



The key challenge of the climate negotiations in Cancun -- the Sixteenth Conference of the Parties (COP-16) of the United Nations Framework Convention on Climate Change (UNFCCC) – is to continue the process of constructing a sound foundation for meaningful, long-term global action.

ome of the gloom-and-doom predictions made about these negotiations are misleading, because they are based upon unreasonable – and fundamentally inappropriate – expectations (despite the fact that expectations have been lowered dramatically since COP-15 in Copenhagen last year).

#### **Keeping Your Eyes on the Prize**

Why do I say that the best goal for the Cancun climate talks is to make real progress on a sound foundation for meaningful, long-term global action, not some notion of immediate triumph? This is because of some basic scientific and economic realities.

First, the focus of scientists is (and the focus of policy makers should be) on stabilizing concentrations of greenhouse gases in the atmosphere at acceptable levels by the year 2050 and beyond, because it is the accumulated stock of greenhouse gas emissions — not the flow of emissions in any year — that are linked with climate consequences.

**Second**, the cost-effective path for stabilizing concentrations involves a gradual ramp-up in target severity, to avoid rendering large parts of the capital stock prematurely obsolete.

**Third,** massive technological change is the key to the needed transition from reliance on carbon-intensive fossil fuels to more climate-friendly energy sources. Long-term price signals (most likely from government policies) will be needed to inspire such technological change.

**Fourth** and finally, the creation of longlasting international institutions is central to addressing this global challenge.

This is not to suggest that there should be anything other than a sense of urgency brought to these efforts to address the threat of climate change. But for all of the reasons above, international climate negotiations will be an ongoing process, not a single task with a clear end-point. So, the bottom-line is that a sensible goal for the international negotiations in Cancun is progress on a sound foundation for meaningful long-term action, not some

notion of immediate "success."

## Major Long-Term Achievements are Needed, Not Minor Short-Term Gains

It might be relatively easy, but actually quite unfortunate, for countries to achieve what some people might define as "success" in Cancun: a signed international agreement, followed by glowing press releases. I say it would be unfortunate, because such an agreement could only be the Kyoto Protocol on steroids: more stringent targets for the original list of industrialized countries (Annex I) and no meaningful commitments by the key rapidly-growing emerging economies, such as China, India, Brazil, Korea, Mexico, and South Africa.

Such an agreement could — in principle — be signed, but it would not reduce global emissions, and it would not be ratified by the U.S. Senate (just like Kyoto). Hence, there would be no real progress on climate change.

# What Will Real Progress in Cancun Look Like?

If it is not reasonable to expect that a comprehensive post-Kyoto policy architecture will be identified and enacted in Cancun, what will constitute real progress?

#### 1.Embracing Parallel Processes

A significant step forward would be for the UNFCCC to embrace the parallel processes that are carrying out multilateral discussions (and in some cases, negotiations) on climate change policy: the Major Economies Forum or MEF (a multilateral venue for discussions – but not negotiations – outside of the UNFCCC, initiated by the United States); the G20 (periodic meetings of the finance ministers – and sometimes heads of government – of the twenty largest economies in the world); and various other multilateral and bilateral organizations and discussions.

Protocol between Annex I and non-Annex I countries. (Note that more than 50 non-Annex I countries have greater per capita income than the poorest of the Annex I countries.)

The UNFCCC principle of "common but differentiated responsibilities" could be made meaningful through the dual principles that: all countries recognize their historic emissions (read, the industrialized world); and all countries are responsible for their future emissions (think of those rapidly-growing emerging economies).

This would represent a great leap beyond what has become the "QWERTY keyboard" (that is, unproductive path dependence) of international climate policy: the distinction in the Kyoto Protocol between the small set of Annex I countries with quantitative targets, and the majority of countries in the world with no responsibilities. Various policy architectures could subsequently build on these dual principles and make them operational, beginning to bridge the massive political divide which exists

#### **ROBERT N. STAVINS**

Robert N. Stavins is the Albert Pratt Professor of Business and Government at the Harvard Kennedy School, Director of the Harvard Environmental Economics Program, Faculty Chairman of Doctoral Programs, Co Chair of the Harvard Business School Kennedy School Joint Degree Programs, and Director of the Harvard Project on Climate Agreements. He is a University Fellow of Resources for the Future, a Research Associate of the National Bureau of Economic Research. Co-Editor of the Review of Environmental Economics and Policy, and a member of the Board of Directors of Resources for the Future, the Scientific Advisory Board of the Fondazione Eni Enrico Mattei, and editorial boards of numerous academic

### The most sensible goal for Cancun is progress on a sound foundation for meaningful long-term action, not some notion of immediate triumph.

The previous leadership of the UNFCCC seemed to view the MEF, the G20, and most other non-UNFCCC forums as competition – indeed, as a threat. Fortunately, the UNFCCC's new leadership under Executive Secretary Christiana Figueres has displayed a considerably more positive and pragmatic attitude toward these parallel processes.

# 2. Consolidating Negotiations Tracks

There are three major and somewhat parallel processes operative: first, the UNFCCC's KP track (negotiating national targets for a possible second commitment period – post-2012 – for the Kyoto Protocol); second, the LCA track (the UNFCCC's negotiation track for Longterm Cooperative Action); and third, the Copenhagen Accord, negotiated and noted at COP-15 in Copenhagen last year. Consolidating these three tracks into two tracks (or better yet, one track) would be another significant step forward.

One way this could happen would be for the LCA negotiations to take as their point of departure the existing Copenhagen Accord, which itself marked an important step forward by blurring for the first time (although not eliminating) the unproductive and utterly obsolete distinction in the Kyoto between the industrialized and the developing world.

At the Harvard Project on Climate Agreements — a multi-national initiative with some 35 research projects in Australia, China, Europe, India, Japan, and the United States - we have developed a variety of architectural proposals that could make these dual principles operational. (See, for example: "Global Climate Policy Architecture and Political Feasibility: Specific Formulas and Emission Targets to Attain 460 PPM CO2 Concentrations" by Valentina Bosetti and Jeffrey Frankel; and "Three Key Elements of Post-2012 International Climate Policy Architecture" by Sheila M. Olmstead and Robert N. Stavins.)

# 3. Productive Steps in Narrow, Focused Agreements, such as REDD+

A third area of success at the Cancun negotiations could be realized by some productive steps with specific, narrow agreements, such as on REDD+ (Reduced Deforestation and Forest Degradation, plus enhancement of forest carbon stocks). Other areas where talks are moving forward, although somewhat more slowly, are finance and technology.



#### The Bottom Line

It is important to bring to the Cancun discussions sensible expectations and effective plans. Negotiations in this domain will be an ongoing process, not a single task with a clear end-point. The most sensible goal for Cancun is progress on a sound foundation for meaningful longterm action, not some notion of immediate triumph. The key question is not what Cancun accomplishes in the short-term, but whether it helps put the world in a better position five, ten, and twenty years from now in regard to an effective longterm path of action to address the threat of global climate change. Whether it does that remains to be seen. •