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Statement to the House Select Committee for Energy Independence and Global Warming

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

I want to thank you and the Committee in particular for all of your work during the past year. The passage of the American Clean Energy and Security Act by the House marked an important milestone in the effort to craft a 21st century energy policy that will galvanize our economy, enhance our security and protect our environment. The passage of your bill, in record time, 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 clearly strengthened our overall position.

As you requested, I am here today to speak to you and answer your questions about the state of our negotiations on a new international climate agreement. With only three months left before the Copenhagen climate change conference, this is a matter of real importance to President Obama, Secretary Clinton and our whole Administration.

As you know, the problem we face is one of historic proportions. Science tells us that the world is on an unsustainable course. That, indeed, is why we must act with strength and determination at home. But at the same time, the climate challenge is global and the solution must be global. Only through a multilateral solution that involves everyone – and in which key players all contribute – can we solve the problem.

Let me begin by providing you with a brief update on the state of the negotiations, including what the crucial issues are, where we have made progress, where we still face significant challenges, and what we think needs to be done going forward.

As has been the case since I started at State in February, the negotiations we are engaged in 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.

We are concentrating our efforts on three related fronts: the formal negotiating track under the United Nations Framework Convention on Climate Change, the Major Economies Forum for Energy and Climate, and bilateral discussions. In addition, we have also worked closely with our colleagues at the Treasury Department who have recently engaged in a new G-20 process on issues related to climate finance.

Let me say bluntly that 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 seventeen 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. Developed countries tend to see an unforgiving problem with potentially grave and irreversible consequences and 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.

And yet we must find a way to bridge this developed/developing country divide, which is still the heart of the struggle for an international solution.

The good news – and it *is* good – is that the major developing countries have started recognizing the seriousness of the problem, their own vulnerability to it, and the need for global action. 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 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 more than twice the current installed capacity in the United States. India has announced plans to bring one-third of its land under forest cover by 2012, and it will also soon announce a new national energy efficiency plan to upgrade energy efficiency standards and building codes.

Brazil is already an enviable model in many ways, as the world's major economy least dependent on fossil fuels. Brazil gets more than 40% 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 deforestation 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 88% of its total primary energy, and supports about 90% of electricity. Measures contained in the 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 – and make no mistake, it is a real one – 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 relatively positive news this year has come from the Major Economies Forum, launched by President Obama earlier this year to provide an opportunity for more candid discussions than is possible in the 190-nation UNFCCC negotiations.

After four preparatory sessions and a Leaders-level meeting in L'Aquila, Italy, the MEF has indeed proven to be a useful venue. 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 global temperatures 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.

This is meaningful progress, and we will seek to build upon it in the weeks ahead by continuing to meet at the level of leaders' representatives in September, October, and November.

On the bilateral track, we have engaged in dozens of private discussions 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 some progress this year and there is a positive foundation in many key countries from which to work. And yet time is short and the negotiations have still, too often foundered as a result of the, been developed/developing country divide.

In light of all this, what do we have a right to 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 we must reflect our own undertakings; and these actions must be subject to a strong reporting and verification regime. And all countries, developed and developing, major and lesser, 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.

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? Frankly, that we stand and deliver. That we apply the global leadership that is our hallmark to an issue of profound, generational meaning. The steps President Obama and Congress have taken already– including the \$80 billion for clean energy investments in the stimulus package and the new joint tailpipe fuel economy standards that EPA and DOT pledged to issue – are important but are just the beginning. .

The centerpiece is the comprehensive energy and climate legislation that bears your name, Mr. Chairman, and that the House passed in May. That’s what puts in place a national law to limit our emissions and that puts us on a pathway toward a low-carbon economy that will create jobs across a range of emerging clean energy sectors. 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 for technology and adaptation. 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.

Moreover, the national security threats posed by climate change are real. As detailed in a recent front page story in the *New York Times*, discussing the rising concerns of the national security community, a world of uncontrolled climate change – with ever worsening storms, droughts, floods, the increased spread of disease; melting glaciers, rising sea levels, and more severe shortages of food and water – means a world of new and intensified security threats as millions of people are displaced, states are destabilized, and competition for resources intensifies.

In short, we have a lot of work to do this fall. The Congress has a crucial role to play on the domestic front. And internationally, we will be engaged full-out on all three of our fronts – the UN talks, the Major Economies Forum, and bilateral consultations with every relevant country and country block. President Obama and the Secretary of State, along with our entire Administration, are committed to action on this issue.

We are approaching this issue with the sense of urgency that it demands and are determined to do all we can to make the progress that is necessary to have a successful outcome in Copenhagen. Mr. Chairman, the world is going to make history over the course of the next months and years. We will either make it for the right reasons – because we found common ground and set ourselves on a path toward a new, sustainable, low-carbon model; or for the wrong reasons - because we blinked at the moment of truth and left our children and grandchildren to face the consequences. We have to get this right.

Thank you, and I look forward to answering any questions you might have.