



Climate Mitigation: Integrating Approaches for Future International Co-operation

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Annex I Expert Group
on the UNFCCC

A key question for future negotiations

- **Can we integrate technology approaches and cap and trade approaches into a future regime?**

Objectives

- **Define integration**
- **Consider reasons for integration**
- **Investigate comparisons of approaches**
 - ◆ e.g. a technology approach and a cap-and-trade approach
 - ◆ Comparing results / Comparing efforts
 - ◆ Domestic efforts / Efforts to help others

What is 'integration'?

- **Broader concept than linking emissions trading systems based on emission caps**
- **May take place when agreements are negotiated**
 - ◆ **To help the process take preferences into account, expand efforts and participation**
- **...and/or when policies are undertaken**
 - ◆ **To enhance synergies between approaches, even if adopted independently**
- **Integration requires comparisons**

Reasons for integration

- **Climate change as a public good**
- **Competitiveness**
- **Fairness**
- **Static cost-effectiveness**
- **Dynamic cost-effectiveness**
- **Technology transfer**

Comparing domestic approaches

- **Comparing domestic efforts**
 - ◆ **Costs: complex metrics**
 - ◆ **Broad direct comparisons of efforts: NATO's case, possible problems for climate policy**
- **Comparing domestic results**
 - ◆ **Uncertain outcomes of broad technology approaches**
 - ◆ **Timing issues in comparing emission paths**
 - ◆ **Output-based standards easily comparable to sectoral targets – they could be linked**

Approaches in helping others

- **Comparing efforts**
 - ◆ **Difficulties can be overcome**
 - **relatively similar to those experienced in the CDM, lesser precision needed**
 - ◆ **Contributions to international financial institutions easily comparable**
- **Comparing results**
 - ◆ **Multiple interactions may make it insoluble**

Conclusions

- **Comparing e.g. a technology approach with a cap-and-trade approach difficult**
 - ◆ **Except for comparing narrowly defined efforts (e.g., standards), no reliable metric to determine whether countries are making similar commitments – an essential element of fairness**
- **Political decisions may still request this**
- **Comparing efforts to help others easier than comparing results in helping others**