

Why start with a bottom-up approach to international climate policy?

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Harvard Climate Architecture Side Event

Bali – December 2007



A bottom-up approach

- Initial agreement on policy commitments in key countries. No restriction on form of commitment, no non-compliance provisions (but still possible to ratchet up commitments)
- Common authority for international credits (projects, policy reform, REDD).
- Nations free to choose when and whether to link systems, but all encourages to make use of international credits.
- Rolling 5-year reviews of domestic policies modeled after OECD country reviews; focus on mitigation, technology, and developing country engagement.
- Annual meetings to discuss reviews, coordinate action, adjust commitments. Major round of reviewing and new commitments every five years, with an emphasis on holding countries publicly accountable for achieving or not achieving prior commitments.

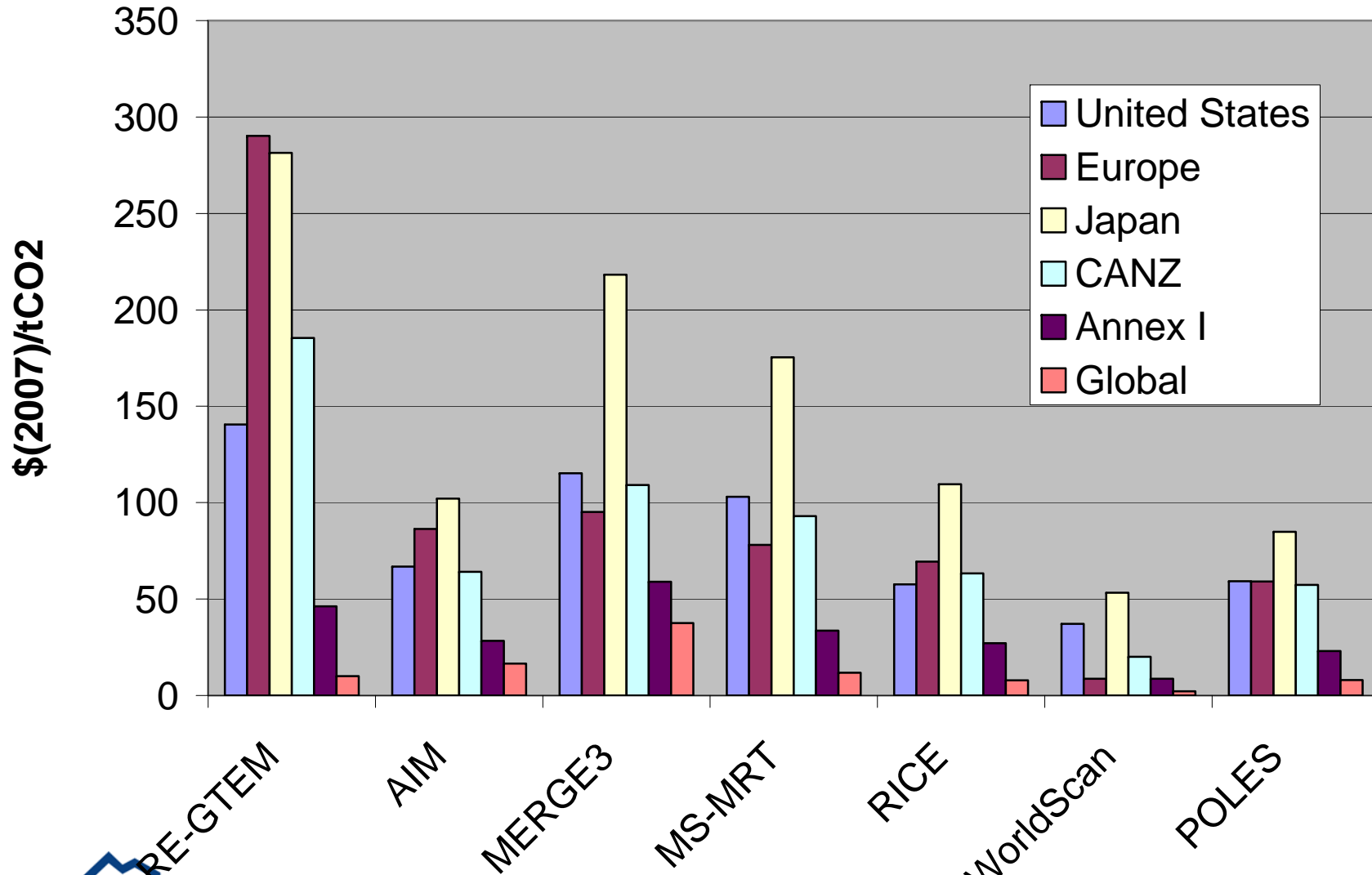
Strengths of bottom-up approach

- Focuses international effort where value is highest: promoting, evaluating, coordinating action versus *regulating*.
- Opens the door to encourage a much wider range of domestic actions—taxes, technology, and sectoral policies.
- Can and should evolve towards top-down through increased coordination, gradual harmonization, and eventual linking.

Strengths of top-down approach

- Top-down means: domestic actions developed after and under the guidance of an international agreement—presumably targets and timetables—with non-compliance provisions.
- Ability to regulate global emission level, to assign responsibility for emission reductions, and to create incentives for international compliance.
- Promotes international emissions trading to encourage least-cost emission reductions.

Emission Trading Studies



Shameless Plug:

- **Assessing U.S. Climate Policy Options:
A report summarizing work at RFF as
part of the inter-industry U.S. Climate
Policy Forum**
- **Wednesday
6-8pm
Westin - Portraits Restaurant**
- **Hors d'oeuvres and cocktails**