

B. Further Direction

As stated earlier, one of the central principles of the Convention is that any policies and measures to deal with climate change should be cost-effective so as to ensure global benefits at the lowest possible cost. When the Environment Committee previously addressed this concern, two to three years ago, there was much debate as to whether mitigative action might award net positive benefits in the form of energy savings or be so expensive as to cause harsh economic hardship. Evidence provided to the Committee in this study indicate that these points are no longer a matter of intense debate. Efforts directed toward the reduction of all greenhouse gases should yield substantial benefits in the areas of pollution abatement, energy conservation, efficiency, and increased competitiveness.

Today, the hundreds of different mitigation strategies available to reduce greenhouse gas emissions have been subjected to comprehensive analytical evaluation. These strategies can be roughly grouped into three categories: (i) no-cost strategies, where the long-term financial return more than compensates initial cost, (ii) low-cost strategies, that are either revenue neutral or where the pay-back fails to fully cover the initial cost of implementation, and (iii) high-cost strategies where emission abatement and environmental benefits are achieved at considerable expense.

Erik Haites, Principal, Barakat and Chamberlin, cautioned the Committee:

Some of those studies suggest that the appropriate amount of energy efficiency can be had with net savings. Others suggest some relatively small net cost. I think it's important to recognize that most of those studies overlook some costs—for example, the administrative costs of implementing those measures—and some losses in economic efficiency. . .

Therefore, my sense is that those analytical studies tend to be underestimates of the cost.⁶²

However, Erik Haites does believe that the *Green Plan* goal can be achieved by the year 2000 at reasonable cost.

The three key approaches available to us . . . are improved energy efficiency, fuel switching from more carbon-intensive fuels to less carbon-intensive fuels, and some sort of offsets such as reforestation to offset carbon dioxide emissions.⁶³

The United States government, during the previous Bush-Quayle Administration, argued that current scientific understanding of global climate change was too crude and uncertain to warrant greenhouse gas stabilization programs.^{64, 65} In spite of this stand, the United States recognized the economic benefits to be gained through efficiency programs and committed itself to an action plan that is expected by the year 2000 to reduce the emission of greenhouse gases by 7-10% of a business-as-usual scenario. In addition, the United States Congress in 1988 asked the National Academy of Sciences to conduct an extensive study of the policy implications of greenhouse warming. Deborah Stine, of the United States National Academy of Sciences, who at the time was the study director for the mitigation panel of the study, addressed the Committee and outlined what the U.S. considers the realistic mitigation options to combat potential climate change.

Energy efficiency improvements in the building, transportation and industrial sectors emerged as the most cost-effective measures for reducing greenhouse gas emissions. Deborah Stine told the Committee:

⁶² *Minutes of Proceedings and Evidence of the Standing Committee on Environment*, Issue No. 48, 30 November 1992, p. 15.

⁶³ *Ibid.*, p. 14.

⁶⁴ *Policy Implications of Greenhouse Warming—Synthesis Panel*, National Academy Press, Washington, D.C., 1991, 127 p.

⁶⁵ G. Porter, *Global Environmental Politics*, Westview Press, Boulder, Colorado, 1991, 208 p.