

## TRANSCRIPT

### Environmental Insights

Guest: Kelley Kizzier

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- Kelley Kizzier: 2020 was the moment where countries are supposed to come forward with enhanced ambition. That's now been delayed to 2021, giving countries more time to do so. We know the EU, with their [Green Deal](#), is on track and all systems ahead, and we hope that the Biden presidency, if there is one, will come forward with enhanced ambition, or at least put the US back on track.
- Rob Stavins: Welcome to [Environmental Insights](#), a podcast from the [Harvard Environmental Economics Program](#). I'm your host, [Rob Stavins](#), a professor here at the Harvard Kennedy School and director of the [Harvard Environmental Economics Program](#), as well as the [Harvard Project on Climate Agreements](#). In most institutions, individuals range from highly competent to quite a bit less. And they also range from delightful to work with, to a real pain. As I said, such a range of individuals exist in any organization, including the international climate change negotiations, otherwise known as the [United Nations Framework Convention on Climate Change](#) or the [UNFCCC](#).
- Rob Stavins: I'm delighted to say, that my guest today, [Kelley Kizzier](#), who has had well more than a decade of experience in the depths of the climate negotiations, is an outlier in both of those distributions. She is both highly competent and exceptionally engaging. And that makes me particularly happy to have time to sit down with her today for this podcast.
- Rob Stavins: Kelley was the EU's lead markets negotiator in the negotiations for 14 years. And for the last three years of that period, also served as the UNFCCC co-chair of the negotiations on [Article 6](#) of the [Paris Agreement](#), which we've discussed in previous episodes of this podcast. Before beginning work with the EU in Brussels, Kelley held senior roles in Dublin with the Irish Environmental Protection Agency. And lastly, since 2019, Kelley Kizzier has been Associate Vice President for International Climate at the [Environmental Defense Fund](#). Kelley, welcome to the podcast.
- Kelley Kizzier: Thank you, Rob, for such a lovely welcome, and I assure you the feeling is mutual.
- Rob Stavins: Oh, thank you. So, I'm very interested to hear your impressions of the state of international climate negotiations. But before we talk about that, our listeners are going to be interested to learn a bit more about you. So let's go back to how you came to be where you are, and where you've been. And when I say go back, I do mean go way back. Where did you grow up?
- Kelley Kizzier: I grew up in Littleton, Colorado, a suburb of Denver, Colorado.

Rob Stavins: And that was primary school and high school as well?

Kelley Kizzier: I was born there and graduated from The University of Colorado in 1995, and was not out of Colorado in the intervening years.

Rob Stavins: So that was The University of Colorado in Boulder?

Kelley Kizzier: Correct.

Rob Stavins: And what did you study there?

Kelley Kizzier: I studied economics.

Rob Stavins: Oh, you did?

Kelley Kizzier: I did.

Rob Stavins: So now I know why we get along so well. And so, what was your first job out of school?

Kelley Kizzier: My first job out of school was actually as an auditor in Seattle for the organization that managed the pension fund of the Teamsters.

Rob Stavins: Now, maybe there are several steps along the way, but how did that position in Seattle take you to the first thing that I know about, which is the Irish EPA?

Kelley Kizzier: I took advantage of what was called a working holiday visa to get a four-month working visa in Ireland in what was to be my gap year between university and graduate school. And I went to Ireland at that time, what I thought was for four months, that was 1997. The Celtic Tiger was booming and I stayed for 20 years, I stayed for 14 years actually, and ended up doing my master's degree at The University College Dublin, and there is where I got interested in emissions trading and carbon market mechanisms. That's what I did my master's thesis on. I have a Master's Degree in Economic Science – European Economic and Public Affairs.

Rob Stavins: University College Dublin, it's an excellent institution and also a beautiful campus.

Kelley Kizzier: It is. It's the national university of Ireland. I had the joy of studying with [Frank Convery](#), who I know you know well, and got interested in European policy. And my timing was perfect, because almost immediately upon graduating, having just studied market-based mechanisms, the EU launched its emissions trading system. So that's when I went to the Irish EPA to help implement the EU Emissions Trading System in Ireland.

Rob Stavins: So you knew [Jos Delbeke](#) from way back?

Kelley Kizzier: From way back.

Rob Stavins: And so, did you become an Irish citizen? You lived there, you sounded like 20 years.

Kelley Kizzier: Yeah. I lived in Ireland for 14, and then in Brussels... I went from the Irish EPA to the European Commission in Brussels. So I was in Europe for a total of 20 years.

Rob Stavins: And you have a EU passport in addition to a US passport?

Kelley Kizzier: I do. I have an Irish passport that I got through marriage. It's one of those stories. My husband is Irish. Yes.

Rob Stavins: My wife has a similar situation, although I didn't get it through marriage, but that she has both the EU passport and a US passport. So whenever we wind up in long lines in Frankfurt or whatever, she always makes me jealous by walking over into those nonexistent lines.

Kelley Kizzier: I have been in the same boat with my family, but I now, for the last four years, have an Irish passport.

Rob Stavins: Now, as you well know, the climate talks that were scheduled to take place in November of this year in Glasgow, in Scotland have been postponed one year due to the global pandemic. What's your reaction to that?

Kelley Kizzier: So, I think I have two main reactions. One, the postponement of the COP should not delay urgent action by countries to step up their ambition. And I hope that no one finds comfort in that delay, that we are still urgently looking to up our game in terms of ambition. And two, that it's probably not a bad thing. I don't think countries were ready to come forward with enhanced ambition in November. Some, maybe were, but also, I think, in terms of the US positioning and the geopolitical situation, a COP in November 2020 would have been difficult in light of a Biden presidency, because the Biden presidency wouldn't be established yet, and the US would not have re-entered the Paris Agreement. And it would also be difficult in light of a Trump win because the world would not have had a chance to understand how to react to that. So I think a delay is going to be beneficial.

Rob Stavins: That's interesting. It reminds me of 2016 November, when I remember I arrived as I usually do it, just for the second week of the negotiations. Trump had just been elected and most of the delegations were in a state of shock, as I recall.

Kelley Kizzier: That was a very tough COP because we had just been on the back of some really major wins. We had the Paris Agreement, the previous winter, we had managed to secure, and I say we, I mean the global climate community had managed to secure the carbon offsetting and reduction scheme for international aviation and the [Kigali Agreement](#). It was crashing down.

Rob Stavins: So then, let me understand. So some observers have actually said, these are things I've read, as much as heard, that the pandemic could derail the UN approach. And in fact, one person, I forgot who it was now, that was quoted as saying that this could render the Paris Agreement obsolete and ineffective. It sounds like your views are very, very different than those, is that right?

Kelley Kizzier: My views are very different from those, because I think the dip we're seeing in emissions now is temporary. We haven't seen the kind of structural change that would be required to really change our path to catastrophic climate change. So I'd be interested in the views of that person to see what they think has been resolved by COVID.

Rob Stavins: And in fact, I guess, you would go even further as to say that it turned out another silver lining of the cloud of the pandemic is the postponement for one year, because the 2016 November timing was problematic vis-a-vis the US election, right?

Kelley Kizzier: I think that's one reason it was problematic. And I think we have to make it into a silver lining, and we have to see countries step up.

Rob Stavins: And what do you anticipate in that regard in terms of countries stepping up? You're talking about, for the next round of nationally determined contributions, right?

Kelley Kizzier: Yes. To give a little background, the current round of nationally determined contributions, the targets that countries take under the Paris Agreement, we know from the evidence base, that these are just simply not good enough to put us on a two degree, much less at 1.5 degree path. So, 2020 was the moment where countries are supposed to come forward with enhanced ambition. That's now been delayed to 2021, giving countries more time to do so. We know the EU, with their [Green Deal](#), is on track and all systems ahead, and we hope that the Biden presidency, if there is one, will come forward with enhanced ambition, or at least put the US back on track for ambition. And that China will follow suit. There are things happening, and I think we have to hope that COP26 is a moment where we see enhanced ambition.

Rob Stavins: So, whether or not COP26 produces a set of NDCs from the major economies that advance the ball even further towards the goals you were talking about, can you say anything about the performance of countries up until now, in terms of the existing set of NDCs?

Kelley Kizzier: We are seeing more and more plans rolled out to actually implement the NDCs, but it's an area of concern. Right now, we have too many of the targets that are just targets and name, that aren't being implemented through national and jurisdictional policies to achieve those targets.

Rob Stavins: Now, surely the US will not, the 26 to 28% below 2005, by 2025, that's surely not going to be achieved, and the administration is clear about that. You were saying that the European Union, however, would achieve its existing NDC?

Kelley Kizzier: Yeah. So a couple of exciting things are happening in the EU, which has long been a leader in climate policy. So we need to make sure that the EU has success. Because even though you can't do it, we might be in trouble. But the EU had a 40% reduction target. In 2030, they are very likely to meet that 40% target. In fact, I think with energy efficiency improvements, they're at a de facto 45% target. But in November, they announced the EU Green Deal, which is not a new Green Deal, rather it's a centrist acceleration of established EU climate policy. And through that, they have announced that they're going to take that target to 50 or even 55% reduction by 2030, on 1990.

Rob Stavins: Now, as I understand it, that's a proposal. Kelley, out of the European Commission, it still has to go to the European Parliament and then to the European Council. Is that correct, or am I off on that?

Kelley Kizzier: No, you're absolutely right. That's a proposal by the European Commission. But just one thing to note in that, it's a proposal by the College of Commissioners in the European Commission, which has a representative from every member state in it. So it is not there, it is not a done deal, but it is supported by the College of Commissioners, which has representation from every member state.

Rob Stavins: So that sounds like you think the prognosis for approval by the member states would be quite good, is that right?

Kelley Kizzier: Yes, we have to hope so. And I do think the prognosis is quite good.

Rob Stavins: Does that include Poland?

Kelley Kizzier: Yes. Depending on how the proactive measures is assigned, I think it includes Poland.

Rob Stavins: Might also depend upon how the election in Poland goes, I suppose...

Kelley Kizzier: It always does.

Rob Stavins: ... Similar to the election in the United States.

Kelley Kizzier: Correct.

Rob Stavins: Now, one of the things that we haven't talked about is a very important role that you took on, which is that you came to co-chair the Article 6 negotiations. Before we talk about how you came into that position of co-chairing, which I'm really interested to learn about because I don't know, first, could you just tell for those of our listeners who haven't followed all of this closely, or haven't been in

our previous episodes of this podcast, can you just explain, what is Article 6, and why is it important, assuming that you think it's important?

Kelley Kizzier: I do think it's important, luckily. Article 6 is an article in the Paris Agreement about international cooperation through carbon markets. It's got three, as we call them, operative paragraphs. So Article 6.2 is generally about accounting for international cooperation, which is really important because double counting can undermine the climate benefit of carbon markets. It's got another paragraph, 6.4, which establishes a central mechanism – so a certification function for carbon credits under the Paris Agreement, not dissimilar to what existed before under the Clean Development Mechanism. And then it's got article 6.8, which is a work program for non-market approaches, which is about the other ways in which international cooperation works, rather than the carbon markets.

Rob Stavins: Now, as you know, I'm particularly interested in Article 6.2, and I've done work and [written about that](#) in the past few years. And like you, I see it as an accounting mechanism. But can you explain what you meant when you said that article 6.2 is important to avoid double counting? How would there be double counting?

Kelley Kizzier: And I think this is a nuance that a lot of people don't necessarily understand. But if you generate what we call an internationally transferred mitigation outcome, an ITMO, which is essentially a carbon credit, and you sell it, you may not also claim the reduction that it represents. So, if I generate 100 tons of carbon credits, which are one ton of CO<sub>2</sub> each, and I trade them to another country, I have to forego the benefit, the reduction, that came from that, or else I'm counting it and the person that I sold it to or traded it with is counting it. That's double counting. It means the benefit is undermined. So, if you're going to trade, you have to make sure that you are robustly accounting or we're letting somebody off the hook for deeper reductions.

Rob Stavins: And so, one way then, if I understand you correctly, to look at the ITMOs, is essentially as double entry bookkeeping to make sure that only one of the parties to an exchange or a trade is getting credit.

Kelley Kizzier: That's exactly right. So the decision accompanying the Paris Agreement, Decision 1/CP.21 says that double counting shall be avoided on the basis of a corresponding adjustment. And those are, as you have said perfectly, that that's double entry bookkeeping. There's a subtraction on one side and an addition on another side, and in that way, we know that the same ton was not counted twice.

Rob Stavins: Now, your current organization, the Environmental Defense Fund, in a study that you all did, you found that if Article 6 were fully implemented, that it would bring down tremendously, the costs of achieving a given target in aggregate. Is that right?

Kelley Kizzier: Actually, what we found out is that if you had international cooperation to carbon markets at a global scale, you could basically nearly double the ambition of the current NDCs at no extra cost. So rather than looking at it as cost savings, we said, "Okay, what if you just keep the cost static and see how much more ambition you could pull out of the system?" So at zero extra cost, you could basically, including carbon markets and land use, you could double the ambition of the Paris Agreement as it stands.

Rob Stavins: So analytically, it's the same finding that you could achieve the given target at half the cost, or at the same cost, you could achieve it double the target. I'm delighted to see that now that you work full time for an advocacy group, that you prefer to frame it as the latter rather than the former.

Kelley Kizzier: Exactly, exactly. I think it's important to point out also that the [International Emissions Trading Association](#) did similar modeling work with [Jae Edmonds](#) from The University of Maryland and got very similar results using a different model.

Rob Stavins: Yes. Now, so tell me, I want to go back now and find out something I've never known. How did you come to co-chair the Article 6 negotiations? What's the process there?

Kelley Kizzier: Well, in Paris, I was really involved in developing Article 6. I mean, obviously, this is a joint effort. I was a lead negotiator for markets in the EU at the time. And we really pushed, along with several other countries, to get Article 6 up and running. It was the last article agreed in Paris. So it was literally agreed in the early hours of the final Saturday, about 12 hours before the gavel came down on the Paris Agreement. So it was the very last article to go in. And I think my involvement in that led to me being asked by the SBSTA, the [Subsidiary Body for Science and Technical Advice](#), to co-chair the process going forward. So it is the chair of the Subsidiary Body that requests the co-chairs or co-facilitators of the different groups.

Rob Stavins: And who was that at the time? Who was the chair?

Kelley Kizzier: The Subsidiary chair at that time was Carlos Fuller from Belize.

Rob Stavins: So, you mentioned just now, that it was the last article that was approved for the Paris Agreement. It's also the one article of the Paris Agreement, which has in a sense, not been completed, in terms of the so-called Rulebook that gets written to put a little more flesh on the bones of the agreement itself. Why is it that this one part of the Paris Agreement has not had the Rulebook finalized?

Kelley Kizzier: Let me give you a little context. I think that's important when we look at Article 6. So, the negotiating dynamics of Article 6 are a bit different than some of the negotiating dynamics for the other parts of the Paris Agreement. So, Article 6 does not, unlike many articles from the Paris Agreement, differentiate between

developed and developing countries. And the alignment of the positions of parties, or groups of parties, is also not differentiated among these lines.

Kelley Kizzier: So instead, under Article 6, parties tend to be aligned or divergent in position, depending on the extent to which they support carbon market mechanisms or activities, the extent to which they see a benefit in multilateral action and strong international rules, how much they benefited from the [Kyoto Protocol](#), and then their fundamental understanding of the new context of the Paris Agreement, and what it means that all parties have targets now.

Kelley Kizzier: And so, that creates a different dynamic. And you're now talking about a very complex situation in which you're trading amongst NDCs. So, NDCs are heterogeneous in nature. And I know you know this, because you've done a lot of work on this. And that, in itself, creates complexity for accounting, but when you're trading amongst those, the complexity is just tenfold. And I think some of it has just been technical issues, which were largely resolved at COP25 in Madrid, if we're allowed to bank that progress.

Rob Stavins: And my recollection, since you bring up Madrid, is that we were on a panel together. I think it was one, the [Harvard Project on Climate Agreements](#) may have put together, and you were kind enough to come and join us. And something that I observed at the time, or at least my theory, was that at the time of Madrid, the reason that it was so difficult to complete the Rulebook, was precisely because it was the one part that had not been finalized. And I described it as a funnel effect. And so, all the concerns that various parties had over what are really belong in other parts of the agreement, got funneled into this debate. So, issues of national ambition, which are dealt with in other places, transparency, everything was getting poured in there, which meant that even though it was the last one to be completed, that didn't make it easier to complete, that made it harder to complete.

Kelley Kizzier: I remember that. And I remember thinking how grateful I was that you were able to put a voice to that. Because I think that's exactly right, people want this last bit of the Rulebook to resolve everything including ambition, and it simply cannot. So, there are a lot of technical issues and people find that hard to digest. And that can lead to people just blowing it all up into something more than it is. And I hope that we can avoid that dynamic when we go to agree the rules of Article 6, in Glasgow in 2021. But my fear is that that dynamic will continue, especially in relation to climate finance, which will be a massive agenda item in Glasgow.

Rob Stavins: So your colleague, [Nat Keohane](#), has written and probably said that, "Well, even if we don't get Article 6 completed, from the bottom up, essentially, international carbon markets can arise and function." So, how important is it to complete the Rulebook on Article 6?

Kelley Kizzier: This is great question. And I guess I would start by saying, COP26 is about ambition, and it's going to be important, in that context, to push for us to



complete [The Paris Rulebook](#). Because the rules matter, and we can't afford to lock in carbon market rules that undermine the integrity of the targets. At the same time, I don't disagree with Nat here at all. Agreement on these rules, as important as it is, should not be a barrier to action. We simply can't afford delay. In Article 6.2, the accounting part that both you and I are interested in, and have done a lot of work on, was specifically designed so that countries could begin international cooperation through carbon markets, even in the absence of this guidance.

Kelley Kizzier: So, if you look at the language on Article 6, it says consistent with guidance. So it doesn't say in accordance with guidance, or subject to guidance, it says consistent with guidance. And that was a way of indicating that parties could proceed even in the absence of guidance while waiting for those rules to be finalized.

Rob Stavins: I always find it remarkable, really interesting how negotiators, these very specific words, mean so much. [Sue Biniaz](#), who I'm sure you know, formerly from the US Delegation, she did a [podcast discussion](#) conversation with us a little while back, and frequently, that same sort of issue would come up as, well, "we put that word into the article for very precise reasons. That's an alternative word."

Kelley Kizzier: That's right. I mean, the negotiation that can happen around the words "should" and "shall," can be incredibly intense for precisely that reason.

Rob Stavins: So speaking of should and shall, beyond Article 6, beyond the Paris Agreement, beyond all of that, in terms of progress on climate change policy around the world, looking forward, are you optimistic, pessimistic, somewhere in between? Where do you fall as you think about the future?

Kelley Kizzier: I tend to be an optimist. I like to try to find silver linings, as you saw, in terms of my answer on the COP delay. I just think this is a challenge we can't avoid. Of course, I see disappointing things happening, but I try to focus on the progress that I also see. We have more and more companies taking net zero targets, more and more private sector companies, while waiting for governments, stepping up and doing action. We've got the EU with its big announcement coming forward, we had all of the major democratic candidates say that re-entry into the Paris Agreement was a number one priority for them. We had a special debate on climate change in the US. So I have hope.

Rob Stavins: Well, that's good. Having hope is important, which makes me think about a final question really. Because thinking about the future and thinking about hope, I think about children. And I'm interested to know what is your reaction to these youth movements of climate activism that have arisen both in Europe and the United States, over the last 18 months or so, or two years have become quite prominent?

Kelley Kizzier: It's absolutely wonderful, and it's powerful on top of it. I've had the pleasure of seeing Gretta speak and then just had goosebumps. It is so powerful, this movement. Do I agree with everything that they say? No. But I love the passion, I love the momentum that it carries with it. And I think it's a game changer.

Rob Stavins: I hope the passion can be harnessed for meaningful progress going forward.

Kelley Kizzier: And I hope that we don't see that COVID dampens that momentum. I think we need to keep reminding ourselves that this is temporary. And I think [Ursula von der Leyen](#) said there may be a vaccine for COVID, but there is not as of yet, a vaccine for climate change.

Rob Stavins: Absolutely. That is a great place to end. Thank you very much, Kelley, for taking time to join us today. Our guest has been [Kelley Kizzier](#). She spent 15 years as an EU negotiator in the [UNFCCC](#), and is now a vice president at the [Environmental Defense Fund](#).

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