



By Robert N. Stavins

COP-20 in Lima: A New Way Forward

In the early morning hours of Sunday, December 14, the Twentieth Conference of the Parties of the United Nations Framework Convention on Climate Change concluded in Peru with an agreement among all 195 countries, the Lima Call for Climate Action. The accord represents a breakthrough after 20 years of difficult negotiations: a compromise between the rich and poor countries to act jointly in combating global warming.

When the president of COP-20, Manuel Pulgar Vidal, Peru's minister of environment, gave the approval of the text, without dissent, the foundation was established for the next major international climate agreement, which will be finalized and signed at COP-21 in Paris in December for implementation in 2020.

Working to fulfill the promise made in the 2011 Durban Platform for Enhanced Action to include all parties under a common legal framework, the Lima decision constitutes a significant departure from the past two decades of international climate policy, which — since the 1995 Berlin Mandate and the 1997 Kyoto Protocol — have featured coverage of only a small subset of parties, namely the so-called Annex I countries (more or less the industrialized nations, as of twenty years ago).

The expanded geographic scope of the Lima Call for Climate Action and thereby the incipient Paris agreement — and the emerging architecture of a pragmatic hybrid combining bottom-up “Intended Nationally Determined Contributions” with top-down elements for reporting and synthesis of contributions by the convention secretariat — represents the best promise in many years of a future international climate agreement that is truly meaningful.

Importantly, the Lima decision provides that each country's INDC shall include a clear statement of emissions mitigation, to be submitted by June. But because of the ongoing sharp divide in the climate talks between developed and developing countries, the Lima decision could only be achieved through compromises that had the effect of watering down some aspects of the accord. This suggests that the road to Paris will not be smooth.

In Lima, it was clear that the joint announcement on November 12 of national targets by China and the United States (under the future Paris agreement) provided necessary encouragement to negotiations that were continuously threatened by the developed-developing political divide.

The delegates from the vast majority of countries were well aware of the fact that the announced China-USA INDCs move the world from the 14 percent of global CO₂ emissions covered by nations participating in the Kyoto Protocol's current commitment period (a subset of the Annex I countries) to a future Paris agreement that now covers more than 50 percent of global CO₂ emissions, with Europe already on board.

Under the decision text of the Lima Call for Climate Action, within the next few months the other industrialized countries will announce their

own contributions, and — more importantly — so will the other large, emerging economies: Brazil, India, Indonesia, Korea, Mexico and South Africa. Coverage of 80–90 percent of global emissions can be anticipated, although major questions remain regarding what can be expected from some key countries, including Australia, India, and Russia.

In a 1998 book, edited by Yale University's William Nordhaus, *Economics and Policy Issues in Climate Change*, Richard Schmalensee of MIT wrote about “Greenhouse Policy Architectures and Institutions,” and lamented that the Kyoto Protocol exhibited narrow scope (covering only the Annex I countries) but aggressive ambition for that small set of nations.

He presciently noted that this was precisely the opposite of what would be a sensible way forward, namely broad participation, even if the initial ambition is less. Based on the 2011 Durban Platform and the 2014 Lima Call for Climate Action, it now

appears that in the 2015 Paris agreement that approach will finally be adopted.

Although the Lima decision text was watered down in the last 30 hours (as a result of

very effective opposition by developing countries), the fact remains that a new way forward has been established in which all countries participate and which therefore holds promise of meaningful global action to address the threat of climate change. So, despite all the acrimony among parties and the 30-hour delay in completing the talks, the negotiations in Lima may turn out to be a key step along the way.

Robert N. Stavins is the Albert Pratt Professor of Business and Government at the John F. Kennedy School of Government, Harvard University, and Director of the Harvard Environmental Economics Program. He can be reached at robert_stavins@harvard.edu.

The result was a compromise between rich and poor to act jointly on warming