

Stavins keen to strike a balance

Harvard economist Robert Stavins has a lead role in setting the climate change agenda and he remains optimistic of progress, as long as the pragmatic approach wins the day

FOR a member of the Intergovernmental Panel on Climate Change (IPCC), Robert Stavins is surprisingly upbeat about the prospects for the planet.

The Harvard University environmental economist says he does not stay awake at night worrying about the world his two teenage children will inherit, despite the IPCC's gloomy assessment that unless mankind acts within eight years, the impact of climate change could be catastrophic.

"I'm fairly optimistic about climate change," he says. "There will be a time in my kids' lifetimes when we will have dealt with that. I believe the nations of the world will get in place policies to accelerate the transition to low-carbon technologies."

The US, as the biggest emitter of greenhouse gases and one of the world's biggest innovators, will have to take the lead on this, but Stavins believes Americans are now galvanised by climate change concerns.

Stavins' has a presentation that includes a picture of a cover from Sports Illustrated magazine showing a baseball player standing in a stadium up to his knees in water. You do not get more heartland US than that.

What has been missing is leadership from the White House, Stavins says. Nothing will happen until a new president is installed at the end of this year, he adds.

Stavins thinks that there might be just enough time to get the US fully involved in the United Nations process before the next critical meeting in Copenhagen in May 2009.

However, he warns that the Kyoto Protocol is going to need a radical overhaul.

And that is where Stavins comes in. He is one of the leaders

TERRY SLAVIN
London

of the Harvard Project on International Climate Agreements and co-editor of a recently published book, *Architectures for agreement: issues and options for post-2012 international climate change policy*. The book's basic thesis is that no global deal to cut carbon will succeed unless developing countries are involved.

This is borne out by the International Energy Agency, which estimates that rapidly industrialising countries such as India, China, Indonesia, South Korea and Mexico will account for three quarters of the increase in carbon dioxide levels expected by 2030.

At the climate change conference in Bali last month, Stavins spoke to numerous country delegates and found they were more favourable to emissions cuts than their negotiating positions might indicate. "Privately we learned [at Bali] that there is a degree of openness to a better architecture [for an international agreement to cut carbon emissions], including from countries that I wouldn't expect to hold those views," he says.

The Harvard project has commissioned a series of research papers to build on the findings of the book and help develop what it describes as a "scientifically sound, economically rational, and politically pragmatic" approach to climate change after the first commitment period of the Kyoto Protocol expires in 2012.

"We are trying to take an objective perspective," says Stavins. "We're not taking a US perspective, and — certainly — we're not taking the Bush Administration



Objectives: IPCC member and environmental economist Robert Stavins

Photo: HARVARD UNIVERSITY

perspective." However, he does support Washington's decision not to sign up to Kyoto. Not only has cutting carbon unilaterally in the European Union been extremely expensive for those countries, there has been negligible emissions reductions globally as a result, he argues.

"Even if the US had participated, the protocol's direct effect on climate change would be trivial," says Stavins. It would also have been costly — as much as meeting all the US environmental requirements combined.

Being an economist, Stavins' take on climate change boils down to dollars and cents. But his horizons go far beyond Wall Street. A four-and-a-half year stint in rural Sierra Leone working as a Peace Corps volunteer in the early 1970s inspired him to pursue a career in environmental economics.

It also left him with an enduring sympathy with the need for

poor countries to develop, and the environmental trade-offs that can entail.

Limits on carbon emissions should not impede poor countries' rights to develop, he says.

"It's essential that developing countries participate in the climate agenda but not pay the cost. The separation of participation and paying the cost is something the Kyoto process hasn't recognised."

Asked how this could work, Stavins suggests that one scenario might be a global scheme to trade CO₂ permits, with expansion targets set for individual countries that become more stringent as nations become wealthier.

However, the approach could turn out to be less formal than that. Stavins expects the new US president to sign up to a mandatory cap and trade scheme as early as 2009.

He says that the UN's Clean Development Mechanism would

allow a US market to link up to one in Europe and a handful of until now voluntary schemes around the world to establish a global price for carbon. This would drive down the cost of abatement by a factor of four.

Later this month, representatives from 17 countries, representing 80% of global emissions, will travel to Hawaii for the US president's second Major Economies Meeting on Energy Security & Climate Change.

The first meeting, in September, was dismissed in Europe as a wrecking strategy for the UN process.

Stavins thinks there is nothing to lose by pursuing both tracks over the next year, until a new president is ready to take up the battle in 2009.

"Regardless of whether you think Kyoto was a good first step, everyone is agreed that a second step is required," says Stavins. And that, evidently, includes the US.