Statement of Dr. Paula Dobriansky, Under Secretary of State for Democracy and Global Affairs Department of State before the

Senate Subcommittee on International Economic Policy, Export and Trade Promotion Committee on Foreign Relations November 14, 2005

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to appear before you today to address the "U.S.-International Climate Change Approach: A Clean Technology Solution." During this afternoon's testimony my colleagues and I will describe the numerous activities that the Bush Administration is taking to support the multiple goals of improving energy security, promoting economic growth and development, reducing air pollution, mitigating greenhouse gases and eradicating poverty.

I am particularly pleased to discuss here today Title XVI, Subtitle B of the Energy Policy Act of 2005 – which is in keeping with the Administration's practical, technology-based focus to this issue – and to outline our new Asia Pacific Partnership on Clean Development and Climate.

In his June 2001 and February 2002 climate change policy speeches President Bush highlighted the importance of international cooperation in developing an effective and efficient response to the complex and long-term challenge of climate change.¹

The Administration's international engagement on climate change issues centers on five key ideas, all of which extend from and build on our own experience here in the United States. First, a successful international response to climate change requires developing country participation, which includes both near-term efforts to slow the growth in emissions and longer-term efforts to build capacity for future cooperation actions. Absent the participation of all major emitters, including developing countries, the goal of stabilizing GHG concentrations will remain elusive.

Second, we will make more progress on this issue over time if we recognize that climate change goals fall within a broader development agenda – one that promotes economic growth, reduces poverty, provides access to modern sanitation and clean water, enhances agricultural productivity, provides energy security, reduces pollution, *and* mitigates greenhouse gas emissions. Countries do not look at individual development goals in a vacuum, and approaches that effectively integrate both near- and longer-term goals will yield more benefits over time.

¹http://www.whitehouse.gov/news/releases/2001/06/20010611-2.html and http://www.whitehouse.gov/news/releases/2002/02/20020214-5.html.

Third, technology is the glue that can bind these development objectives together. By promoting the development and deployment of cleaner and more efficient technologies, we can meet a range of diverse development and climate objectives simultaneously.

Fourth, we need to pursue our international efforts in a spirit of collaboration, not coercion, and with a true sense of partnership. This is especially true in our relations with developing countries, which have an imperative to grow their economies and provide for the welfare of their citizens. Experience has shown these countries to be quite skeptical of climate mitigation approaches that they think will divert them from these fundamental goals. It is also true that many of the largest greenhouse gas emitters are also among our most significant trading partners. They have rapidly advancing – in many cases, world class – industries and considerable technical wherewithal. We view countries like China and India as responsible partners in our efforts.

Finally, we need to engage the private sector to be successful. While the right kind of government-to-government collaboration can pave the way for great progress, we will need to harness the ingenuity, resources and vision of the private sector in developing and deploying technology.

We are putting these ideas into practice. Since 2001, we have established a range of partnerships that will address key aspects of the climate challenge while also advancing other important international objectives. We have established bilateral climate partnerships with 15 countries and regional organizations that, together with us, comprise some eighty percent of global greenhouse gas emissions. These partnerships serve as the umbrella for over 400 collaborative activities undertaken by U.S. agencies and their partners on science, technology and policy issues. Through these partnerships, U.S. experts are working with Australia and New Zealand to strengthen our capacity to monitor climate in the Pacific; with India to promote local level pollution and energy solutions that will have greenhouse gas intensity benefits; with Brazil to promote effective application of renewable energy; with Japan and Korea to promote greater integration of climate and energy strategies throughout Asia; and with China to enhance technical capacity for climate-related decision-making.

In addition to our bilateral partnerships, we have initiated and participate in a range of new technology initiatives designed to meet climate and clean development goals. Let me briefly highlight a few of the most significant partnerships:

> **Group on Earth Observations**²: On July 31, 2003, the United States hosted 33 nations—including many developing nations—at the inaugural Earth Observation Summit (EOS), out of which came a commitment to establish an intergovernmental, comprehensive, coordinated, and sustained Earth observation system. The climate applications of the data collected by the system include the use of the data to create better climate models, to improve our knowledge of the behavior of carbon dioxide and aerosols in the atmosphere, and to develop strategies for carbon sequestration.

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²http://earthobservations.org/.

The United States was instrumental in drafting a ten-year implementation plan for a Global Earth Observation System of Systems, which was approved by 55 nations and the European Commission at the 3rd EOS summit in Brussels in February 2005. The United States also released its contribution through the Strategic Plan for the U.S. Integrated Earth Observing System in April 2005.³ The plan will help coordinate a wide range of environmental monitoring platforms, resources, and networks.

- ➤ International Energy Research and Development Partnerships: The Generation IV Nuclear partnership, the Carbon Sequestration Leadership Forum, the International Partnership for the Hydrogen Economy, and ITER. In the last four years, the Administration has engaged in four partnerships that lend new international emphasis to strategic technologies that can make a large contribution to our efforts to reduce greenhouse gas intensity and diversify the global energy portfolio. The State Department is working closely with DOE to engage our partners, and all of these partnerships include key developing countries as full partners in our efforts to advance these important technologies an important capacity building function that will also serve to promote the growth of global markets.
- ➤ The Methane to Markets Partnership⁸: This partnership, launched in November of last year, focuses on advancing cost-effective, near-term methane recovery and use as a clean energy source to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases. At the recent session, the partnership welcomed its seventeenth member, Ecuador, and now represents over 60 percent of global methane emissions. This Partnership includes an extensive project network comprised of 190 private sector, governmental and non-governmental organizations. Methane to Markets currently targets four major methane sources: landfills, underground coal mines, and natural gas and oil systems, and animal waste management. By 2015, the Partnership has the potential to deliver annual reductions in methane emissions of up to 50 million metric tons of carbon equivalent or recovery of 500 billion cubic feet of natural gas.
- ➤ World Summit on Sustainable Development Partnerships⁹: The United States has been at the forefront of efforts to move multilateral bodies toward a practical, results-focused actions centered around partnerships among governments, businesses and other organizations. Among over 20 U.S.-initiated partnerships launched at the 2002 World Summit on Sustainable Development (WSSD) held in Johannesburg, South

³http://iwgeo.ssc.nasa.gov/docs/EOCStrategic_Plan.pdf.

⁴ http://www.nei.org/index.asp?catnum=3&catid=1215

⁵ http://www.cslforum.org/

⁶ http://www.iphe.net/

⁷ http://www.iter.org/

⁸http://www.epa.gov/methanetomarkets/ and http://www.methanetomarkets.org/. Founding Methane to Markets member governments include the United States, Argentina, Australia, Brazil, China, Colombia, India, Italy, Japan, Mexico, Nigeria, Russian Federation, Ukraine, and the United Kingdom. The Republic of Korea became the 15th member in June, 2005 Canada the 16th member in July 2005, and Ecuador the 17th member in November 2005.

http://www.sdp.gov/sdp/initiative/cei/28304.htm.

Africa, the United States established a "Clean Energy Initiative." The Initiative consists of four market-oriented, performance-based partnerships, including:

- o the **Global Village Energy Partnership** (**GVEP**), ¹⁰ an international partnership with over 700 public and private sector partners with a leading role for the U.S. Agency for International Development;
- o the **Partnership for Clean Indoor Air**¹¹, led by the Environmental Protection Agency, addressing the increased environmental health risk faced by more than 2 billion people in the developing world who burn traditional biomass fuels indoors for cooking and heating;
- o the **Partnership for Clean Fuels and Vehicles**¹², led by the Environmental Protection Agency, which will help to reduce air pollution in developing countries by promoting the elimination of lead in gasoline and encouraging the adoption of cleaner vehicle technologies;
- o **Efficient Energy for Sustainable Development (EESD)**¹³, led by the Department of Energy, which aims to improve the productivity and efficiency of energy systems, while reducing pollution and waste, saving money and improving reliability through less energy intensive products, more energy efficient processes and production modernization.

The United States is actively involved in other international technology development and deployment partnerships as well, including the Renewable Energy and Energy Efficiency Partnership, a WSSD partnership initiated by the United Kingdom. As the world's largest producer and consumer of renewable energy, and with more renewable energy generation capacity than Germany, Denmark, Sweden, France, Italy, and the United Kingdom combined, the United States is one of 17 partner countries in REEEP.

The United States continues to participate in the UN Framework Convention on Climate Change. The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change will hold its 11th Session in Montréal from November 28 to December 9, 2005. I will head the U.S. delegation to this meeting. As the Kyoto Protocol entered into force on February 16 of this year, the Montréal meeting will also be the first "meeting of the Parties" (MOP) under that instrument, to which the United States will be an observer. We will continue to highlight the importance of collaborative partnerships developing and deploying technologies to meet the long-term challenge of climate change.

11http://www.sdp.gov/sdp/initiative/cei/29808.htm and http://www.pciaonline.org/.

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¹⁰http://www.sdp.gov/sdp/initiative/cei/44949.htm.

¹²http://www.sdp.gov/sdp/initiative/cei/29809.htm and http://www.unep.org/pcfv/main/main.htm.

¹³http://www.sdp.gov/sdp/initiative/cei/28304.htm.

I am very pleased that a technology-focused approach that puts climate change in the context of broader development goals is finding favor in many parts of the world. In July, at the Group of Eight Leaders meeting, President Bush and his counterparts agreed to a Plan of Action on Climate Change, Clean Energy and Sustainable Development. The Plan is based on over fifty specific, practical activities – mostly focused on technology development – that put climate change goals in the context of other development imperatives. I had the opportunity to attend a follow-up Ministerial Dialogue on November 1 that included not only Group of Eight ministers, but also ministers from eleven other key developing and developed countries. I was struck both by the strong participation from ministries responsible for energy – something that has sometimes been lacking in climate discussions – and by the very practical nature of our discussions in this setting.

Asia-Pacific Partnership for Clean Development and Climate¹⁵

In keeping with the concept of practical actions and multiple benefit approaches, I would like to turn now to the Asia-Pacific Partnership for Clean Development and Climate. The Partnership is our most recent effort to promote greenhouse gas intensity reduction and other clean development goals, and we are quite excited about its potential. Deputy Secretary of State Zoellick announced plans to create the Asia-Pacific Partnership for Clean Development and Climate in July 2005. The Partnership will build on and deepen the already strong relationships we have with our five Partners: Australia, China, India, Japan, and the Republic of Korea. The six countries that currently make up this Partnership represent about half of the world's economy, population, and greenhouse gas emissions – which gives us a tremendous opportunity to find practical approaches to address these issues with our partners in a focused setting. We intend to use this opportunity to ensure that the Partnership delivers real and significant results in energy security, clean development, and greenhouse gas intensity reduction.

The Partnership's vision statement has identified a broad range of near- and long-term technologies and practices that are designed to improve energy security, reduce pollution and address the long-term challenge of climate change. The Partnership will focus on voluntary practical measures to create new investment opportunities, build local capacity, and remove barriers to the introduction of clean, more efficient technologies. It is critically important to build on mutual interests and provide incentives to tackle global challenges such as climate change effectively.

We are united with our partners in recognizing that the ingenuity and energy of the private sector is crucial to our success in addressing these issues over time. This effort cannot succeed without strong private sector involvement. Working closely with the Department of Commerce and other agencies with export-oriented functions, we are actively discussing ways of ensuring that the private sector is engaged in a meaningful way in the Partnership at every stage of its work. We expect the Ministerial launch to have strong participation from the private sector.

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¹⁴ http://usinfo.state.gov/ei/img/assets/4756/PostG8_Gleneagles_Communique.pdf

¹⁵http://www.state.gov/s/d/rem/50326.htm.

Energy Policy Act of 2005

The Administration welcomes the Hagel-Pryor amendment to the Energy Policy Act of 2005, which we believe will lend considerable focus and force to our efforts to address climate change. This legislation is fully in line with the Administration's view that reducing greenhouse gas intensity is the best metric for measuring progress in climate change policy. In 2002, President Bush committed the United States to a comprehensive and innovative program of reducing greenhouse gas intensity by 18% by 2012. It is estimated that meeting this commitment will prevent the emission of more than 500 million tons of carbon equivalent greenhouse gases.

The approach embedded in this legislation is that the answer to the long-term challenge of climate change lies in promoting, rather than impeding, economic growth, which can in turn fuel the kinds of technology innovations and capital stock turnovers needed to deploy cleaner, more efficient technologies. The legislation identifies the need to work with the major developing nations to promote cleaner technologies as they continue to work to deliver modern energy services to their people.

We are now actively working to fulfill the initial requirements of Title XVI, Subtitle B--Climate Change Technology Deployment in Developing Countries. The bill requests that we identify the major emitters of greenhouse gases, and provide a range of baseline information to the Congress on progress on greenhouse gas intensity reduction projects, obstacles to implementation, and opportunities for greater advancement. We expect to have this report to you in February, and we will use it as a basis for developing our strategy on these issues. We have active collaboration already in many of these countries, but in many cases that collaboration can be considerably strengthened. In implementing the Act we want to ensure that our cooperation with countries is based on the practical, collaborative approach that we have developed with our partners to date. I look forward to working with your staff and that of other interested committees to ensure that we are taking a sensible and robust approach as we move forward with implementation.

The bill also requires the Secretary of State to establish an interagency working group, chaired by the Secretary, to coordinate activities under the Subtitle. We have been actively working with other agencies to ensure that this work is undertaken in a manner that complements that of other Administration efforts, including that of the National Security Council's Policy Coordinating Committee and the Trade Promotion Coordinating Committee. In addition, we expect to work closely with our colleagues at the Department of Energy and other agencies in their efforts to fulfill Subtitle A of this title.

We expect the Asia-Pacific Partnership to be one of the key means through which we implement our actions under the Energy Policy Act. In his statement at the signing ceremony for the Act, President Bush highlighted the Partnership as an innovative program that is authorized by the Act. The initiative targets the kind of fast-growing,

middle-income industrializing countries on which the Act asks us to focus. China, India and Korea rank first, second, and third respectively among fast-growing industrializing economies in 2003 carbon dioxide emissions – the latest data available – from the consumption and flaring of fossil fuels. In fact, depending on the data set used, these three countries alone account for roughly half of the greenhouse gas emissions among the 25 countries that we will focus on in implementing the Title. The Partnership explicitly references greenhouse gas intensity reduction among its clean development goals. We also see that a range of existing programs can contribute to these efforts, and that we can strengthen these programs and develop new strategies for achieving the objectives of the Title.

Concluding Remarks

Mr. Chairman and Members of the Committee, I hope that my testimony this afternoon conveys the extent to which the United States is working with our partners to reduce greenhouse gas intensity, promote energy efficient technologies and advance climate science, while also placing primary importance on supporting economic growth and prosperity.

Meeting the challenge of the expected future growth in global energy demand and reducing greenhouse gas emissions will require a transformation in the way the world produces and consumes energy over the next generation and beyond. It will require new ways of collaborating with our partners to break through long-standing stalemates. This is why we are leading global efforts to develop and deploy breakthrough technologies for both the developed and developing world.

I thank you for this opportunity to testify before this Committee. I look forward to responding to any questions you may have.