Towards a Workable and Effective Climate Regime

Editors: Scott Barrett, Carlo Carraro, Jaime de Melo

We need a Climate Treaty that will bring about real collective action. We have learned from the Kyoto Protocol (KP) that three elements are crucial: First, the treaty must encourage and promote full participation by countries. Second, the treaty must demand that parties change their behaviour substantially. Third, the treaty must provide parties with an incentive to comply with the obligations they have pledged to fulfil. In the KP none of these elements was satisfied. Until now, except for the recent commitment by China—which may have been made for reasons of self-interest because of the health degradation caused by coal-burning—incentives to increase participation by developing countries have been lacking and negotiations have focussed on setting bottom-up targets and timetables.

Large country delegations, IFIs, NGOs and think tanks will participate at the Paris COP-21 meeting in December 2015. Aware of the importance of climate change to developing countries, FERDI (Fondation pour les études et Recherches sur le développement International) http://www.ferdi.fr/en wishes to produce a booklet that will suggest ways to structure and implement the Paris agreement, and plant seeds for additional approaches, including additional agreements for the future. To this end, the editors are inviting key contributors to give their personal views on what can/should be done to lay the ground for a workable and effective climate.

Perspective: The dimensions of what negotiators need to keep in mind to get a deal that will encourage developing country engagement (i.e. recognizing the need not only for reductions in emissions, but also for continued growth and assistance with adaptation). Not a search for a first-best outcome, but for a political feasible agreement informed by evidence (science, economics, political economy, and politics), i.e. a workable and effective regime.
Chapter Outline

“Introduction” Scott Barrett (Columbia University), Carlo Carraro (University of Venice and FEEM), Jaime de Melo, (FERDI)

PART I: The Challenge/Landscape

The IPCC reckons that meeting the 2°C target will most likely require taking CO₂ out of the air. The implications of the latest IPCC report thus suggest an immense challenge. This section will seek contributions recognizing the immense scale of the challenge ahead with different perspectives on addressing the mitigation-adaptation split.

“Implications of climate science for negotiators”, Thomas Stocker (University of Bern)

“Economic scenarios. What if action is delayed? What is the appropriate balance between mitigation and adaptation?”, Ottmar Edenhofer (Potsdam Institute for Climate Impact Research) Susanne Kadner(IPCC), Jan Minx (MCC)

“Climate change and poverty: Natural disasters, agricultural and ecosystem impacts, and health shocks”, Stephane Hallegate (World Bank), Mook Bangalore (World Bank), Laura Bonzanigo(World Bank), Marianne Fay (World Bank), Tamara Kane (World Bank), Ulf Narloch (World Bank), Julie Rozenberg (World Bank), David Treguer (World Bank), Adrien Vogt-Schibl (World Bank)

“The state of climate negotiations”, Brian Flannery (Resources for the Future)

PART II: The View from Different Parts of the World

Although climate change is a global problem, its effects will be felt locally, and the actions needed to address it will have to be taken nationally. This section will provide a window into how various important countries and regions see the problem and the role they are willing to play in addressing it.

“A view from Europe”, Roger Guesnerie (Paris School of Economics)

“A view from the United States”, Matthew Kotchen (Yale School of Forestry & Environmental Studies)

“A view from China”, Teng Fei (Tsinghua University)

“A view from Japan”, Mitsutsune Yamaguchi and Keigo Akimoto (Research Institute of Innovative Technology for the Earth)

“A view from India”, E Sommanathan (Indian Statistical Institute)
The UNFCCC is challenged to create the infrastructure around Measuring, Reporting and Verifying emission reductions and policies and measures leading to emission reductions (MRV). It must also create incentives for countries to scale up their ambition over time. What elements in the design of the architecture are most likely to impel the parties to cooperate and rise to the challenge, keeping in mind the need to make developing countries want to participate? What modifications to the current approaches are needed to bring about real and effective cooperation?

“Pricing Carbon: The Challenges”, Thomas Sterner (University of Gothenburg), Gunnar Köhlin (University of Gothenburg)

“Putting a Price on Carbon with a Tax, Current state of play and prospects for future developments”, Xueman Wang (World Bank), Maja Murisic (World Bank)

“Linkage of Regional, National, and Sub-National Climate Policies in a Future International Climate Agreement”, Rob Stavins (Harvard University)

“The Regulatory Approach in U.S. Climate Mitigation Policy”, Dallas Burtraw (Resources for the Future)
“International Cooperation in Advancing Energy Technologies for Deep Decarbonisation”, Michael Toman (World Bank), Govinda Timilsina (World Bank)

“Options for avoiding carbon leakage”, Carolyn Fisher (Resources for the Future)

“Meaningful technology development and transfer: a condition for involving developing countries into a viable climate regime”, Heleen de Coninck (Radboud University, Faculty of Science), Shikha Bhasin (Energy research Centre of the Netherlands), Gabriel Blanco (Universidad Nacional del Centro de la Provincia de Buenos Aires, Argentina)

“REDD+: what should come next?”, Arild Angelsen (Norwegian University of Life Sciences NMBU)

“Policy options in low-income countries: Achieving socially appropriate climate change response objectives”, Alice Ankinyi Kaudia (Ministry of Environment and Mineral Resources, Kenya)

“Towards resilient and low-carbon cities”, Anthony Bigio (George Washington University)

“Renewables”, Valentina Bosetti (Bocconi University and FEEM)

“Carbon capture and storage (CCS)”, Massimo Tavoni (Politecnico di Milano and FEEM)

“Geo-engineering”, Scott Barrett (Columbia University) and Juan Moreno Cruz (Georgia Institute of Technology)

PART V: Finance

The Green Climate Fund and other sources of finance are slowly gaining momentum. What are the prospects for climate bonds, green quantitative easing, public-private partnerships, and other sources of innovative finance? What are the prospects for and the best ways to achieve a redirection of investment towards green activities.

“Investments and financial flows in mitigation policy scenarios”, Emanuele Massetti (Georgia Institute of Technology)

“Curbing Carbon without Curbing Development”, Paul Collier (University of Oxford)

“The case for carbon-based monetary instruments”, Jean-Charles Hourcade (CIRED)

“Pros and cons of alternative sources of climate change financing and prospects for ‘unconventional’ finance”, Barbara Buchner and Jane Wilkinson (Climate Policy Initiative)

“Identifying LDCs vulnerabilities to climate change and providing finance”, Patrick Guillaumont (Ferdi)

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