

## Conclusions: Priority Research Questions and Next Steps

While the meeting participants raised a number of research questions and proposals over the course of the meeting, those questions and proposals that participants felt were particularly interesting or important were discussed again during two breakout sessions. The starting point for these focused discussions was the themes and major research questions described in the Scoping Report. The research questions arising from the meeting discussions are intended to supplement and elaborate on these questions. As such, they reflect the sense of the meeting participants about the critical questions that could, in one form or another, become the nucleus one or more specific research efforts that could be moved forward. These questions, presented here in the context of the two CMRA research themes, are as follows:

### Theme 1: Administering the Current Climate Regime

Much of the focused discussion on questions associated with the first research theme was oriented around the development and operationalization of the Kyoto mechanisms. The meeting participants suggested that the following questions are particularly interesting and important:

**Is consistency desirable between the provisions of the flexibility mechanisms with regard to the adaptation and mitigation levy?** At the moment, the flexibility mechanisms differ significantly in many different ways. For example, at the moment only the CDM has an adaptation levy on it. What will be the impact on the transaction costs of CDM projects if levies are applied only to CDM projects? What will be the outcome in terms of GHG reductions and in terms of economic efficiency if JI as well as CDM projects are levied for adaptation purposes?

**Does the operation of the CDM favor polluting states?** Should this be addressed institutionally via the adaptation fund? What are the implications for efficient outcomes for the dual objectives of the FCCC?

**Given that States negotiate with the intent of securing rules that are least costs options for them, how does the negotiation of international rules governing the climate regime affect the development and implementation and effective outcome?**

**What are the comparative advantages of the regulatory and market approaches in producing the outcomes of GHG reductions?** Sustainable development? What happens to these comparative advantages in different nations and in different contexts?

**What is the future of the market-based approach if the Protocol is not ratified in the near- to mid-term future?** The market-based approach has been moving along fairly well without a ratified protocol, but it is not clear how long it can continue to do so. How can the Framework Convention, which has been ratified by 163 countries, support this market-based approach. On a related issue, what is the legal position of international regulations regarding carbon trading and the WTO? Carbon trading is not free trade, and we have seen case after case where the WTO has trumped the Law of the Sea. Is there an inherent tension between the Protocol and regimes promoting free trade? Is reconciliation possible?

**What institutional mechanisms are necessary to ensure that Article 2.1 is on conformity with Article 12 with regard to satisfying sustainable development criteria?**

**Is the existence of one Certification Board for market mechanisms essential to ensure uniform CER unit accreditation and sustainable development indicators?** There is a general need for some uniformity in sustainable development indicators as well as in the CDM. It is not clear, however, if and how this can be done.

**How can the effective participation of Civil Society be ensured at the national level?** This participation is particularly important for both monitoring compliance and stating national negotiating positions.

**Can the negotiation of the Protocol take into account existing Conventions with short-term urgency and immediacy, such as the Convention on Biodiversity?**

**Should a global limit be applied to sequestration projects, with that limit being the percentage of global emissions from LULUCF sources?** Can flexibility be introduced into a global limit so that tropical developing nations experiencing severe deforestation may receive a higher percentage of sequestration projects?

## Theme 2: The (Re)Design of the Climate Regime

**How do “collective” interests and coalition interests interact?** If the climate regime represents the collective interest, but within the regime and in coalitions participating in it there is a whole series of coalition interests, how do these interact both to design or develop the regime and then to change the regime over time? How do factors such as culture, national and regional origin, level of national development, the international and national legal systems, etc., influence these different interests?

**How might scientific assessment and learning processes be better incorporated into the climate regime?** One of the dimensions of the question is defining the scope of a regime. If the regime is considered as being just the FCCC and the Kyoto Protocol, how do the IPCC processes, the IGBP and other scientific processes, and other learning processes feed into this regime? How might this be improved to help the evolution of the regime?

**How can the regime better incorporate the private sector needs and interests?** Many in the private sector, particularly in the United States, have tremendous resistance to the regime. How might the regime, defined more broadly than just the FCCC and the Kyoto Protocol, do a better job at bringing in the private sector so as to overcome this resistance. Is the resistance due purely to economics? Are there other issues that are important here?

**What are the linkages between climate change institutions and the larger societal institutions of which it is a part?** What are the implications of changes in these linkages over time? These questions embody recognition that the Convention, its Protocol and associated institutions are all part of a larger system. How do these different pieces fit together? What are the implications of these linkages for changes in these societal institutions over time? It will be hard for the climate regime to changes in society and societal institutions if we do not understand how these pieces fit together. This issue could become particularly important if the Kyoto Protocol does not enter into force in the next few years.

**What are the linkages among the various organizations and institutions involved in the climate change regime?** When we think of the climate regime, we generally think of the Framework Convention, its Kyoto Protocol, and associated institutions and mechanisms. There are a whole range of other organizations and institutions that fit into this. These include, for example, the U.N. General Assembly and the other pieces of the U.N. organization, the Global Environment Facility, the World Bank, and others. What

are the linkages among these organizations in terms of individuals and institutions? How do interactions among these organizations affect the evolving regime?

**How can we change the current model or conception of the climate change regime?**

The climate regime has grown out of a model related to the Vienna Convention and the Montreal Protocol, and associated with this model is a preconception of how such the regime should work and what the next steps in its implementation should be. There may be other models or paradigms that are better suited to the particular complexities of the climate change issue and some of the challenges that the regime will face in the future. How do we break out of this paradigm to start thinking of new forms of a climate regime that are better suited to these future challenges?

**How do the various coalitions and interests at the national and subnational levels shape the evolving climate regime?** Many different actors, coalitions, and organizations exist that relate to the climate problem but are not necessarily engaged directly in the regime itself. They do have an influence on the regime, however. What is this influence? How do they influence the problem itself? How do these two sets of influences converge or diverge?

**How might decision-makers react to different future climate scenarios?** A number of simulations or policy games have been created that can model a range of different future scenarios. These simulations can be used to explore how policy makers might react when confronted with a range of possible future worlds. It may also be useful to use this approach to start looking at how policy makers, negotiators, and others looking into the future and adapt to different future scenarios.

**What might be the impacts of different compliance mechanisms on the evolving climate regime?** This includes not just the compliance mechanism for the Kyoto Protocol, but that for the FCCC as well. One possible approach for this might be to put together a synthesis of functioning of the compliance mechanism in a number of different countries. There is not currently any systematic synthesis of what is known regarding compliance. It would also be useful to develop a series of case studies of how various compliance options would work in different countries.

**How might human institutions at the international, national, and subnational levels react to different critical thresholds of environmental change?** How might they react to alter these thresholds? It is very likely that as the climate changes certain environmental thresholds will be reached, such as ocean currents stopping or a dramatic change in temperature over a twenty-year period. Research into these issues would involve modeling both a set of biogeophysical conditions and a set of institutional responses to changes in these conditions.

Next Steps

There was general agreement among the participants that a coordinated research program into the range of institutional issues associated with the climate regime is timely and of tremendous interest to both researchers and policy makers. They also agreed that care needs to be taken that the CMRA is not so broad and all-encompassing that it does not produce useful research.

Participants agreed that additional time is needed beyond that provided by the meeting to organize and refine the list of high-priority questions, and that they should continue to

communicate electronically to do this. This electronic communication should also be used to further develop a set of next steps to carry the CMRA forward.

It was generally recognized that the development of a core set of projects is critical to moving the CMRA forward. Two questions that emerged as being particularly important are: (1) the relationship between the CDM rules and incentives for participation in it, and (2) the effectiveness of the various options being considered in the compliance mechanism. The CMRA Steering Committee is currently exploring options for developing these projects.

It was also agreed that an important role of the IDGEC project, the carbon management activity, and the IHDP in general is to build capacity within the scientific community in order to create vibrant communities of researchers who are engaging in coordinated research in order to provide insight into these larger global change issues. There is a need to build capacity within the social sciences to perform as well as the natural sciences in terms of producing research results on the whole range of human dimensions.

The participants at the meeting represented research institutes that are planning or conducting research activities that are related to some of these questions. The value of the group is that they can form a network of researchers through which these research efforts can be coordinated and the results brought forward. However, they also recognized that an expanded network of researchers was necessary to move the activity forward, and that additional efforts were necessary to draw researchers from such important regions such as Africa and Latin America that were not represented at this first planning meeting. Both the meeting participants and the CMRA Steering Committee would welcome recommendations and nominations from the FCCC Parties of other researchers who might become involved in this effort.

Finally, the participants expressed interest in participating in a on-going dialogue with the policy community on institutional questions associated with the climate regime, and expressed interest in exploring possibilities for holding a series of discussions with participants in the meetings of Conference of the Parties and its subsidiary bodies.