

**Brookings Conference-- Energy and Climate Change 2010: Back to the Future**

**U.S. Special Envoy for Climate Change Todd Stern Keynote Address As Prepared**

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- Strobe, thanks so much and thanks to everyone in the audience for attending. I am delighted to be here today. Brookings does such great work in this area, among so many others. I want to commend Brookings for putting on this event and for the intellectual leadership demonstrated day in and day out on these issues by you and my old partner in crime, Bill Antholis. So let's turn to the business at hand.
- Five months ago this morning, Barack Obama arrived in Copenhagen to join Hillary Clinton, rolled up his sleeves, and together with the likes of Angela Merkel, Kevin Rudd, Nicholas Sarkozy, Meles Zenawi, Mohamed Nasheed, Felipe Calderon and many others salvaged the Copenhagen Conference from the chaos and dysfunction in which they had found it, producing the short, but meaningful Copenhagen Accord.
- The good news was that the Accord, while hardly perfect, represented a significant advance in a number of respects. The bad news was that the Conference of the Parties to the UN Framework Convention refused to endorse the Accord because a small, but vocal, contingent objected.
- The issue for us now is where international climate change discussions stand today, and where we are headed in 2010 and beyond.
- In addressing this broad topic, I'm going to focus on three central questions.
  - First, can we move to the kind of new paradigm for climate diplomacy that we need and that is foreshadowed in the Copenhagen Accord?
  - Second, what does the United States need to do domestically in order to move negotiations forward?
  - Third, can the UN Framework Convention on Climate Change remain the central agent for international progress and action to address the climate challenge? We think it can and should.

## A New Paradigm

- Turning to the first question, we can only understand the challenge of moving to a new paradigm if we start by focusing on what came to be accepted by many – although not all and not us – as the old paradigm.
- That paradigm held that the world is sharply divided into two camps that never overlap and never evolve – developed countries and developing countries, as they were defined in 1992 in the Framework Convention, with all real obligations to address climate change accruing to developed countries. The Kyoto Protocol has often been read to enshrine this division.
- Further, the most frequently cited principle in the Framework Convention – “common but differentiated responsibilities and respective capabilities” – is often invoked for the proposition that developed countries must undertake legally binding commitments to reduce greenhouse gas emissions while developing countries may, but are not obliged, to take voluntary measures. And developing countries commonly read the negotiating mandate for the Copenhagen talks – the Bali Action Plan – as further codifying this division.
- Now, there are multiple problems with this paradigm. First, it is wrong as a matter of textual exegesis. In addition, it is fatally flawed substantively and politically as a foundation for the future.
- Starting with the text, just a couple quick points, and I promise not to bog down here. First, the conventional wisdom that developed countries have legally binding requirements while developing countries are free to act or not on a purely voluntary basis is a myth. Both categories of countries have legally binding commitments under the Framework Convention and the Kyoto Protocol. The obligations for developed countries, especially under Kyoto, are certainly more specific, but developing countries have legally binding obligations to formulate, implement and publish their mitigation programs.
- Moreover, the idea that “common but differentiated responsibilities and respective capabilities” requires a different regime for developing and developed countries on every particular, whether mitigation, transparency or any other issue is completely unfounded.
- On its face, the phrase expresses the notion of a continuum of responsibilities and capabilities among countries. It does not legislate an unbridgeable divide between developed and developing countries. It does not prevent differentiation among developing countries or among developed countries. It does not say that China should be treated like Chad even though its capacities are closer to members of the OECD. It does not say that the lineup of countries in 1992 can never evolve. Most important, it does not trump the core objective of the Framework Convention itself: that we must act to avoid dangerous climate change.

- Beyond the fact that the text does not actually support the old paradigm, that paradigm is also unworkable as a matter of both substance and politics. Most fundamentally, you cannot address the climate challenge by focusing only on developed countries; they account for around 45% of global emissions now and will account for some 35% by 2030. Instead, you need to start with the 85% of emissions represented by the major economies and build out from there. Moreover, as a matter of political reality, we could get no support in the United States for a climate agreement that required action of us but not from China and the other emerging markets.
- The Copenhagen Accord is significant above all for two reasons: first, it started moving toward a new paradigm in which all significant emitters are expected to act and to act transparently; second, it included landmark provisions for financial assistance to poor countries.
- Under the Accord, some 78 countries have submitted their targets or actions for listing in appendices to the Accord. It reflects a bottom-up architecture, first proposed by Australia, based on countries committing to measures rooted in their own domestic programs. We would argue that this is the only practical way forward if you mean to include all significant economies, because no across-the-board, top-down target would be acceptable at this stage to developing countries or, indeed, to us. The Accord also includes provisions making clear that transparency requirements apply to all countries.
- The question now is whether we are going to continue moving forward toward the new paradigm that the Copenhagen Accord started sketching out.
- In our view, such an agreement would include domestically derived mitigation commitments for all the major economies and as many others as possible. It would include robust transparency provisions for all countries, both so that we are all able to keep track of how we are doing in reducing emissions globally and so that all countries can have confidence in the mitigation commitments made by others. And it would include far-reaching provisions on funding, so that developing countries, particularly the needier among them, are given the kind of support they need for both mitigation and adaptation.
- Such support needs to include assistance in acquiring and using technology as well as in the means to avoid deforestation.
- Would this agreement be legally binding? It should be, as soon as that result is achievable. We have made our support for a legal agreement clear for more than a year, as long as the agreement is legally symmetrical, with the same elements binding on all countries, except the least developed. Such an agreement should be our goal. At the same time, if that goal remains out of reach for some period, we should not sit on our hands. A great deal can be done on every core issue of the negotiation even before an ultimate legal treaty is signed.

- This, then, is the basic bargain of a new climate architecture, as we see it. It is grounded in the need to take action that can actually address the problem. It pushes countries to deliver, but does not insist on promises that can't be kept. It understands the fundamental imperative of development for developing countries. It recognizes the need to deliver large-scale assistance to many countries around the world. It acknowledges that a regime premised on an absolute separation of responsibilities based on a snapshot of the world in 1992 makes no sense. And it is committed to meeting the single most important objective of the Framework Convention – to avoid dangerous climate change.
- Can the Conference of the Parties embrace this new architecture? It certainly could, because the architecture is flexible, designed to move the ball far forward, but only in a way that is consistent with the development needs of poor countries. And it should, because, in my view, there is no going back. The old paradigm cannot deliver an achievable, ratifiable, agreement. And substantively, it would be the wrong way to approach the climate problem. Still, that doesn't answer the question of whether there will be adequate support in the COP for an agreement based on this new paradigm. We hope so and will do everything we can to make it happen. But we don't know yet.
- Let me pause for a moment to clarify one point so that I'm not misunderstood. My argument about a new paradigm does not engage the debate that has been raging for the past year between developing countries and the industrialized Parties to the Kyoto Protocol. The issue there is whether those industrialized countries will agree to a second round of legally binding commitments to cut emissions under Kyoto after the first period expires in 2012. The developing countries argue they must, but the industrialized countries have thus far refused to do so since Kyoto covers less than 30% of global emissions.
- The U.S. has not taken a position in this debate, since we are not a Kyoto Party. What I will say is that even if some kind of deal is struck in which the Kyoto industrialized countries agree to a second Kyoto period, that won't establish the architecture of a truly global agreement that includes the United States, China, India, Brazil, etc. In other words, we would still need to move to a new paradigm for a global agreement.

## **U.S. Domestic Action**

- Let's move to the second question – what the U.S. needs to do domestically. In virtually every meeting I've been in over the past year and a half I've been asked about the status of our legislative effort. Many assume, or contend, that not much is doable in the absence of U.S. legislation. Let me make three points.
- First point: we have done and are doing a lot already. Under the Obama administration, the United States has taken historic steps toward putting our country on a pathway to a clean energy future. Our 2009 stimulus plan provided more than \$80 billion in

investments, loans and incentives to support a range of initiatives that are critical to transforming the way our country produces and consumes energy.

- This includes:
  - Support for major improvements in the efficiency with which we use energy, including the largest single investment in home energy efficiency in U.S history;
  - Billions of investment to put us on course to double renewable energy generation by 2012; and
  - Targeted investments that will begin to transform our antiquated power infrastructure into one that uses the smart grid, smart meter, and other smart technologies that we need for the 21st-century.
- Moreover, in the last year we have made critical investments in the transportation sector that will, among other things, lead to our country's first three electric vehicle plants and 30 new battery and other electric-vehicle component plants within six years.
- These investments are complemented by the most ambitious U.S. fuel economy and tailpipe emission standards ever. The combined EPA and Department of Transportation program will begin in model year 2012, and by 2016 the fleet average will be 35.5 miles per gallon.
- Further, based on the "endangerment finding" EPA made last year, determining that ghg emissions can be regulated under the Clean Air Act, EPA is taking the necessary steps to allow it to regulate stationary sources of ghg.
- Second point: it is profoundly in our own interest to pass wide-ranging energy and climate legislation. A continuing inability to find common ground on common sense policy will threaten our national security, undermine our economic competitiveness, and damage the health and well-being of our citizens.
- The national security risk is real. Most obviously, we need to wean ourselves from our endless dependence on foreign oil, which has substantially influenced our military posture for decades.
- In addition, unfettered climate change threatens to destabilize nations and create tens of millions of climate refugees as the result of dangers such as food and water scarcity and rising sea levels. In the much quoted phrase from the 2007 CNA report, National Security and the Threat of Climate Change, prepared by 11 retired generals and admirals, climate change is a "force multiplier for instability in some of the most volatile regions of the world."

- The economic case for action has been made most succinctly by Senator Lindsay Graham, who said, in January: “Six months ago my biggest worry was that an emissions deal would make American business less competitive compared to China. Now my concern is that every day that we delay trying to find a price for carbon is a day that China uses to dominate the green economy.” The low-carbon transformation of the global economy is on track to be the ‘great game’ in energy for the 21st century. If we don’t put the right rules of the road in place – soon – we will cede jobs, growth and economic leadership to others, despite a culture of innovation and entrepreneurship that should put us first.
- Finally, the risk to our people from the impacts of climate change –droughts, floods, heat waves, water shortages, more intense storms, and the like – are profound. And none of them has vanished on account of the handful of mistakes recently identified in the voluminous scientific record.
- Third, it is enormously important for our international leverage and credibility that we pass strong legislation. If the United States means to assert leadership, it needs to act like a leader. At the same time, it is not the case this year, anymore than last year, that everything hinges on U.S. legislation. We submitted our proposed target last year, contingent on our legislation, and we have no plans to alter that commitment. Moreover, even if legislation were to pass tomorrow, the challenges of moving toward the new paradigm I discussed wouldn’t disappear. We will need to meet those challenges one way or the other.

## The UNFCCC

- Let me turn now to the last of my three main questions for today – whether the UNFCCC will remain the central forum for international action to address climate change. It should, and the United States is committed to that result.
- I would note, parenthetically, that the Secretariat of the UNFCCC announced just yesterday the selection of a new Executive Secretary. I know the UN had a tough final decision among exceptionally talented candidates. We congratulate Christiana Figueres of Costa Rica on her selection and look forward to working with her.
- The UNFCCC should remain the central forum for climate action because it has history, credibility and inclusiveness on its side. All nations are part of it. It has grappled with this issue for 18 years. And for all its shortcomings, no other organization has the credibility the FCCC still enjoys with the global community.
- And yet those advantages are not enough. The open question is whether the Framework Convention can act effectively and efficiently, given the range of different circumstances, interests and perspectives it contains.

- This is not a trivial question. Climate change, as we know, is a profoundly complex problem whose solution implicates virtually every element of economic and social development. The notion that it's hard to reach agreement among over 190 nations should not be surprising. The risks posed by climate change and the difficulty of containing it pose challenges to every country – different challenges, sometimes different orders of magnitude (just ask the Maldives about that) – but it is not easy for anyone. And it is especially not easy in a world filled with other economic and development priorities.
- What this means, I think, is that we have to combine ambition with pragmatism and flexibility. We need never lose sight of the fact that we all – in the wise words of my friend Ed Miliband, the former UK Minister for Energy and Climate Change – have our own compelling constraints with regard to facing this challenge.
- Yet, if there is a singular feature of climate negotiations over many years, it may be the lack of appreciation for this point. So many countries believe they have the truth, the right way to proceed, the urgent demands that must be met. An appreciation for what those on the other side of the table can and can't do, what their political red lines are, whether you like them or not, has too often been missing.
- Add to this the reality that here, as in so many areas in public life, it is far easier to stop something from happening than to get something done, and you start to appreciate the degree of difficulty presented by climate negotiations.
- In short, the question that the Framework Convention faces is whether it has the capacity to find common ground on the difficult issues at the core of the climate negotiations and to embrace a pragmatic response, even though it most certainly will not be everything to everyone. On this question, there were days in Copenhagen that gave one pause; but there were hours in Copenhagen that gave one hope. We in the United States are approaching Cancun in a spirit of hope.
- The reality, of course, is that we cannot accept year after year of stalemate, because the urgency of the problem we are charged with addressing does not permit that luxury. Should we face an enduring deadlock in the UNFCCC, that institution will inevitably begin to lose its standing, because countries will be forced to search for other ways to contain the climate threat. But that would be a highly undesirable development. The UNFCCC is the right forum for climate change. We should all do everything in our power to make it work.
- Let me wrap up. Many people – outside government – have asked me this year whether I still have anything to do now that Copenhagen is over. I hope by now that it's clear the answer is yes. The future of climate diplomacy is still waiting to be made. This year will not have the high profile, death defying quality of the events of Copenhagen. But it will matter just the same. So stay tuned. I welcome your interest and engagement.