Testimony of the Honorable Timothy E. Wirth President, United Nations Foundation

"Copenhagen and Beyond: Is there a Successor to the Kyoto Protocol?"

Committee on Foreign Affairs United States House of Representatives November 4, 2009

Thank you, Mr. Chairman, for inviting me to testify and for your leadership in calling this hearing.

The answer to the question "Copenhagen and Beyond: Is there a Successor to the Kyoto Protocol?" has to be a resounding YES:

- 1. We must develop a global agreement that sharply and rapidly reduces emissions of greenhouse gases, and leads to stabilization of our atmosphere the benign envelope that allows life as we know it to exist on earth.
- 2. The needed global agreement must phase in commitments by all nations, starting with the developed world countries that have discharged most of the existing pollutants into the atmosphere, and moving smoothly and quickly to include the rapidly developing nations which today are contributing an increasing share of atmospheric pollutants. The agreement must be measurable and verifiable, and eventually enforced by a legal framework and economic incentives.
- 3. The global agreement must also focus on the issue of energy access for the poorest half of the globe's population; without access to electricity, economic development is largely impossible. In addition, the global agreement must assist those peoples who through no actions of their own are most vulnerable to the rapidly growing deleterious effects of climate change.

It would be a proud achievement if the world's nations were able to arrive at an agreement that had these characteristics. But while we still have much negotiation ahead of us, we are moving in the right direction:

- In 1992, the United Nations established the first Convention for understanding the climate issue, defining the differentiated obligations of countries; this became the law of the land when it was ratified by the U.S. in the fall of 1992.
- The Intergovernmental Panel on Climate Change, arguably the most distinguished scientific effort in world history (also established under UN auspices), has unequivocally established the science of climate change.

- While flawed, the Kyoto Protocol was a productive first step in global efforts to implement the 1992 Convention; of special note is the subsequent leadership of the European Community.
- The ongoing Copenhagen negotiations also mark significant progress, and can already be labeled a success:
 - The European Community has outlined and accelerated its specific goals and schedules;
 - Japan has sharply increased its reduction target;
 - o India has made major strides, especially in renewables;
 - Brazil is leading on commitments to reduce deforestation issues;
 - Mexico, Korea, and South Africa are making significant and measurable national commitments;
 - The countries in the G20 have come together and begun the difficult process of defining their special common responsibilities;
 - Many countries in the developing world have recognized their needs, especially for energy access, and are joining efforts to forge global agreements;
 - In all of this work, the Secretary-General of the United Nations, Mr. Ban Kimoon, has established climate change as one of his very top priorities, and has personally engaged heads of state and government in the negotiations. He should be strongly commended for his persistence, leadership and commitment as the UN makes progress in bringing its Member States toward consensus.

In all of these discussion and negotiations, two countries cast longer shadows than any others: the United States is the largest developed country, and China is the largest developing country. Together they are responsible for 50 percent of the carbon pollutants being emitted into the atmosphere.

These two countries, and how they manage their pollution, chart their low-carbon policies, and develop cooperative arrangements, will largely determine the fate of the world; others will watch them closely. If the U.S. and China succeed, the world can avoid catastrophe; if either or both fail, then we will all suffer irreparable harm.

There are, of course, indicators of real progress:

- In the United States, the Obama Administration has reversed government policy toward climate change, and its senior leadership is first-rate. More progress has probably been made at the state and local level, and our Congress, while advancing legislation, is slowly but surely catching up with governments at other levels of the American system. With some major exceptions, the private sector in the United States is moving rapidly to capture the promise of the transition to a low-carbon economy, even as it is inhibited by a lack of clarity in the rules which will govern much of their energy investments.
- Activity on climate pollution is also changing rapidly in China. Its top-down political system is seized with the need for rapid change, and Chinese leaders at the highest levels

consistently invoke "green," "low carbon" and "sustainability." Their targets for energy efficiency, renewable energy and fuel economy are impressive. How deeply and rapidly these commitments permeate provincial and local governments, and how they are translated into concrete actions in the economy, are key questions in China's remarkable transition.

Both countries recognize the importance of their relationship, and are feeling their way toward greater cooperation. But given the urgency of the climate challenge, the U.S. and China should rapidly accelerate their joint efforts:

- Most obviously, significant partnerships should be pursued for joint research and development in such areas as carbon management, grid modernization, battery storage, shale gas, and agriculture;
- Far-reaching joint agreements could be finalized in energy efficiency, renewables, and forestation and land use;
- Technology cooperation policies need to be agreed, as do standards for measurement, verification and enforcement;
- Both countries have much to gain from a better understanding of tariff and border adjustment issues, which are rooted in the need for broadly accepted carbon accounting systems;
- Both the United States and China must pay greater attention and commit higher-level political direction to managing the climate and energy issues. The urgency of "the green opportunity" should be the linchpin of the relationship between these two global powers. Two years ago the two governments agreed to work more closely, but since then implementation of this agreement has flagged;
- Building on the Ten Year Framework and the July 2009 MOU, the U.S. should take steps to strengthen the U.S. China cooperation on clean energy and environmental issues. The U.S. should appoint a single point of contact for the U.S. government perhaps at the high-level in the State Department whose sole job is to manage pragmatic bilateral cooperation, ensuring that U.S. businesses have increased access to Chinese markets, that the two governments work together to create a new model of sustainable economic growth based on increasing use of clean energy, and that U.S. scientists, academics and engineers work together on the next generation of technology.

While China and the United States work through and mature their relationship, the global negotiation will continue in Copenhagen and beyond. Finalizing a comprehensive deal in December will be extremely difficult, particularly if the U.S. Senate has not passed an energy and climate bill by then. A constructive outcome in Copenhagen would be to set the broad parameters of a deal which countries will flesh out and finalize over the subsequent 6-12 months.

However, scientists tell us that we're running out of time. Recent reports show that the levels of carbon dioxide in the atmosphere are rising faster than anticipated and that the effects are already far-reaching – on temperature patterns, extreme weather events, glacial melting, and acidification of the oceans. New studies show that climate change will cause agricultural productivity to decline by as much as 50 percent in some areas of Southeast Asia and Sub-Saharan Africa, even as the world's population is growing rapidly, and economic development means greater demand

for food. Low-lying small islands, some of which stand only a few feet above the water, are at risk of disappearing altogether due to sea-level rise – thereby forcing entire countries to relocate elsewhere.

Public policy, even under the best scenario, is not keeping up with what the science tells us we must do. Further delay in responding to these warnings increases the risk of a catastrophic and irreversible shift in the global climate system. We need to act immediately to reduce carbon emissions.

That's why the United Nations Foundation has been advocating rapid implementation of the "core elements" of a new agreement – steps that would make an immediate contribution to solving the climate problem and help reach a global deal. An analysis by Project Catalyst that the UN Foundation recently released with the Center for American Progress shows that achievable gains in energy efficiency, renewable energy, forest conservation, and sustainable land use worldwide could achieve up to 75 percent of needed global emissions reductions in 2020 (toward a 450 ppm pathway, which has a 40-60% probability of limiting temperature increases to 2°C) at a net savings of \$14 billion. These actions, along with additional investments in climate adaptation, would help developed and developing countries alike address a variety of strategic interests, including sustainable development and job creation, energy security and energy access, food security and improved rural livelihoods, and environmental quality and public health.

Specifically, the analysis shows that:

- Increasing the rate of global energy efficiency improvement to 2 percent by 2015 (from the current rate of 1.25 percent) would reduce emissions at least 12 percent below business as usual in 2020, and would yield a net savings in 2020 of \$98 billion. Analysis by a separate UN Foundation-convened expert group suggests that a more ambitious goal of doubling the rate of improvement to 2.5 percent in major economies is achievable and would yield even greater benefits.
- Deriving 20 percent of the world's electricity from renewable sources by 2020 would reduce emissions in 2020 by 10 percent below business as usual at a net cost in 2020 of \$34 billion.
- Reducing the annual rate of tropical deforestation 50 percent by 2020 and substantially increasing the amount of land under sustainable management though habitat restoration and sustainable forestry, agriculture, and livestock practices would reduce emissions in 2020 by more than 50 percent from business as usual at a net cost in 2020 of \$51 billion.

Along with immediate investments of \$1-2 billion to implement the National Adaptation Programs of Action for the least developed and most vulnerable countries, these core elements would make an immediate contribution to solving the climate problem and bolster the world's chances of reaching a new international climate agreement. With \$14 billion in net savings by 2020, these policies and measures are attractive in their own right and should be undertaken immediately. If we also consider British economist Lord Nicholas Stern's warning that the economic cost of inaction will be an order of magnitude greater than the cost of preventing further warming, strong and immediate action becomes the obvious choice.

Another important opportunity for emissions reduction is emerging with the very large recent additions to U.S. natural gas supply from shale reservoirs deep underground – reservoirs that are also found in China and many other parts of the world. These new gas resources could be used to accelerate the shift away from the world's oldest, dirtiest coal-fired power plants.

The Committee on Foreign Affairs should elevate these core elements of an effective response to climate change – energy efficiency, clean energy development, forests, land use and adaptation – as priorities in its oversight and reauthorization of the Foreign Assistance Act. The new Act should have environment and natural resources as one of a small number of priorities for U.S. development assistance, of which these climate mitigation and adaptation strategies should be priorities.

Direct U.S. development assistance matters as much as allocation allowances from a climate bill in supporting low-carbon growth and adaptation in developing countries. This Committee should weigh in with the Appropriations Subcommittee on Foreign Operations to increase funding levels in FY11 and lay out a vision for funding increases through 2015. The Committee should also ensure that allowance allocation for tropical forests, adaptation, and clean technology remain in the energy and climate bill if and when it goes to conference.

Finally, Mr. Chairman, I strongly recommend that the Committee focus on the management of the U.S.-China relationship. While Secretary Clinton is providing overall direction, and Ambassador Huntsman is a very able representative of the United States, the China-U.S. relationship is so important that it deserves very special emphasis and attention. I have just returned from a nearly month-long trip to Asia, and in nearly every forum – especially with U.S. business leadership – we heard the same story:

The U.S. needs to prioritize its pragmatic cooperation on clean energy and environmental with China. Right now China looks to the U.S. for strategic and technical assistance. Even among Chinese business people and government officials, the informal consensus seems to be that if the relationships between the U.S. and China aren't developed in the next few years, China will likely not need U.S. assistance after that. The U.S. should not let this opportunity slip away -- its about energy security, climate change, and U.S. competitiveness in the short term and about developing a strong network of relationships between the U.S. and China that will allow the two countries to tackle increasing complex issues in the long term.

Mr. Chairman, for many years this Committee has promoted U.S. re-engagement on critical international issues, such as the global climate negotiations. I urge you to continue to push for a constructive U.S. approach. Hearings like these, and your leadership and engagement on this subject, are essential steps in that process, and I thank you for it.