MOSSAVAR-RAHMANI CENTER for Business and Government

CREATING PUBLIC VALUE BY ENGAGING BUSINESS AND GOVERNMENT

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HARVARD PROJECT CONDUCTS SUCCESSFUL EVENTS IN PARIS



Robert Stowe (far left), Robert Stavins (second from left), and panelists debate at a COP-21 side event.

The nations of the world concluded a landmark climate change accord in Paris in December. The Paris Agreement provides for both meaningful reductions in greenhouse-gas emissions in the medium term and lays the foundation for increasingly ambitious reductions over the decades to come. Only time will tell if the world realizes the potential of the Paris Agreement, but the accord provides reason for optimism and our ability to deal with this very difficult problem.

Albert Pratt Professor of Business and Government and Director of the Harvard Project on Climate Agreements **Robert Stavins**, and the Harvard Project conducted an extraordinary program of events at the Paris conference. They coorganized four panels, focusing on: U.S.-China cooperation on climate change policy; approaches to improving the Intergovernmental Panel on Climate Change; and two panels looking at how market mechanisms to reduce emissions might be employed in the new Paris regime. Each of these panels was based on one of the Harvard Project's ongoing research initiatives, and was conducted with international collaborators.

Stavins participated individually in another eight events, with topics ranging from strategies for modeling the effectiveness of the Paris regime to the use of market mechanisms in Africa. Two of these were high-level panels at the China Pavilion in the conference venue. One examined collaboration between California and China on carbon pricing and featured California Governor Jerry Brown and Xie Zhenhua, the most senior Chinese government official focusing on climate change. The other event included leaders of a number of global research institutes studying climate change policy.

In its extensive engagement on climate policy in Paris, the Harvard Project drew in part on a new research paper written by **Joseph Aldy**, Associate Professor of Public Policy at Harvard Kennedy School and Faculty Chair of M-RCBG's Regulatory Policy Program. The paper is titled "Evaluating Mitigation Effort: Tools and Institutions for Assessing Nationally Determined Contributions" and is available on the Harvard Project's web site. For additional coverage, visit www.robertstavinsblog.org and http://hkscop21paris.tumblr.com.

Seminars & Events

M-RCBG has over 80 seminars and events scheduled each semester, some of which are listed below. For a complete schedule, visit www.mrcbg.org.



OSHA: Job Killer, or Stopping Jobs that Kill?; **David Levine, UC-Berkeley.** Bell, Feb. 4. 11:45am-1pm.

M-RCBG Spring Student Reception; With remarks from Director Lawrence Summers and Co-Director John Haigh. Bell, Feb. 11. 3-4pm.

Pepsin Era — Artificially Digested Foods and the Eating Body; Lisa Haushofer, Harvard. Pierce 100F, SEAS, 29



Oxford St., Feb. 22. 12:15-2pm.



Are There Environmental Benefits from Driving Electric Vehicles?; Erin Mansur, Dartmouth. L-382, Feb. 24. 4:15-5:30pm.



Search Groups: M-RCBG



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Ruggie to develop FIFA human rights recommendations



M-RCBG faculty affiliate and former United Nations top official on business and human rights **John Ruggie** has been asked by the world governing body of football, the *Fédération Internationale de Football Association* (FIFA) to develop recommendations for embedding the United Nations Guiding Principles on Business and Human Rights into FIFA's policies and practices. His recommendations will be based on a comprehensive review of human rights in the context of FIFA's activities and events. Ruggie will publish an independent public report at the end of March 2016.

"FIFA's global reach means that this initiative has the potential to make a difference where it matters most: in the daily lives of people," said Ruggie. "As with any such process, I fully recognize that there will be challenges and complex change takes time. However, this has the potential to set the bar for other global sports organizations, and place respect for human rights front and center for a broad range of entities involved in global sporting events."

"This is another important step in our ongoing reform process," said acting FIFA President Issa Hayatou. "I am proud to see that FIFA is taking the lead among international sports organizations on such an important topic. Football and FIFA have an important role to play in this field; respect for human rights has to be at the core of our sport."

Ruggie's recommendations will focus on FIFA's implementation of the United Nations Guiding Principles on Business and Human Rights, authored by Ruggie during his mandate as the Special Representative of the UN Secretary-General for Business and Human Rights from 2005-11. UN High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, describes the Guiding Principles as "the global authoritative standard, providing a blueprint for the steps all states and businesses should take to uphold human rights." The Economist magazine has referred to them as a "watershed event" in putting human rights more firmly on the business agenda.

Senior fellow study groups begin again



Our senior fellows are in the midst of planning their spring semester study groups. From climate change to consumer finance, they will delve into many different ways business and government intersect. Additional groups and sessions are scheduled throughout the semester. Please visit here often for updates: www.hks.harvard.edu/centers/mrcbg/students/sg

M-RCBG supports 31 student teams for winter travel

This winter, M-RCBG was able to provide financial support to 31 students and student teams, enabling them to conduct research in a variety of settings around the globe, from Washington DC to South Korea. Topics vary widely and include a study of options for reintegrating ex-combatants through economic opportunity by students Mitchell Alva and Aviva Feuerstein and advised by HKS Lecturer Juliette Kayyem, and approaches for defining liquidity in a changing capital market environment by students Larissa de Lima and Kate Aitken and advised by Professor Carmen Reinhart. Other projects included:

Haydeeliz Carrasco and Emilio Jose Hungria Andrickson: *Proposing a new framework for Corporate Tax Incentives in the Dominican Republic*

Irene Chung: Identifying attractive markets for commercial and industrial solar power in Africa

Micaela Connery: The Kesley: An urban residential development where people with and without disabilities live together

Mark Fogel: The Boston region's veterans services defined: The role of local government, public/private partnerships, and innovative community engagement

James Howat: Does the Bank of England need a macroprudential approach to insurance regulation?

Amri Ilmma: Improving the Design and Implementation of PKH Conditional Cash Transfer Program in Indonesia

Michael McNally: North Dakota Clean Power Plan State Implementation

Two sustainability science fellowships deadlines approaching on March 1

Ray Goldberg Fellowship in Global Food System (Harvard students): M-RCBG is accepting applications for the Ray Goldberg Fellowship in Global Food Systems. The purpose of the fellowship is to support Harvard students working in the context of global food systems, which may include work related to agricultural systems, food supply chains, farmer and farmworker well-being and equity, agricultural economics, food justice and sovereignty, agricultural processing and industry, food science and nutrition, or food policy. The fellowship is designed to enable students to expose themselves to a wide range of researchers and research approaches, and/or nonprofit and private sector organizations, early on in their training before they make their ultimate choice of a research or career topic. The award can be used for a variety of activities such as conducting field work, visiting leading scholars, practitioners, or research institutions, or providing support for an internship. Applications will be accepted from enrolled students in any degree-granting program at Harvard University at any level: undergraduate, masters, and doctoral. For more information on the fellowship application process, visit: www.hks.harvard.edu/centers/mrcbg/ programs/sustsci/grants-fellowships/fellows/ray-goldbergfellowship

Norberg-Bohm Fellowship (HKS PhD candidates):

The Science Technology and Public Policy Program and the Environment and Natural Resources Program at HKS are accepting applications for the Vicki Norberg-Bohm Fellowship. The purpose of the fellowship is to support Kennedy School of Government PhD candidates conducting early exploratory research on energy, environmental, or science and technology issues. The fellowship is designed to enable doctoral students to expose themselves to a wide range of researchers and research approaches early on in their training before they make their ultimate choice of a dissertation topic. The award can be used for a variety of activities such as conducting field work, visiting leading scholars and research institutions, providing support for an internship, or learning a foreign language in a host country. Applications will be accepted from students enrolled in one of the Kennedy School of Government's doctoral programs, i.e. Public Policy, Political Economy and Government, Social Policy, Health Policy. Preference will be given to students in their first two years of the program, or prior to passing their qualifying exams. For more information on the fellowship application process, visit: www.hks.harvard.edu/centers/mrcbg/programs/ sustsci/grants-fellowships/fellows/vicki-norberg-bohmfellowship

FELLOW UPDATES

Paul Tucker named chair of System Risk Council



In early December, the Systemic Risk Council named former M-RCBG senior fellow Paul Tucker as its new chair, succeeding Sheila Bair, the Council's founding chair from 2012 through 2015, who has assumed the role of Chair Emeritus. Tucker formerly served as Deputy Governor at the Bank of England

and as a member of the G20 Financial Stability Board's Steering Group.

"The Systemic Risk Council has provided a thoughtful and constructive voice for regulatory reform in the interests of ensuring that we have a stable financial system that can serve the economy's needs," said Tucker. "I look forward to serving the Council and working with colleagues to continue the important work that Sheila and the Council have undertaken since 2012."

Bair was the 19th Chairman of the Federal Deposit Insurance Corporation from 2006 through 2011. She recently assumed the office of President of Washington College in Chestertown, Maryland.

"I am proud of the Council's contributions to regulatory reform in the United States and abroad, and there is much more to do," said Bair. "The Council will benefit greatly from Sir Paul's decades of experience as a respected and thoughtful economist, thought leader, and central banker."



Peter Sands presents on pandemics

Pandemics not only threaten human lives and livelihoods – they also undermine national security and inflict economic damage at a scale unmatched by most other disasters. Yet we invest relatively little in infectious disease preparedness and response. How can we better

leverage our resources for a safer world tomorrow? On Jan. 13, M-RCBG senior fellow Peter Sands helped answer these questions when he presented an overview of findings and recommendations on pandemics at an event organized by the National Academy of Medicine and The Rockefeller Foundation in New York City. Sands is also the chair of the Commission on a Global Health Risk Framework for the Future. M-RCBG Director **Lawrence Summers** gave the keynote address. For more info, visit http://nam.edu/event/findings-of-thecommission-on-a-global-health-risk-framework-for-thefuture/

Bilmes in Democracy on A Trust Fund for Veterans



At a time when public confidence in our political institutions is near an all-time low, the U.S. military retains almost universal respect. Unfortunately, this respect hasn't translated into a guarantee of a secure future for the veterans of Iraq and Afghanistan. As with previous wars, the costs of providing care will peak several decades after these wars have ended.

Benefits for World War I veterans peaked in 1969 and for World War II veterans in 1986; payments for Vietnam-era vets are still climbing.

This time around, for a host of reasons, veterans' costs will be much steeper. Half of the two million troops who have served in Iraq and Afghanistan have already been awarded lifetime disability benefits. Higher survival rates from injuries, better medical treatment, more generous disability compensation, and an unprecedented level of physical and mental health conditions among returning troops mean that the cost of providing lifetime disability and health-care benefits will easily surpass \$1 trillion in the coming decades. Where will the money come from?

The Department of Veterans Affairs (VA) already has the fastest-growing budget in the federal government. Since 2001, it has risen from \$61 billion to nearly \$180 billion. The VA now employs 350,000 workers nationwide—roughly double the number back in 2001, prior to the U.S. invasion of Afghanistan. Despite this expansion, the VA has a chronic backlog of disability claims, arising from the overwhelming number of Vietnam and Gulf War veterans filing claims in addition to those who served in Iraq and Afghanistan. In total, some 6.6 million veterans are seeking medical care in the VA system today—up from 4.2 million in 2001. The VA still lacks sufficient funding to fill thousands of vacancies for doctors and nurses and to finance badly needed repairs to its hospitals and clinics.

President Abraham Lincoln famously pledged to "care for him who shall have borne the battle, and for his widow, and his orphan." Today we have no credible plan to make good on this promise. Because the VA budget has a large "mandatory" portion (in the form of disability benefits), its budget will continue to grow automatically as claims rise, even if Congress were to rein in discretionary items. In this sense, it is an entitlement program like Social Security and Medicare. While there are always pressures to cut unfunded entitlements, veterans' benefits are in some ways different from Medicare and Social Security because these benefits are actually "deferred compensation" — payments for services already rendered by defending and fighting for our country.

To read **Linda Bilmes'** full op-ed, visit http://democracyjournal.org/magazine/39/a-trust-fund-for-veterans/

Maine Food Cluster Project report published

Growing Maine's Food Industry, Growing Maine

Highlights from the Maine Food Cluster Project



Maine people have a rich tradition of growing, harvesting and manufacturing food and beverages. To understand the potential of these industries for greater growth, researchers from the John F. Kennedy School of Government at Harvard University and Harvard Business School investigated the industrywide or "cluster" dimensions of Maine's agriculture, seafood and food and beverage processing sectors. The research team collected and analyzed data on Maine's economic performance, the performance of its traded food cluster, perspectives of business leaders, the make-up of Maine's food cluster support system and cluster growth initiatives from other regions.

The team found that Maine's traded food cluster is a statewide employer and that its cluster profile shows strengths upon which to grow. These strengths are complemented by positive industry trends, including growth in niche sectors, increases in land farmed and new farmers, Maine's growing reputation for authentic, sustainably-produced food, and innovation boosting production and adding value to Maine food. However, Maine's food cluster also faces challenges that include a poor foundation of overall economic performance, a cluster comprised mainly of micro and small businesses that collectively exhibit below average productivity, and a large and dynamic cluster support system that lacks a broadly-accepted strategy promoting business growth. The team drew on its analysis to highlight steps that Maine could take to build on the strengths of these industries as a springboard for greater statewide food and beverage business growth, job creation and prosperity.

To download the report in its entirety, visit: www.hks.harvard.edu/centers/mrcbg/programs/maine/report