Major goal: Development of political and institutional proposals for the future of international climate policy
A research project based at the European University Viadrina in Frankfurt (Oder), working with and supported by an international network of scientists and political stakeholders.
We combine economic theory, empirics, experimental research and international law.
Funded by the Federal Ministry of Education and Research (BMBF) within its funding priority 'Economics of Climate Change' (≈ 1 million EUR, Sep 2011 - Mar 2015).
Major output: publications (journals, discussion papers, ...), policy briefs, completed dissertations, conferences & workshops, ...
Current state: completed (but not finished).

RECAP15 is organized in seven 'work packages':
WP 1 Burden Sharing Rules for International Climate Agreements
WP 2 Design of Financial Transfers within International Climate Agreements
WP 3 Co-ordinating Global and National Strategies of Adaptation and Mitigation
WP 4 Limiting Crowding Out and the Compatibility of Carbon Leakage Policies with WTO Rules
WP 5 Strategies of Monitoring, Reporting and Verification in Fragmented International Policy Regimes
WP 6 Experimental Research on International Climate Agreements
WP 7 Enhancing Science-Policy Interactions and generating Policy relevant Knowledge

What is RECAP15?

Policy Briefings

A three-tier system of climate funding to reduce the strategic cost of adaptation
In order to allow for the individual requirements of different countries, a differentiated three-tier climate funding system should be developed:

1. **Financial support** for adaptation activities is recommended for Least Developed Countries (LDCs) only.
2. In order to counteract the strategic costs of adaptation, emerging economies should be encouraged in their efforts to reduce emissions and develop green technologies.
3. In order to increase climate protection contributions from industrialized nations, activities to mitigate GHG emissions should be financed reciprocally.

EU Emission Trading System without competitive disadvantages
1. The Emissions Trading System (ETS) will be fully effective if its discretionary exemptions are omitted. The carbon-leakage list in particular should be replaced with a full border adjustment (BA).
2. The BA helps to prevent carbon leakage and restores competitive neutrality to EU enterprises.
3. The burden of the BA must be closely linked to the actual burden of the ETS.
4. A product- or sector-based BA is likely to be compatible with WTO rules, correspond to the principle of competitive neutrality, have a positive effect on climate protection, and be less bureaucratic than other forms of BA.
5. The new export rebates must be limited to products that are actually exported. Export rebates do not limit the effectiveness of the ETS if they are accounted for when fixing the cap.
6. Foreign countries should have the choice between two options: the BA and integration into the ETS.
7. If the revenue of the import BA respective of the integrated ETS is used for climate funding, a double dividend for climate protection can be facilitated.

Reciprocity and Trust as Factors for Success in International Climate Policy
Reciprocity and trust can facilitate multilateral agreements in various ways, if they are appropriately used:
1. Instruments for climate policy should be designed so that they are compatible with the principle of reciprocity.
2. Cost sharing and matching is recommended as these instruments increase the incentives for unilateral and multilateral climate protection activities.
3. A hybrid control mechanism consisting of unilateral reporting and an independent external verification proves to be the optimal strategy for fostering trust.
4. The current system based on national reporting should gradually be transformed into a MRV architecture based on external mechanisms.
5. Satellite-based monitoring is recommended, as it allows independent, external control of CO2 emissions at low cost and technical stability.

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