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Senate Foreign Relations Subcommittee on East Asia,
The Pacific, and International Cybersecurity Policy
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Thank you, Chairman Markey, Ranking Member Romney, and distinguished Members of the Committee. It is my pleasure to appear before the committee today to discuss the Biden Administration's climate agenda for the Indo-Pacific region.

President Biden has identified climate change as one of the four “historic crises” facing our country, alongside COVID-19, the economic crisis, and racial inequality.

President Biden and Special Presidential Envoy for Climate Kerry have made raising global climate ambition a key pillar of the Administration’s international climate strategy. The ambition strategy has three elements:

- Mobilizing a global effort to reduce emissions urgently;
- Helping developing countries build resilience and adapt to climate change impacts; and
- Catalyzing public and private finance to tackle the first two pillars.

In fact, the Indo-Pacific has a critical role in each of these three fronts. And the United States is working with counterparts in the region on all three.

We’ve seen the mounting costs and risks – economic, security, social – imposed by a warming and more volatile climate. This is evident across the United States and around the world. We see it in stark terms in the Indo-Pacific. Our allies and partners see it, are confronting it, and seek our partnership to find solutions.

The scale of the challenge is daunting. As Richard Buangan noted, the region is coping with increasingly severe typhoons, more frequent and intense droughts, ocean acidification, extended heat waves and heat emergencies, devastating flooding and landslides, and more. For example, India and Bangladesh were struck by one of the world’s worst climate-related disasters in 2020, Cyclone Amphan, which caused \$14 billion in damage according to reinsurance company MunichRE. These dollar figures give a sense of the scale of the issue but are insufficient in capturing the loss of life and disruption to communities that these disaster events cause, and which are projected to become more costly, disruptive, and deadly without action.

These phenomena all create consequential impacts for the region in economic growth, food production and malnutrition, infectious disease, and regional displacement of affected populations. In turn, these developments have implications for the United States – most notably for our own economy and national security.

Today, the science is unequivocal: we need to keep the Earth’s warming to 1.5 degrees Celsius to avoid catastrophe. To get there, the science says the world needs to get to a state of net zero greenhouse gas (GHG) emissions by around mid-century. Achieving that goal will require bending the emissions curve downward significantly by around 2030 – making this the decade

for decisive action. The United States is seeking enhanced action around the world, particularly this decade, to keep a 1.5 degrees Celsius limit within reach. That could take many forms, including net zero goals, enhanced Nationally Determined Contributions (NDCs), or sectoral initiatives.

And the Indo-Pacific will be a critical focus for that effort. Indo-Pacific countries comprise about 45 percent of global greenhouse emissions. China is the world's largest CO2 emitter, with India, Japan, the Republic of Korea, and Indonesia ranking in the top ten. Australia is the 16th-largest emitter. The United States, in its climate diplomacy toward these governments, is urging them and other major emitters world-wide to strengthen their NDCs to better align their 2030 GHG reductions targets with a net zero future by 2050.

The challenge is strong. According to the World Resources Institute, in 2018 the Indo-Pacific region's energy and industrial sectors alone accounted for roughly 38 percent of all global GHG emissions. The policies, measures, and investments the region takes to direct their economic growth to a climate-aligned pathway will be critical to achieving the goals of the Paris Agreement and a global net zero future by 2050.

China is the top priority in our global mitigation strategy. China represents almost 30 percent of global emissions, in addition to its carbon-intensive investments abroad. President Xi Jinping pledged to "scale up" its NDC and strive for carbon neutral emissions by 2060, among other mid- and long-term climate policy goals. But as the world's largest emitter, a 1.5 degrees Celsius future is not possible without the PRC increasing and accelerating its emission reductions for the 2020s.

Special Presidential Envoy Kerry made China one of his early overseas visits. He traveled to meet Vice Premier Han Zheng and Special Envoy for Climate Change Xie Zhenhua in April to identify areas for engagement.

The two sides issued a joint statement on how they would address the climate crisis, a first step in our engagement on climate. Notably, the PRC acknowledged for the first time that the world now faces a climate crisis. Both sides committed to take enhanced climate action that raise ambition in the 2020s, and to develop, by the time of the Glasgow COP this November, their respective long-term strategies aimed at net zero GHG emissions/carbon neutrality.

We have no illusions on the challenges we face, for the climate and for U.S. competitiveness. China is making enormous investments in carbon-intensive infrastructure both domestically and overseas. We must and will press China to limit its investment in a coal-fired power future. Simultaneously, China is moving aggressively to develop and deploy Chinese clean energy technology, both at home and abroad. Here, we must and will compete with China to assure U.S. clean energy technology and companies can compete in the lucrative and growing global clean energy market.

We must find a way to work with the PRC to drive the action necessary for the world to keep 1.5 degrees Celsius within reach. But our approach will be clear. As Secretary Blinken and Special

Presidential Envoy Kerry have stated – climate is a critical standalone issue, and other aspects of the U.S.-China relationship will not be traded for enhanced climate action.

India and Indonesia are our other top priorities in the Indo-Pacific for engagement. We welcome Prime Minister Modi’s continued focus on driving a clean energy transformation in India, notwithstanding the extreme challenges posed by the COVID crisis there.

The United States and India are committed partners on climate. In April, the two governments signed the “U.S.-India Climate and Clean Energy Agenda 2030 Partnership.” Under the partnership, the two sides identified a 2030 agenda for clean technologies and climate action.

A key focus will be cooperation to create the regulatory and market conditions to spur the required investment to achieve India’s goal to deploy 450 GW of renewable energy. If achieved, India would realize transformative changes in both its energy security and GHG emissions trajectory.

Indonesia, the world’s eighth-largest emitter of greenhouse gases, is also a significant priority for Special Presidential Envoy Kerry. The destruction of forests and planting of crops on peatlands is the main source of Indonesia's emissions. The draining of peatlands results in ongoing release of methane into the atmosphere, a greenhouse gas with warming potential 80 times more powerful than CO₂. Land clearing has also resulted in massive forest fires that impacted air quality as far away as Singapore. Coal also generates a significant portion of Indonesia’s emissions, and energy demand continues to grow.

Indonesia has taken some positive actions. President Joko Widodo issued a permanent moratorium on clearing of primary forest and peatlands, which has resulted in decreased deforestation rates and drainage of peatlands. He also created the Peatland Restoration Agency to rewet peatlands and stop the release of methane.

Indonesia also declared it would build no new coal-fired power plants after 2023, although approved but not-yet launched projects may proceed. Indonesia will be critical in achieving the necessary emission reductions to achieve global net zero emissions by 2050, but it will face significant challenges. The Administration has launched a promising bilateral climate policy consultative process with Indonesia, focusing on cooperation on mitigation ambition, nature-based solutions, clean energy, and finance mobilization to support its climate mitigation efforts.

We are pursuing similar cooperative agendas with other Southeast Asian countries. We aim to assure a clean energy transformation in these regions to mitigate the climate effects of the expected strong economic recovery and long-term economic growth trajectories.

A key challenge will be providing incentives for these countries to choose climate-friendly infrastructure options. Through its Belt and Road Initiative, the PRC often provides investments in carbon-heavy infrastructure to third countries, exacerbating the problem of economies making long-term investments that risk locking them off the path of the global clean energy transition, exacerbating the climate crisis and creating potential stranded assets.

Let me also note the role of Japan and the Republic of Korea – both large emitters but also key partners for us on our climate agenda. Each has committed to a 2050 net zero greenhouse gas emissions goal, which will be challenging given the nature of their economies, but achievable.

At President Biden’s Leaders Summit on Climate in April, Japan announced a target of 46-50 percent carbon emissions reduction by 2030 from 2013 levels, a significant increase from its previous target. At the Summit, President Moon also announced the Republic of Korea would strengthen its NDC for 2030 in line with its 2050 net zero goal.

Importantly, both governments pledged this year to end public financing for new overseas unabated coal-fired power-plants (i.e. plants without carbon capture and storage technology). Their actions were a critical step in decarbonizing power systems worldwide. President Moon acted early in announcing this policy change at the April Climate Summit. Japan joined all G7 governments in declaring the same at the G7 in June at Cornwall.

We are also working with Quad countries through the Quad Climate Working Group where we are taking actionable steps on sectoral decarbonization, clean energy innovation and deployment, and on climate adaptation, resilience and preparedness.

Emissions reduction is not our only priority. Helping vulnerable communities build resilience to climate impacts is critical to our national security interests, our leadership standing in the region, and the long-term stability and prosperity of our allies and partners in the Indo-Pacific.

Climate vulnerabilities are an acute risk in the region – six of the top 10 countries most impacted by climate change from 2000-2019 were in the Indo-Pacific, according to the 2021 Global Climate Risk Index (Myanmar, the Philippines, Bangladesh, Pakistan, Thailand, and Nepal). For the Pacific Island countries, climate change poses an existential threat and is their single most important issue. Flooding caused by 2-4 inch sea level rise and more frequent, more severe tropical cyclones will challenge the sustainability of low lying islands and coastal communities.

The State Department will support a unique island-led partnership, the Local2030 Island Network, a Hawaii-based initiative that links U.S. island jurisdictions with those in the Pacific and around the world in developing common solutions in a shared island context. This initiative will deepen relationships with critical Pacific Island allies with our own Islands providing solidarity and solutions. The National Oceanic and Atmospheric Administration and the Department of Energy will work with this network and other partners to enhance the capacity of island nations to integrate climate data and information, develop early warning systems, support net zero emission strategies, and apply effective coastal and marine resource management strategies to support sustainable development. This will complement the ongoing efforts of the U.S. Agency for International Development’s (USAID) to support Small Island Developing States (SIDS) in the region and around the world to better prepare for and respond to climate impacts and disasters.

The Administration would like to deepen our work with Congress to build U.S. resources and capabilities, particularly a strong Development Finance Corporation and Millennium Challenge Corporation – and enhanced support for the U.S. Agency for International Development

(USAID) to work with partner countries to implement climate mitigation and adaptation solutions on the ground. We wish to deepen our infrastructure cooperation with our foreign partners through the Build Back Better World initiative and Blue Dot Network, to offer inviting, climate-aligned options in this strategically critical region.

U.S. climate finance will be a critical tool for us to achieve our resilience and mitigation agenda. Enhanced climate finance resources would also bolster our diplomatic influence, particularly to advance our objectives on country actions to mitigate emissions.

According to Bloomberg New Energy Finance, the global clean electricity and hydrogen investment opportunity is at a scale of between \$78 and \$130 trillion in low-carbon power, grids, electrolyzers, hydrogen storage, and transport globally. The good news is that there is a wealth of private and institutional capital seeking climate investment opportunities, and U.S. technology and companies could take a strong share if they are positioned right.

In many cases, upfront investment and involvement from the U.S. government, other bilateral partners or the multilateral banks is necessary to help de-risk certain climate-aligned projects and unlock the flow of private investment. A critical infusion of U.S. official financing and facilitation could contribute essential direct investment toward a clean energy transformation pathway.

The combination of vast investment resources in the region and committed governments offers opportunities for partnership to drive climate transitions and realize investment returns. In the Indo-Pacific, Australia, Japan, South Korea, and Singapore have been positive contributors. The PRC, as noted earlier, has not.

Achieving solutions to the Indo-Pacific's mitigation and resilience challenges will be the linchpin to addressing the broader climate crisis. Assuring the stability, prosperity and sustainable development of the region is central to U.S. national interests. The United States and its partners in the Indo-Pacific must address the challenge of the climate crisis, which threatens regional growth and development and U.S. economic and security interests.

Thank you Mr. Chairman and Members of the Committee. I would be prepared to respond to any questions.