

# Readout from First Day's Research Session

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Comparison and Linkage of Mitigation Efforts in  
a New Paris Regime

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# Four Presentations

- Metcalf: comparing effort in heterogeneous systems
- Aldy: policy transparency and comparability metrics
- Lazarus: evaluations of restricted linking
- Austin: ambition and credibility in linking design

# Interest in Comparison of Effort

- Normative
  - Derivative of 2°C question
- Facilitative
  - Learning
  - Naming and shaming
- Identify opportunities for linking
- Reflects potential domestic stakeholder interests

# Challenges Posed by Heterogeneity

- No natural basis for comparing contributions
- Requires analysis to estimate emission impacts
  - For 2°C exercise
  - For comparability exercise
- To realize potentially large gains to equating marginal costs, creative links between disparate domestic policies could be established

# Linking and Environmental Integrity

- Variety of tools to address concerns that linked systems may undermine environmental integrity
  - Limits on inter-jurisdictional trading
  - Exchange rates on trading
  - Discount rates
  - Credit ratings and contingency reserves
- Questions of costs, cost-effectiveness, abatement, and institutional oversight and enforcement

# Politics of Comparability

- Countries may not like to be assessed
  - Domestic politics may encourage others' assessment
  - May spur use of metrics where everyone looks “good”
- In current ex ante review vacuum, opportunities for civil society and academics to review
  - Potential benefits of experimentation
  - Questions about agendas
- How can we institutionalize a more rigorous system of transparency given politics?

# Politics of Linking

- Different perspectives on the role of financial flows with trading in domestic politics
- Restricted trading could “test” linking
  - Or is a binary – link / don’t link – approach preferred?
- What is the role of the multilateral agreement versus the role of a bilateral agreement in linking?

# Role of Learning

- Transparency regime could enable learning of most effective policy instruments
  - Use this as a basis for exporting policies to developing countries
- Transparency regime may also enhance capacity in country

# Additional Questions Raised in the Discussion

- In allowances, are we trading commodities or financial instruments? Impacts for linking design
- What is the appropriate scope for comparability of effort? Should it extend to finance? Adaptation?