

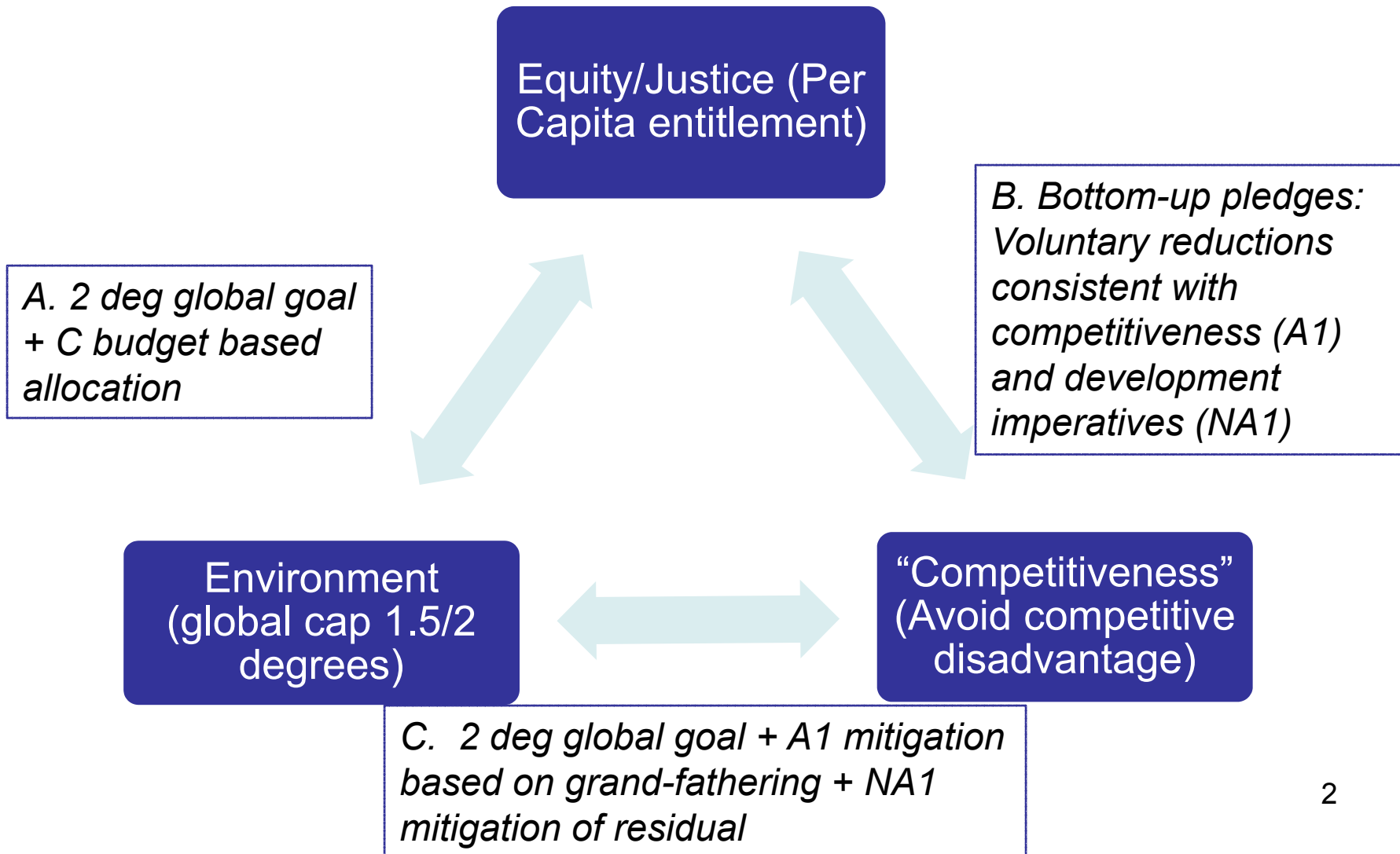
# The Climate Trilemma

## Carbon Budgets in the Climate Regime

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# The Climate Trilemma



# Where does Bottom Pledges Come From?

- Politics of defeatism?
  - Distant second to Plan A
  - A stalemate hurts the vulnerable the most
- “Clumsy Solution” to a “Wicked Problem”
  - Economic institutions are not organized around carbon
  - Using price to link institutions to carbon requires allocation
  - Bottom up search for co-benefits
  - Emphasize early start, and direction of travel
- Problem:
  - No environmental limits,
  - Risk of future unequal *de facto* allocation to NA1
- Possible to combine bottom up and top down?

# Exploring “Plan B”

## Bottom up within “Guardrails”

- Bottom up pledges benchmarked against top down constructs
- Can a C budget approach provide the guardrails?
  - Cumulative emissions vs. total budget
  - Deviation from fair share
  - What consequences from breaching guardrails?
- Relationship between NA1 pledges and supported NAMAs?
- Recognition of historical responsibility?
  - Adaptation financing
  - Technology

# Final Thoughts

- Guardrail is weaker than entitlements
  - Financial gain from trading not possible
  - Safeguards option of accessing development space if needed
- Context of weak compliance
  - What is cost of shifting from *ex ante* allocation to *ex post* review?
- Potential stimulus to early action