



TITOLO PROGETTO

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| SOCARBES - Study on the socio costs of carbon in the context of climate change |
| Linea finanziamento: STAREBEI |
| Area Scientifico Disciplinare: 13_ Scienze economiche e statistiche |

STRUTTURA (Dipartimento/Centro) :Dipartimento di Scienze Economiche

DOCENTE RESPONSABILE SCIENTIFICO :CARRARO Carlo

DATI FINANZIARI

| Costo Complessivo del Progetto | Finanziamento Complessivo Assegnato | Costo totale delle attività a Ca' Foscari | Assegnazione Complessiva a Ca' Foscari |
|---------------------------------------|--|--|---|
| 40.940 | 40.940 | 40.940 | 40.940 |

INIZIO ATTIVITA' (previsione)

FINE ATTIVITA' (previsione)

2010

2011

ABSTRACT PROGETTO

The present proposal will focus on the social costs of carbon. As David Pearce (2003) pointed out “social cost of carbon is an important indicator of the global incremental damage done by emitting GHG today” and the integration of this value into “cost-benefit analysis” might be a correct way of determining climate change policy to control the optimal amount of greenhouse-gas- emission reduction at least in the short run. From a technical view point, we shall move away from a point econometric estimate perspective (used in CLIBIO) towards a valuation methodology that allows economists to embrace a range of estimates of the social costs of carbon. In other words, we shall explore the potential of the endogenization of the social costs of carbon values by focusing on a set of different steering forces that influence the value of the social costs of carbon. In particular, we shall evaluate the individual influence of the following steering forces: (1) different policy scenarios (mitigation and adaption) for climate changes; (2) different levels of uncertainty, (3) alternative approach in addressing the equity weighting of the social costs; as well as, (4) assuming distinct intertemporal discount rates.

Bearing in mind these different factors, (1) to (4), we shall be able to compute lower and upper bounds of the social costs of carbon, respectively. Furthermore, we shall also address explicitly the relevance of the current valuation exercise to the EIB mission by exploring the application of the respective ranges of the social costs of carbon to a case study selected in agreement with the EIB. As a consequence, the expected STAREBEI proposal is able to address directly the link between theory and practice and to demonstrate that this kind of analysis for decision making in the EIB is not only an academic exercise but can be used for daily policymaking in the EIB. It will serve as a core component in EIB valuation protocol for valuing the social costs of carbon.