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Thank you Mr. Chairman, Ms. Ranking Member, and Members of the Committee for inviting me here today.

In just 32 days, representatives of more than 190 countries will convene in Copenhagen to attempt to fashion a global response to one of the greatest and gravest of challenges that the world faces: climate change. Copenhagen presents an enormous opportunity for America and the world to demonstrate a firm commitment to meeting this challenge head-on.

Let me be clear: the choice we face is not between simply continuing with business as usual and a somewhat cleaner, greener future. If we continue on our high carbon and high emissions pathway, we will put at risk our economy, the health and safety of our environment, and our national security. We will create a costly and dangerous future for ourselves and our children – a world of more frequent extreme storms, droughts and wildfires; a world in which millions upon millions of people could be displaced and spill across borders; and a world where dwindling natural resources will increasingly be a source of conflict and regional instability that will threaten global security.

On the other hand, if we pursue a clean energy future, we not only avert the catastrophic impacts of climate change itself, but we can position the United States as the world leader in the 21st century clean energy economy that will be an engine of economic growth across our country for decades to come.

I want to, at the outset of this hearing, commend the House of Representatives for moving our country one vital step down the right path by passing the American Clean Energy and Security Act. The passage of this bill has had a major impact on the nature of our international discussions. It demonstrates vividly that the United States is serious about climate change and clean energy, and it has strengthened our overall position. We eagerly await similar progress on the energy and climate bill in the Senate.

I'd like to begin today by offering a brief update on the state of the negotiations. Mr. Chairman, as you indicated in your invitation to this hearing, the international negotiations revolve primarily around the following issues: mitigation undertakings for both developed and the more advanced developing countries; a regime for measuring, reporting, and verifying all actions taken; the provision of appropriate financial and technology assistance by major economies; and adaptation and forestry issues.

These issues are being discussed in three related arenas: the formal negotiating track under the United Nations Framework Convention on Climate Change, the Major Economies Forum for Energy and Climate, and in extensive bilateral discussions.

Frankly, the tenor of negotiations in the formal UN track has been difficult. North-South rhetoric still permeates the discussions, as it has for the past 17 years. Developing countries tend to see a problem not of their own making that they are being asked to fix in ways which, they fear, could stifle their ability to lift their standards of living. They have made and continue to make many demands in this context that do not help to bring about the global consensus that is required.

Developed countries, meanwhile, tend to see an unforgiving problem with potentially grave and irreversible consequences that cannot be solved without the full participation of developing countries – particularly China and the other emerging market economies. According to the International Energy Agency, 97 percent of the projected increase in global emissions between now and 2030 will come from developing countries.

Yet, paradoxically, we are also at a moment in history when more countries are taking stronger actions than ever before to combat climate change. And the negotiations, however difficult, are helping to drive the major developing countries to begin recognizing the seriousness of the climate change problem, their own vulnerability to it, and the need for global action. In fact, in some cases, they are taking action at the federal level that outstrips our own.

China, for example, has demonstrated a growing commitment to clean energy in the past several years. China's current five year plan includes the goal of reducing the energy intensity of the economy by 20% by 2010 and the aim of increasing the share of renewable energy in the primary energy supply to 15% by 2020. China has also implemented increasingly stringent auto emissions standards, and there are many other initiatives underway.

India last year launched its first-ever National Action Plan on Climate Change. This plan outlines existing and future climate change mitigation and adaptation policies and programs. As part of this effort, India will soon launch a "National Solar Mission" to reach 20 gigawatts of solar capacity by 2020, which would be approximately ten times the current installed solar capacity in the United States. India has announced plans to bring one-third of its land under forest cover by 2012, and it will soon announce a new national energy efficiency plan to upgrade energy efficiency standards and building codes.

Brazil is already notable for being one of the world's major economies that is least dependent on fossil fuels. Brazil gets 36% of its energy from hydropower and it is a global leader in producing sugar cane ethanol. Brazil's challenge revolves fundamentally around deforestation. To address that problem, the

Brazilian government is seeking to reduce their deforestation rate by 70% by 2017, which would dramatically reduce emissions.

South Africa has announced a national long-term mitigation strategy aimed at stopping emission growth by 2025. Unlike Brazil, South Africa has a fossil fuel heavy energy portfolio. Coal provides about 72% of its total primary energy consumption and supports more than 90% of electricity generation. Measures contained in its plan include ambitious mandatory energy efficiency targets and expanded renewable and nuclear generation by 2025.

In short, many of the biggest developing countries are focusing on climate change and taking, or starting to take, significant action. The challenge is to convince these and other countries that they must both step up their activities and reflect them in an international agreement.

I have said on occasion that countries like these are often willing to *do* more than they are willing to *agree* to do. But we can't get an international deal done unless they are willing to *agree* in an international context.

The other positive news this year has come from the Major Economies Forum on Energy and Climate (MEF), launched by President Obama earlier this year to provide an opportunity for more candid discussions among 17 of the world's major economies – which account for more than 80 percent of global emissions – than is possible in the 190-nation UNFCCC negotiations.

The MEF has proven to be a useful venue. In the spring and summer, we held a series of preparatory sessions in the run up to a Leaders-level meeting in L'Aquila, Italy. The Leaders Declaration at L'Aquila included several important points: (1) a pledge by developing countries to promptly undertake actions whose effect on emissions would represent a meaningful deviation from business as usual in the midterm; (2) agreement to prepare "Low Carbon Growth Plans;" (3) agreement that emissions should peak as soon as possible (while recognizing development imperatives); (4) recognition of the scientific view that the increase in the global average surface temperature ought not to exceed 2 °C; (5) agreement on broad principles for financing related to climate change; and (6) agreement to launch a work program on transformational technologies.

Subsequently, we have had MEF sessions at the Leaders' representative level in Washington, DC, and London, where we have focused squarely on the key issues that need to be advanced before Copenhagen.

On the bilateral track, we have engaged in countless private discussions around the world with key countries to delve into the particulars of our respective concerns and generate ideas for moving forward. These conversations also are an opportunity to discuss the important role that this issue plays in our overall bilateral relationships. This was evident in the US-China Strategic and Economic

Dialogue that took place in June, where climate change was the featured issue in the joint opening session. We left no doubt that we consider climate and clean energy to be central to the US-China relationship.

In brief, then, we have made progress this year, and there is a positive foundation in many key countries from which to build upon. And yet time is short and the negotiations have still too often foundered as a result of the developed/developing country divide.

In light of all this, what ought developed countries expect of China and the other major developing countries? They must take actions that will significantly reduce their emissions below their so-called “business-as-usual” path in the mid-term (around 2020) to an extent consistent with what is called for by the science; they must reflect these actions in an international agreement, just as developed countries we must reflect our own undertakings; and these actions must be subject to a strong reporting and verification regime. In addition, all countries, developed and developing, major and smaller, must, with assistance where needed, develop low-carbon growth plans to steer the course of their future development and put the world on the path to a low-carbon global economy.

Exactly how to reflect these various mitigation commitments is still under debate, but it is clear that the ultimate form of an agreement will to a large extent be determined by this issue. I have been clear from the start that we have no interest in repeating the experience of Kyoto, and that includes duplicating a form that, among other things, does not reflect commitments by all major economies. The Koreans and the Australians have made constructive proposals for a form that would use a system of registries or schedules to allow developed and major developing countries to reflect and internationalize their mitigation commitments. We are actively exploring these proposals within both the UN Framework negotiations and the Major Economies Forum.

However, at the same time, we cannot expect developing countries – or indeed any country – to commit to actions that they cannot plausibly achieve or to make promises that are antithetical to their need to fight poverty and build a better life for their citizens. We have to send the message, in word and deed, that the effort to reach a new climate change agreement is not simply about putting a cap on emissions, it is about development – low-carbon development. Countries that would cling to the old developing world adage that development must precede environment make a fundamental error: in the world we inhabit now, the only *sustainable* development is low-carbon development.

And what do other countries, whether developed or developing, have a right to expect from us? The steps President Obama and Congress have taken already – including the \$80 billion for clean energy investments in the stimulus package, the new joint tailpipe fuel economy standards that EPA and DOT have proposed, and an agreement at the Pittsburgh G20 summit for all G20 nations to phase out

their fossil fuel subsidies over the medium term and to work with other developing countries to do the same – are important steps but are just the beginning.

The centerpiece is the comprehensive energy and climate legislation, and it is critical that the Senate now do its part to move this process forward in a timely manner. Nothing the United States can do is more important for the international negotiation process than passing robust, comprehensive clean energy legislation as soon as possible.

The United States can also be expected to play a key role in helping to provide support to countries in need of mitigation and adaptation technologies. We must make the development and dissemination of technology a top priority in order to help bring sustainable, low-carbon energy services to people around the world, and we must do so in a way that recognizes the importance of protecting and enforcing intellectual property rights.

In this respect, the adoption of appropriate financing provisions is pivotal to getting a deal, and I hope that the Senate takes this into account as it develops its own version of a bill. This is not charity. It is squarely in our national interest to help ensure that all countries – not simply the ones that already have the necessary infrastructure and resources at their disposal – pursue a clean development pathway. As has been often said, this is not at all like local environmental problems. The CO₂ emitted in the Middle East hurts us as much as the CO₂ emitted in the Mid-West.

We all – both in the Congress and in the Administration – have a lot of work ahead, and we all need to act with the sense of seriousness and urgency demanded by the challenges we face. For our part, we will be intensively engaged with every key country and country block in the 32 days between now and Copenhagen. Members of my team are currently in Barcelona participating in negotiations at this very moment, and President Obama and the Secretary of State, along with our entire Administration, are committed to seizing each opportunity to make progress.

We can also never lose sight of the fact that Copenhagen must be the beginning of a renewed global commitment to meeting the climate challenge, not the end, for regardless of what transpires in a month's time there will be much, much more for the United States and the world to do if we are to successfully meet this common global challenge and achieve a clean energy future for our children and grandchildren.

Thank you, and I look forward to answering the Committee's questions.