

CLIMATE EFFORTS, GREEN TAXES AND ECO- COMPETITIVITY

THE LATIN AMERICAN CASE

Dr. René Castro Salazar

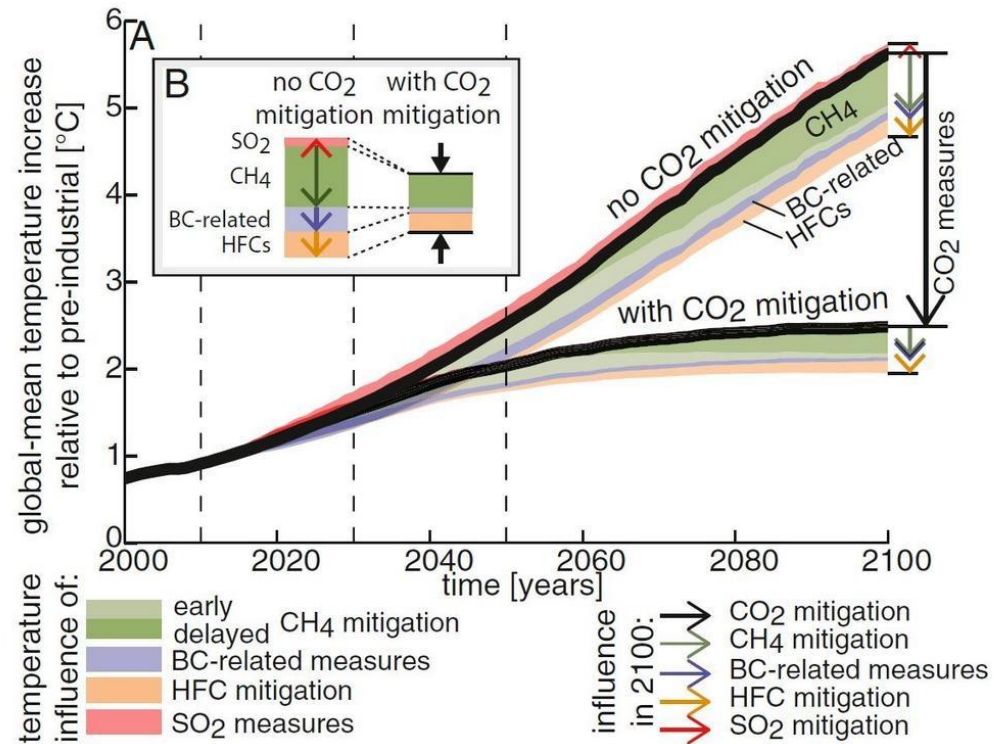
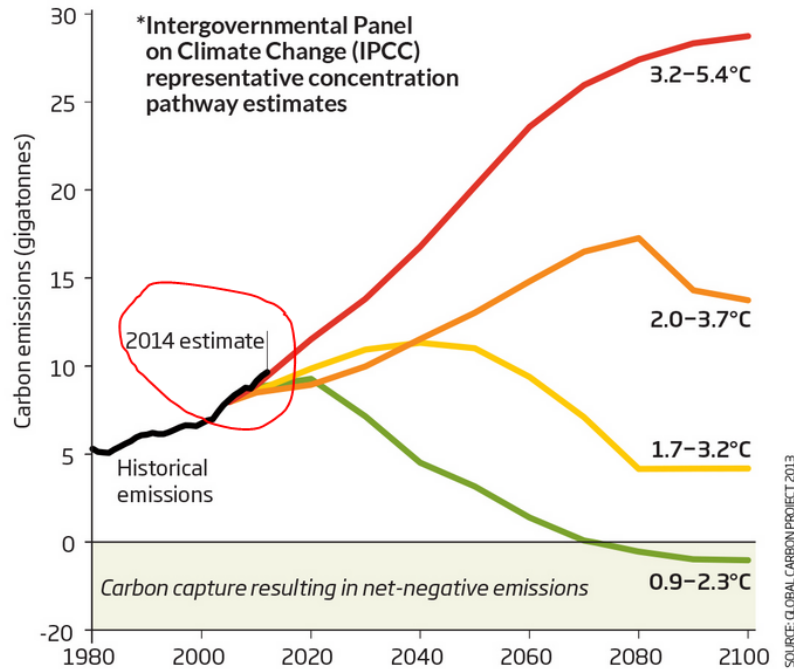
rene.castro@post.harvard.edu

Buenos Aires – May 2015

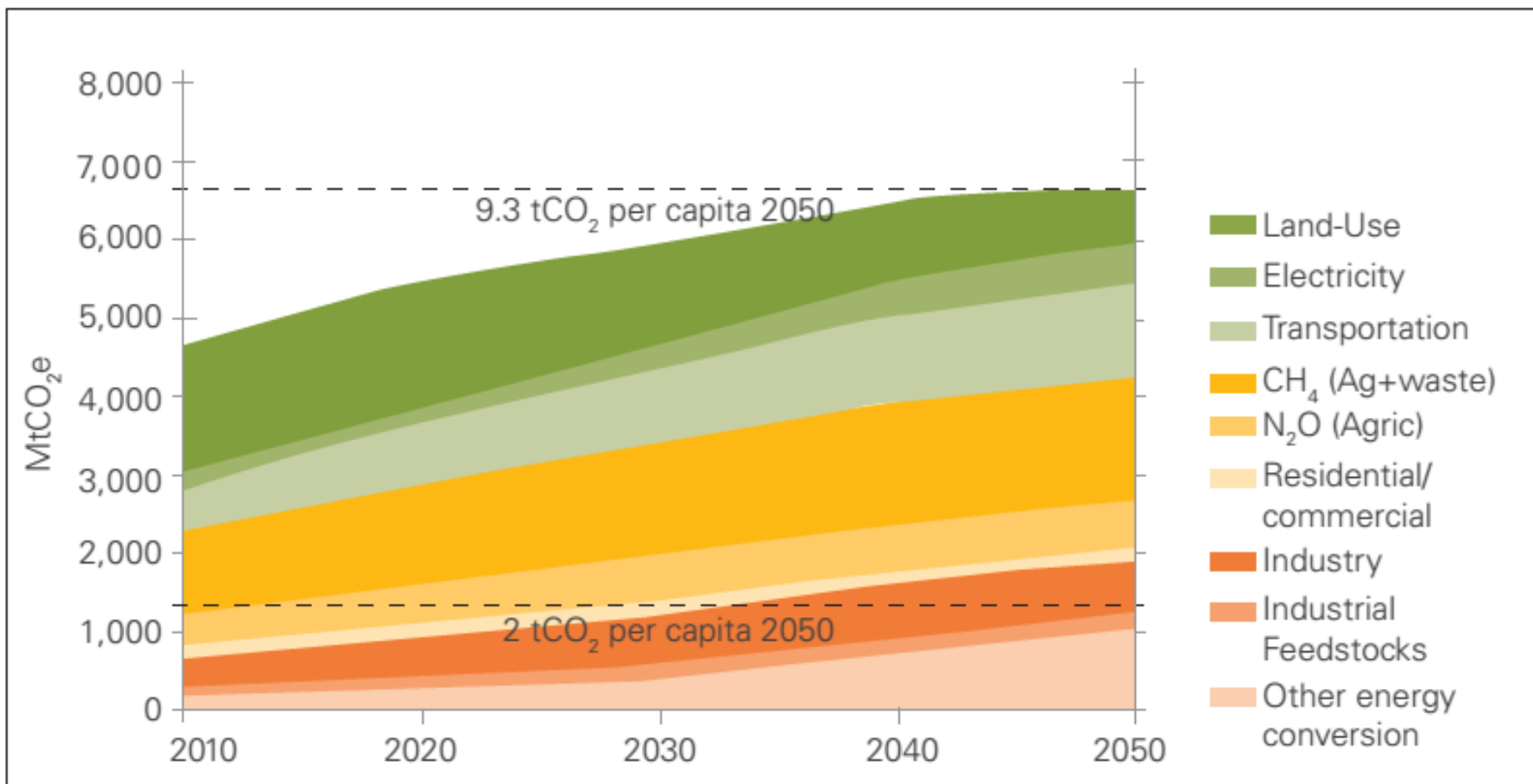
Global warming models and reality

Emissions go from bad to worse

The new report from the Global Carbon Project shows global emissions are following the course of the worst of four scenarios*. This suggests warming of at least 3°C by 2100, relative to 1850-1900



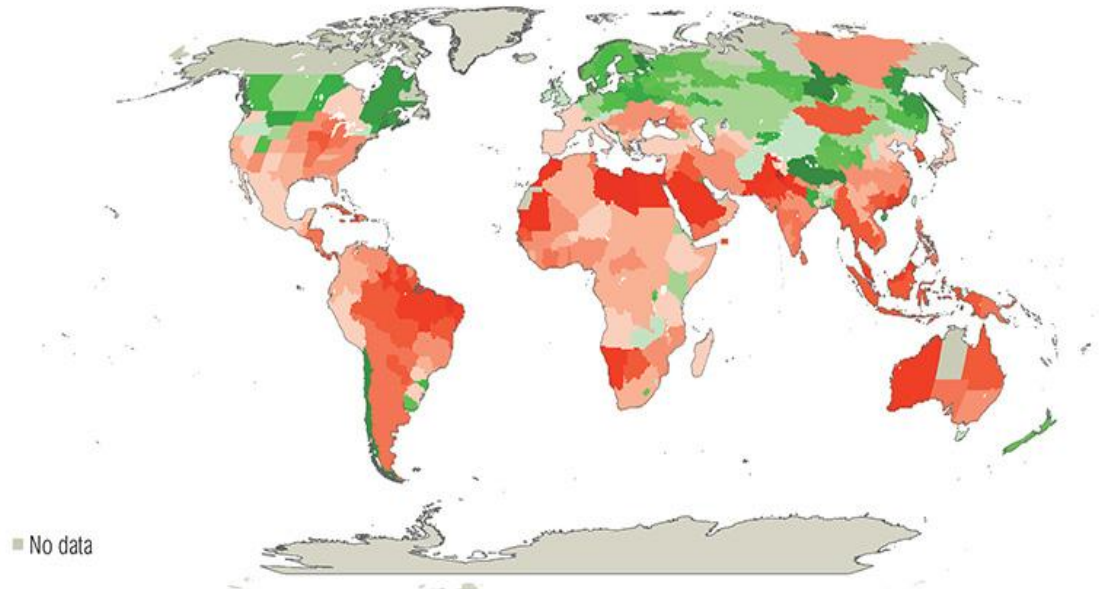
BaU LAC scenarios suggest that by 2050 we may emit 65% of the total recommended global emissions by IPCC for 2100



Climate Change will impact the region and the world food production

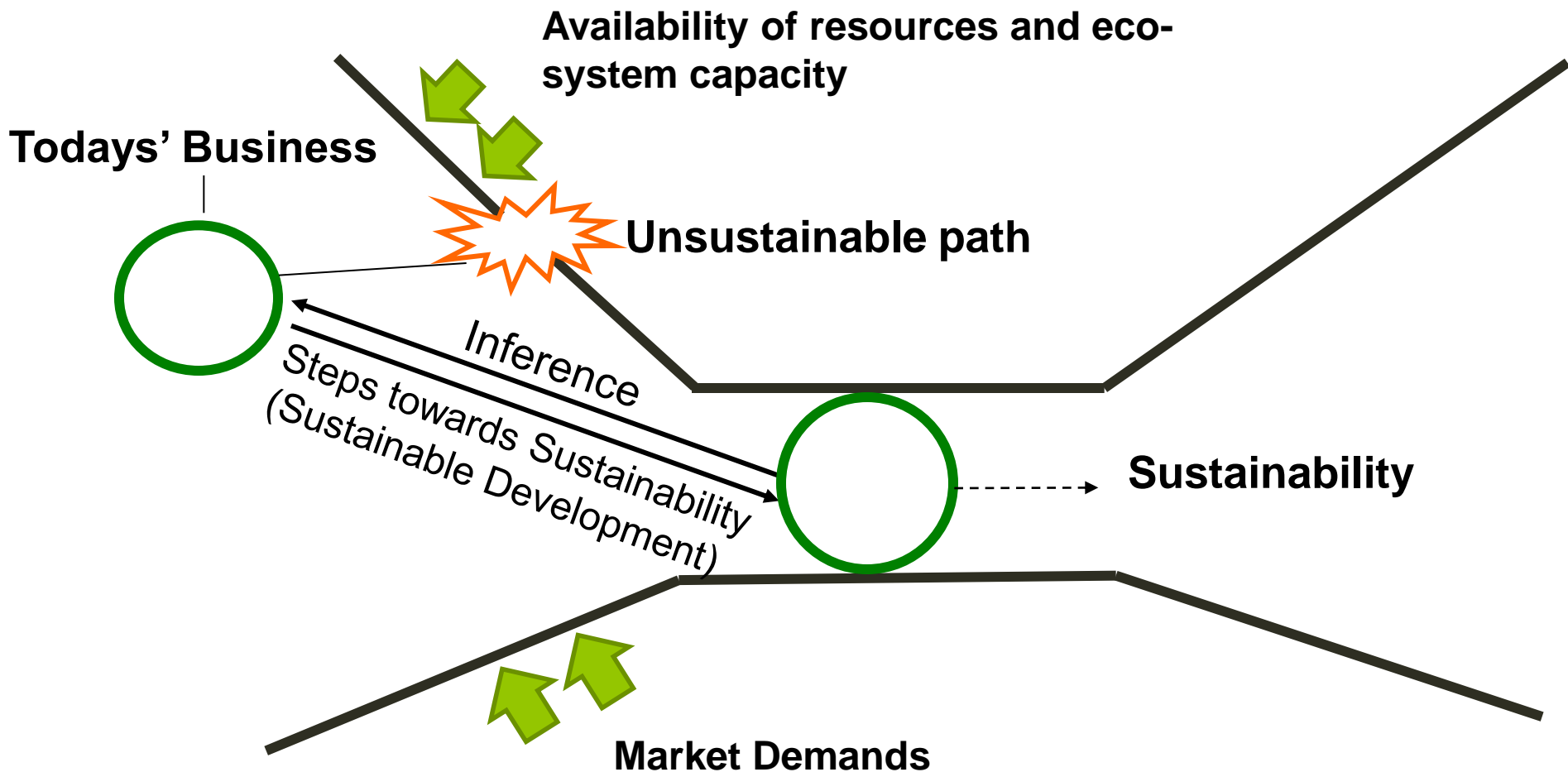
- Corn, rice and beans could disappear from sub regions such as Central America.
- Migration of corn, soy, rice and wheat further north towards the top hemisphere.

Most studies now project adverse impacts on crop yields due to climate change (3°C warmer world)



Impact to the economy reflects loss in exports of approximately \$50.000 million USD by 2050 (Vergara et al, CEPAL/BID 2014).

Funnel Analogy: ECO-competivity



KIZUNA APPROACH

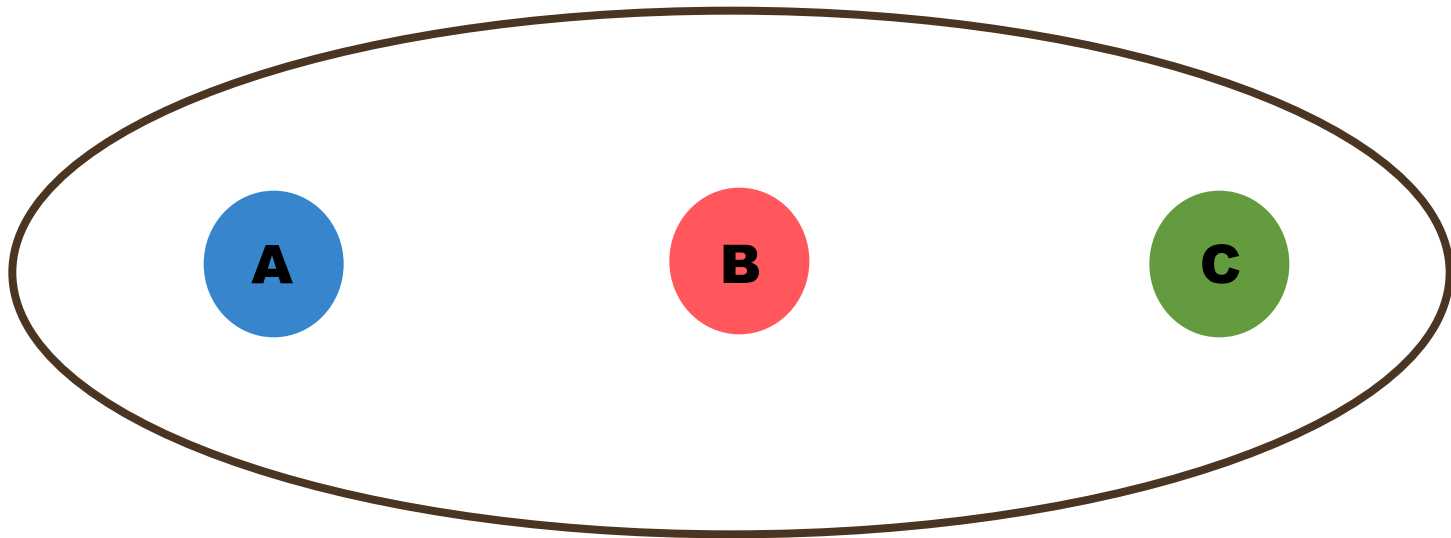
Carbon neutrality efforts in LAC

Climate Challenge and SDG integrating/synthesizing various disciplines

Multi-disciplinary effort?

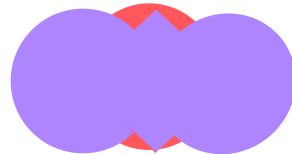
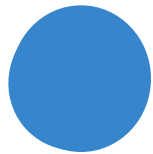
Trans-disciplinary effort?

Multi- is Ok but traditional



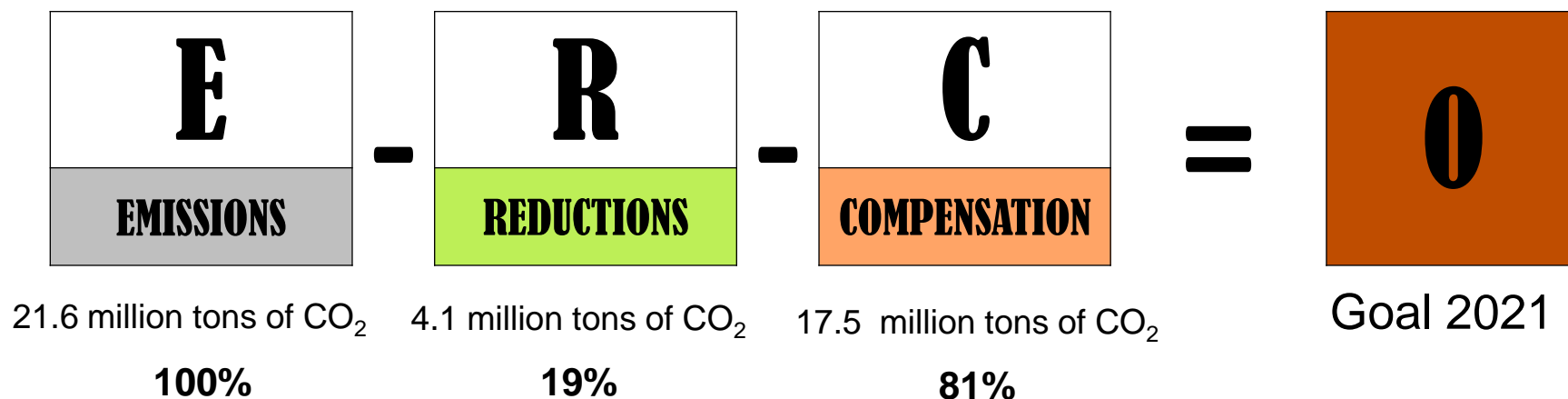
A+B+C

Trans-is next step



A' “*Kizuna*” **C'**

Costa Rican National level target: CO₂ neutral by 2021: A **Kizuna** approach



Example 1: Firm level target by Coopedota, First Coffee C-neutral in the world



At Cop XVIII in Qatar, the Eco shop offered C neutral Dota Cofee



Dota Coffee attracts local and international ecotourism

Example 2: Rice C-neutral informing consumers

C-neutral seal at retail level



The anual inventory for Tio Pelon Group C-neutrality

year	E	R	C	Net
2011	26,259	513	28032	-2286
2012	22,418	504	97745	-75831
2013	22,004	912	85200	-64108

C equation and the firm level

$$\sum_{i=1}^n \sum_{j=1}^n e_{ij} - \sum_{i=1}^n \sum_{j=1}^n r_{ij} - \sum_{i=1}^n \sum_{j=1}^n c_{ij} = 0$$

Example 2: Rice C-neutral informing consumers

C-neutral seal at retail level



Rice skin and king grass for power generation



Example 3: Innovation and Testing Greener energy sources

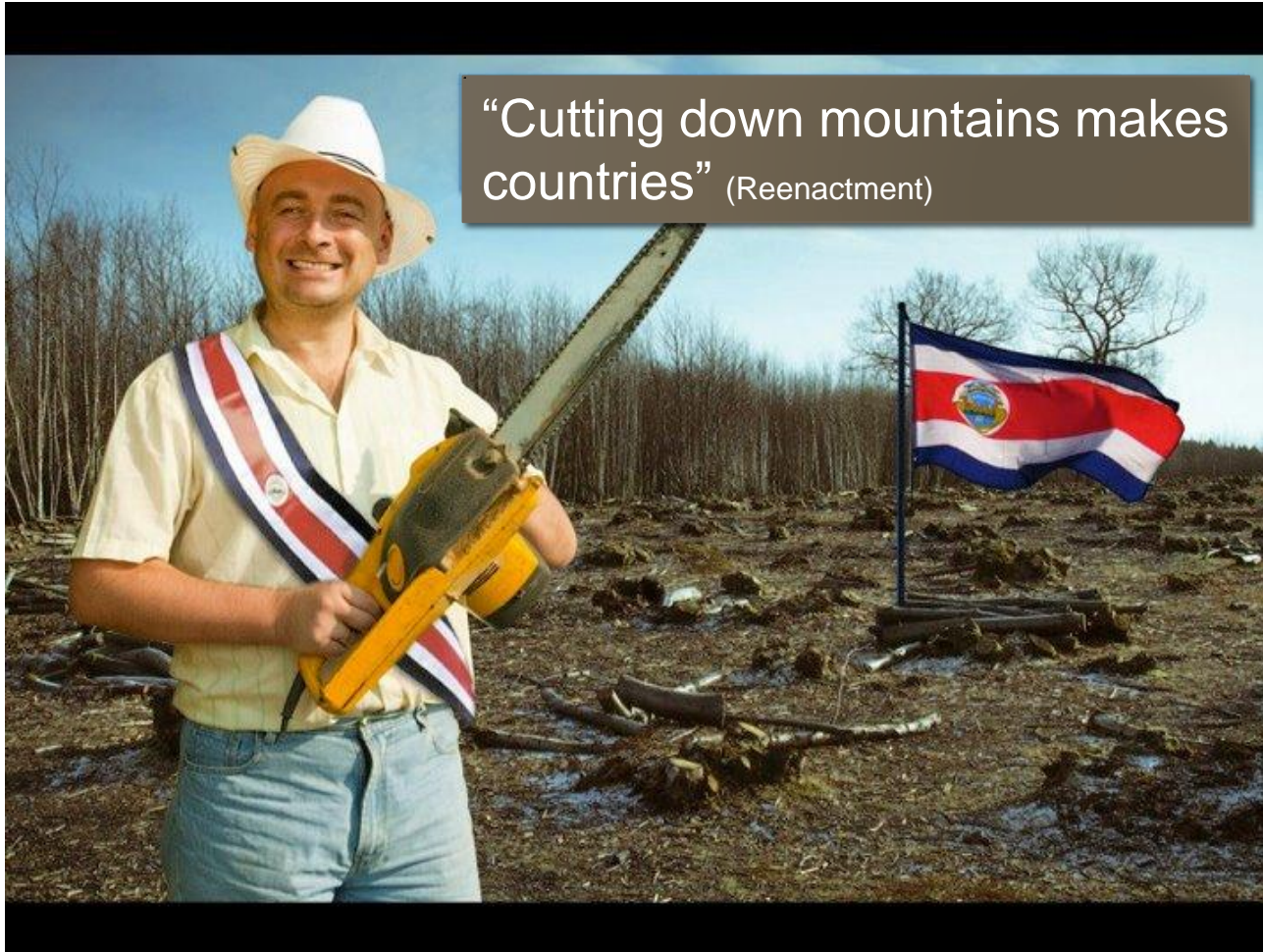


Costa Rican Hydrogen for transportation



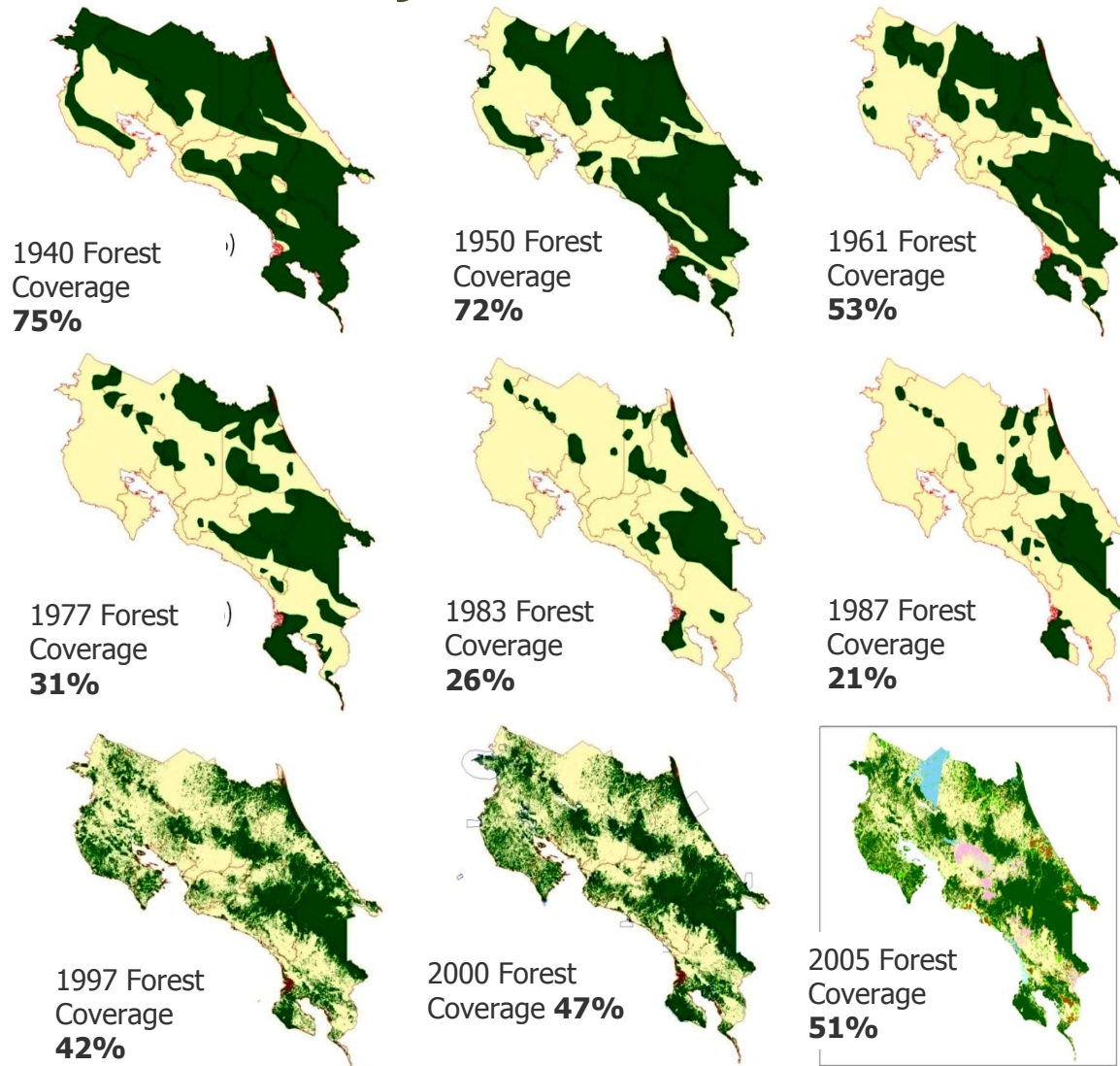
Solar panels 15% more efficient

Reality in the early XX century

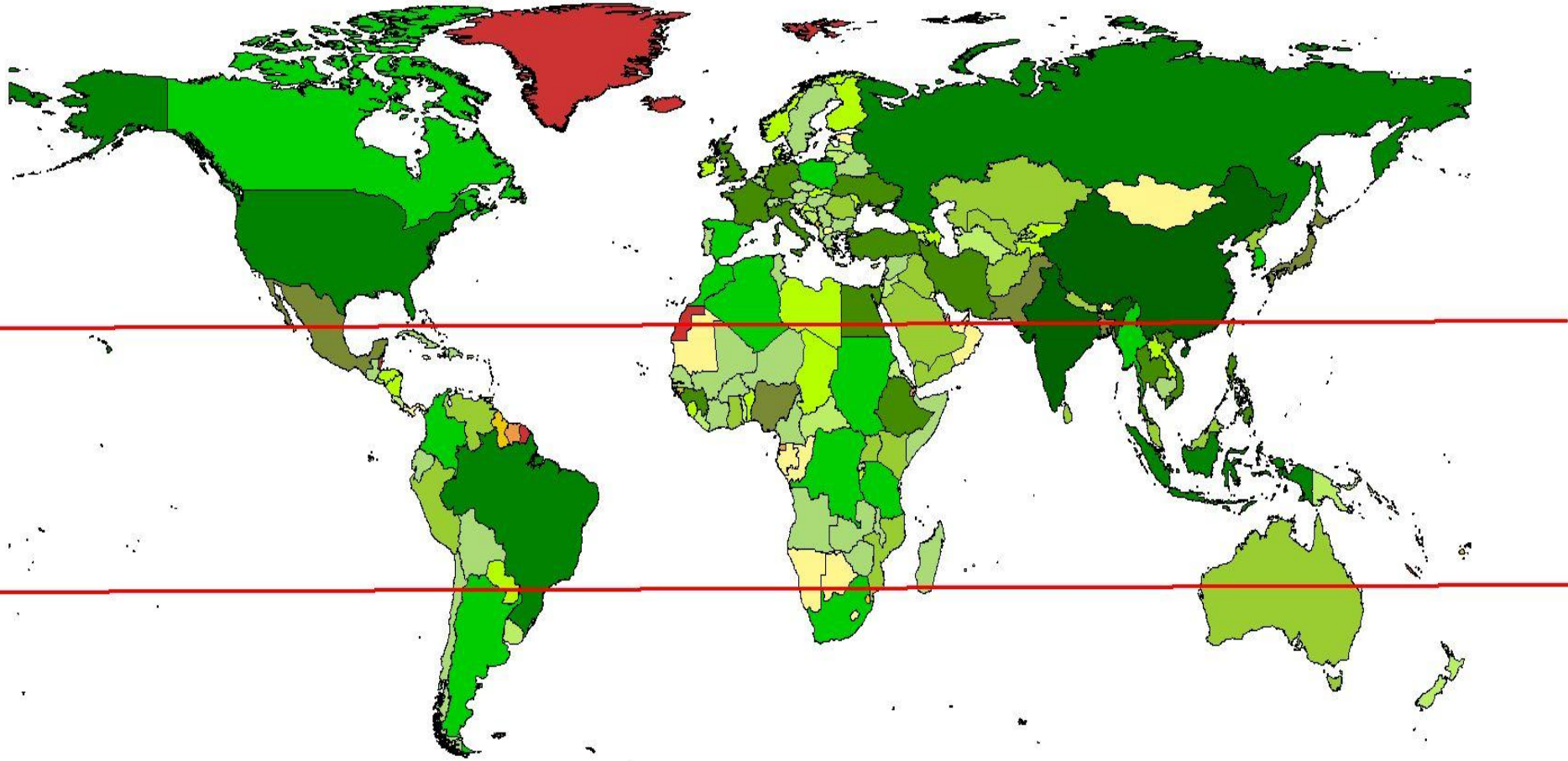


Costa Rica went from a 75% forest coverage in 1940 to 21% in 1987.
Reversing deforestation seemed imposible...

Example 4 : Green Taxes reversing the mistake of the past.



Cont. Example 4: We can stop tropical Deforestation with REDD+, NAMAS and more regional actions



Estimates indicate annual cost of \$5-6 billion to replicate Costa Rican PES system in the tropical belt and increase forest coverage in those countries.

Example 5: Global actions the UN Climate Summit, The global targets

1 TPC by 2100



FINANCING: New Initiatives like the New York declaration on forest.

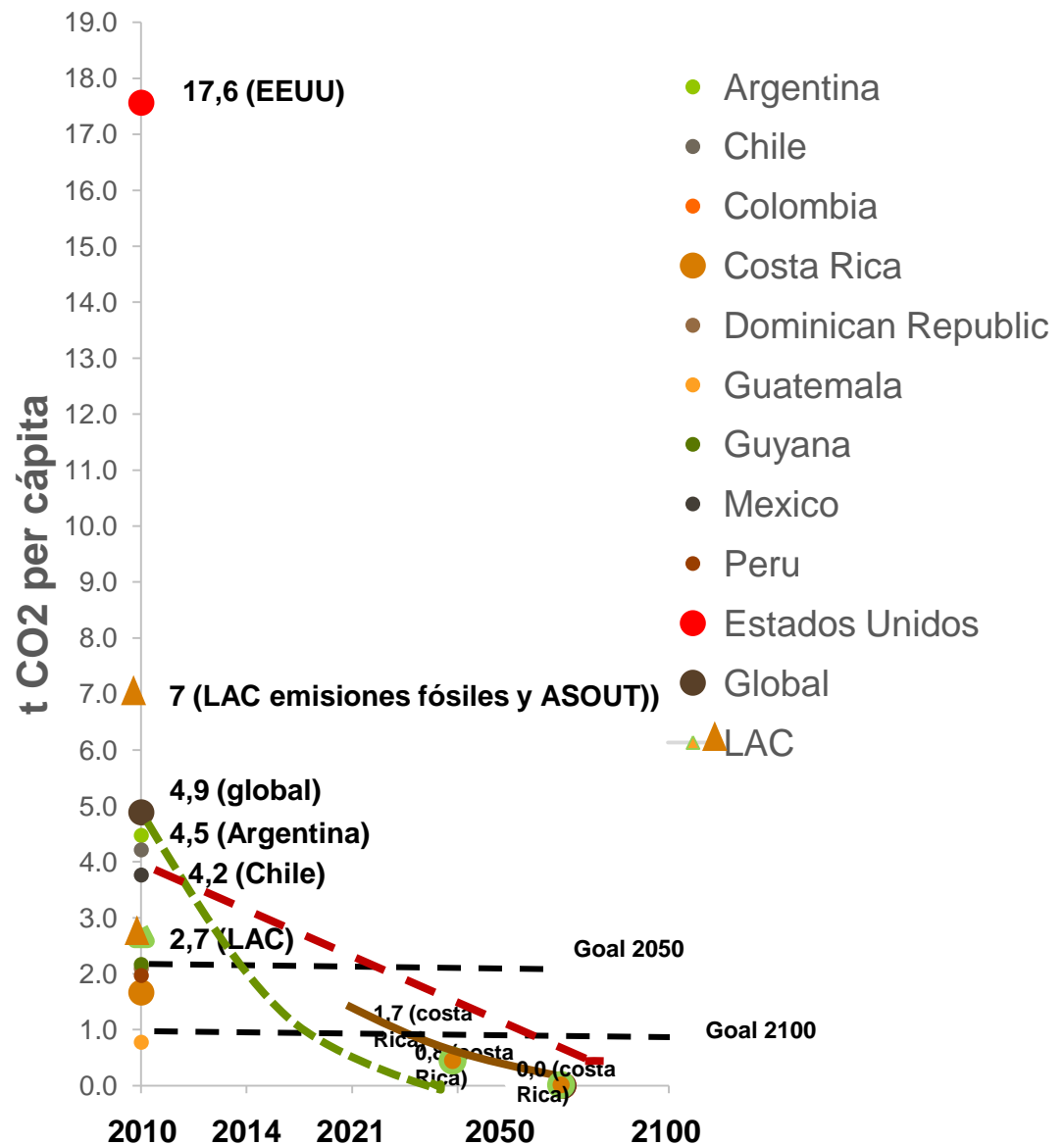
- ✓ New pledges for green fund from US, Japan, Germany, China and France amongst others,
- ✓ Decoupling investments from fossil fuels (i.e Less coal and other fossil fuels).
- ✓ National Banks investing more in climate activities
- ✓ Promoting CO2 pricing.

SUMMARY: INTEGRATING GLOBAL, REGIONAL, NATIONAL AND LOCAL ACTIONS

CO₂ Bank or pricing as a vehicle for an integrated (a KIZUNA) approach

YES: Countries can neutralized their emissions

$$E-R-C=0$$



Ref: Emissions per capita per country and future goals

Source: World Bank 2010, y Vergara et al 2014)

Integrating all will help: BANK CO₂



THANKS GRACIAS

Dr. René Castro Salazar
rene.castro@post.harvard.edu

Costa rica