize its dependence on raw materials. Diversifying its trading partners both for imports and exports will make the economy more resilient. However, some hard questions are still open: will the EU continue its tradition of multilateralism on trade issues or will more focus be given to bilateral trade agreements and policies related to improving the local content of production.

Chair: **Jos Delbeke**, *EIB Climate Chair, Florence School of Transnational Governance, EUI*

Thursday, 8 May

8:30-9:00 **Welcome Coffee**

9:00-16:30 **Florence Process (invitation-only)**

Elinor Ostrom Room

9:00-10:30 **Sustainable Finance Literacy as the Real Antidote to Greenwashing?**

Martti Ahtisaari Peace Hall | Co-organised with the Florence School of Banking and Finance

As sustainable finance moves from the margins to the mainstream, a key challenge remains: do we truly understand it? While financial markets adapt to green taxonomies, ESG disclosures, and climate risk assessments, gaps in sustainable finance literacy persist—even among professionals, regulators, and policymakers. Without a solid grasp of its tools, risks, and incentives, well-intended policies may misfire, and financial markets risk falling short on sustainability impact.

This event will examine the tensions in sustainable finance literacy:

- Can education counteract greenwashing, or does it risk reinforcing market biases?
- How should financial education evolve to balance environmental ambition with economic realism?
- Should central bankers, banking supervisors, and regulators take a greater role—and if so, how?

Amid efforts to simplify (at best) or cut back (at worse) EU sustainable finance regulation, this event will explore critical knowledge gaps that could shape—or shake—the future of sustainable finance. As regulatory frameworks tighten and institutions struggle to adapt, understanding sustainable finance is no longer just an academic concern—it is a policy and market imperative.

Chair: **Pierre Schlosser**, *Deputy Director, Florence School of Banking and Finance, EUI*

10:30-11:00 **Coffee Break**

11:00-12:30 **Policy-proofing the PACM: implementing COP29 decisions on Article 6**
Martti Ahtisaari Peace Hall

COP 29 adopted new methodological standards and rules on registries, making the Paris Agreement Crediting Mechanism under Article 6.4 of the Paris Agreement almost ready to start its operations after years of delays.

As expedited implementation of the Baku results is envisaged to help the first activities under PACM take off relatively soon, this session will explore how countries, organizations and project developers are equipping themselves towards cooperation under the new mechanism, also by investigating the sentiment of key stakeholders on the actual potential of the newly established system and its interlinkages with those operating in the Voluntary Carbon Markets.

12:30-14:00 **Lunch**