

Architectures for Agreement: Addressing Global Climate Change in the Post-Kyoto World

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Resources for the Future

Harvard Project on International Climate Agreements

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Architectures for Agreement

- Current International Framework
- *Architectures for Agreement*
- Harvard Project on International Climate Agreements

Current International Framework

- UN Framework Convention on Climate Change
- Kyoto Protocol
- Bali Action Plan

UN Framework Convention on Climate Change

- Signed at Earth Summit in 1992
- Two key provisions:
 - stabilize GHG concentrations at a level to “prevent dangerous anthropogenic interference” with the climate
 - “Common but differentiated responsibilities”

Kyoto Protocol: Strengths and Weaknesses

Strengths

- Market-based approach, potentially cost-effective
- Flexibility for nations to comply with commitments
- “Fair” – focuses on wealthiest countries and those with greatest historical emissions
- Has come into force

Weaknesses

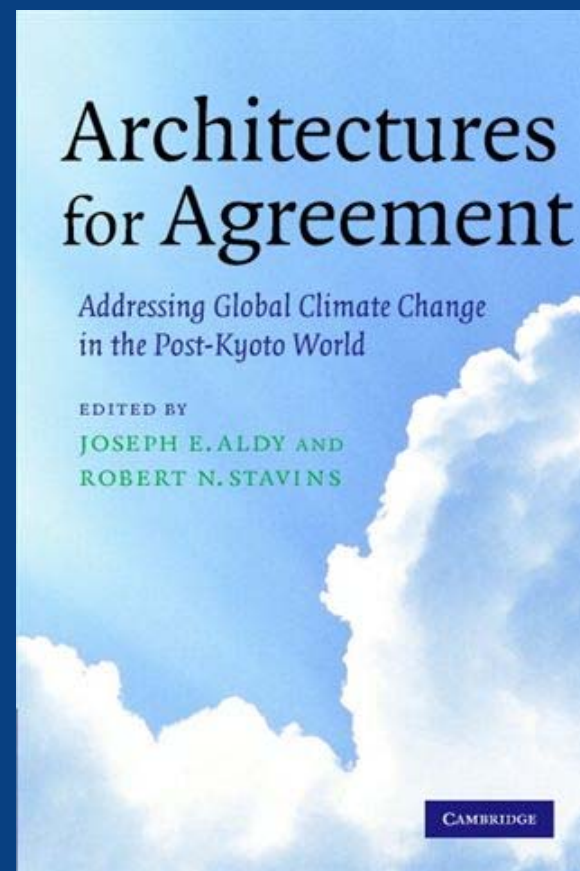
- Some of the largest emitters were not constrained
- US has not ratified
- Potential for “emission leakage”
- Concerns about nature of emission trading, including CDM
- Compliance mechanisms sufficient?

Bali Action Plan

- Two-year process to address the following:
 - Long-term global goal
 - Mitigation commitments/actions
 - Actions to promote adaptation
 - Development and transfer of technology
 - Financial mechanisms to support these objectives

Architectures for Agreement

- Presents six proposals for post-Kyoto climate policy architecture
 - Targets and Timetables
 - Harmonized Domestic Actions
 - Coordinated and Unilateral Policies
- Two commentaries evaluate each proposal
- Foreword by Larry Summers and Epilogue by Tom Schelling
- Introduction of the issue and synthesis of major themes



Targets and Timetables

- Basic architecture underlying Kyoto Protocol
- Set country-level quantitative emission targets over specified timeframes
- Allow emission trading across countries
- Novel ideas presented in proposals
 - Set targets through formulas
 - Developing countries “graduate” into targets as they grow

Harmonized Domestic Policies

- Focus more on policy actions instead of goals
- Countries agree on similar or interlinked domestic policies
- Novel ideas presented in proposals
 - Countries adopt similar national level cap-and-trade programs
 - Promote regional-level “carbon clubs” that could evolve like regional trade agreements
 - Integrate climate policy in development efforts

Coordinated and Unilateral Policies

- Bottom-up approach to climate policy
- Relies on domestic politics to drive incentive for participation and compliance
- Novel ideas presented in proposals
 - Countries pledge actions and undergo periodic review without formal penalties
 - Suite of actions: emission mitigation, adaptation, R&D, geo-engineering

Major Themes from Proposals

- Focus on policy infrastructure instead of goals
 - Get institutions right, then aim for ambitious goals
- Market-based implementation supported
 - Harmonization of emission prices can occur through
 - International cap-and-trade
 - Coordination of domestic cap-and-trade policies
 - Emission taxes
 - Can an international system work without a supranational authority?

Major Themes from Proposals

- Need for a “fair” climate policy
 - Progressive targets for developing countries
 - Integrate with development, trade policies
 - Adaptation merits additional attention
- Promoting participation
 - Engage domestic constituencies
 - Focus on effort, not outputs, through pledge and review
 - Expand negotiations to integrate development, trade
 - Narrow negotiations to small number of key nations

The Harvard Project on International Climate Agreements

- **Starting Point:** *Architectures for Agreement*
- **Goal:** Inform the design of a scientifically sound, economically rational, and politically pragmatic post-2012 international climate policy architecture
- **Method:** Draw upon research and ideas of leading thinkers from academia, industry, government, and NGOs
 - Provide policy guidance in Fall 2008

Questions Raised by the Bali Action Plan to be Addressed by the Harvard Project

- How do we set a long-term goal?
 - How do we account for uncertainty?
 - How do we adjust goal as we learn?
- How do we structure commitments that deliver climate benefits and economic development?
 - Issue for developed and developing countries
 - Much has changed since 1992 when world divided in two
 - Need to integrate climate policy in development agenda
- Is adaptation just “good” development policy?

Questions Raised by the Bali Action Plan to be Addressed by the Harvard Project

- How can we promote technology transfer?
 - Need to move beyond ODA and CDM
 - Need policies to leverage more private sector capital
- R&D coordination
 - CO₂ capture and storage
 - Geoengineering
- Measuring effort
 - How do we assess comparability, adequacy of effort?
 - What institutions are necessary?

Specific Policy Architectures Under Consideration in Harvard Project

- Portfolio of approaches
- Harmonized national carbon taxes
- EU emission trading scheme as a model for the global regime
- Linkage of domestic cap-and-trade programs
- Sectoral-based international agreements

Specific Policy Elements Under Consideration in Harvard Project

- Metrics for assessing comparability of effort
- International technology agreements
- Policies to address deforestation
- Development and climate change
- International trade and climate change

Invitation to Participate in the Harvard Project on International Climate Agreements

To get more information about the Project,
sign up for e-alerts, etc.,
please visit the Harvard Project website:
www.belfercenter.org/climate

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