

Chapter 16: INTERNATIONAL POLICY

BACKGROUND

- On a per capita basis, the United States is the world's top greenhouse gas emitter. Although China surpassed the U.S. in total greenhouse gas emissions in 2007, China's population is four times that of the United States. The five top energy consumers – the U.S., China, Russia, Japan and India – consume 51.2 percent of the world's energy, according to the U.S. Department of Energy's Energy Information Administration.
- The need for low-emission technologies and products is a growing and largely untapped global market in which American ingenuity and inventiveness could lead the world. According to the [United Nations Environment Programme](#), the world market for environmental products and services is expected to double by 2020, from \$1.4 billion per year to more than \$2.7 billion.
- Much of this emerging market will be driven by developing nations' efforts to lift their people out of poverty. Twenty-five percent of the world's population – 1.6 billion people – lacks electric power; 2.4 billion people rely on wood, dung and agricultural residues for cooking and heating.
- Developing countries are increasingly contributing to greenhouse gas emissions due to:
 - a) export of carbon reducing resources such as lumber from old growth forests;
 - b) emergence of high-carbon-output industries such as agriculture;
 - c) lack of access to low-carbon technologies;
 - and, d) government subsidization of fossil fuels, a practice which occurs in developed and developing countries alike.

FRAMEWORK FOR FEDERAL POLICY

- During 1990, the international community will engage in intensive work to develop an agreement to succeed the [Kyoto Protocol](#) when it expires in 2012. As the new president assumes office, other nations will watch for signs that the United States is ready and willing to be a constructive partner in these negotiations and – as one of the world's leading emitters of greenhouse gases and the nation most responsible for the emissions in the atmosphere today – to commit to aggressive emission reductions.
- While the United States is not a party to the Kyoto Protocol, it is one of more than 190 nations that have signed the [United Nations Framework Convention on Climate Change](#), agreed to at the Rio Earth Summit in 1992. The convention's objective is to prevent "dangerous anthropogenic interference with the climate system," while promoting sustainable development, equity and "common but differentiated responsibility" to reduce greenhouse gas emissions.
- Leading climate scientists, nongovernmental groups and the European Union (EU) have called for keeping global average temperature below a 2°C increase compared to pre-industrial levels.
- The [Intergovernmental Panel on Climate Change](#) estimates that global greenhouse gas emissions must peak and begin to decline around 2015 to avoid the worst consequences of climate change.
- The EU has established the goal of reducing its greenhouse gas emissions 20 percent below 1990 levels by 2020. However, the EU and a number of developing nations participating in the [Bali Action Plan](#) have taken the position that industrialized economies should reduce their emissions

25-40 percent by 2020. Greenhouse gas emissions in the United States are currently about 16 percent *above* 1990 levels.

- An emissions reduction of 30 percent in the United States by 2020 – the goal proposed by PCAP – implies a cut of about 40 percent from today’s levels, a far greater reduction than any proposed in Congress to date. However, this target is achievable with a combination of emissions reduction, technology transfer to developing nations and financing to prevent global deforestation and forest degradation.
- In order to reestablish its credibility in the international arena, the United States must demonstrate a concrete commitment to reducing greenhouse gas emissions at home.

EXECUTIVE ACTIONS¹

1. The next President should immediately signal the nation’s **commitment to climate action**, with the following actions during the transition:
 - a) Make clear to the international community that the climate challenge will be one of the central commitments of his administration.
 - b) Reaffirm the United States’ intention to cooperate in the [Bali Action Plan](#) – the agreement reached in Bali, Indonesia, in December 2007 to negotiate a carbon-reduction agreement to succeed the Kyoto Protocol.
 - c) Send a representative to attend the 14th Conference of the Parties, an international meeting scheduled for December 2008 in Poznan, Poland, where countries will begin drafting the post-Kyoto agreement the international community hopes to approve a year later in Copenhagen. This emissary should interact informally with representatives of other nations to gather insights on the key issues and dynamics involved in climate negotiations.
2. Along with selected Cabinet members, **meet early with congressional leaders** from both political parties to work out the principal elements of a domestic climate policy, including the steps the U.S. will take during 2009, leading up to the Copenhagen meeting.
3. Meet early in 2009 with leaders from the **EU and Australia** to signal U.S. engagement at the highest level and to discuss their positions on a suitable post-Kyoto agreement, including the responsibilities of developed and developing nations. During 2009, the President is scheduled to attend a number of meetings with world leaders, including a G-8 summit in Maddelena, Italy. The President should make climate change – particularly the role of industrialized nations – a central topic of these meetings.
4. Seek a **bilateral agreement with China** to collaborate on technology transfer and emissions reduction. The President should meet as early as possible in 2009 with President Hu Jintao of China to discuss the special responsibilities of the world’s two largest emitters of greenhouse gases. The goal should be a bilateral Executive Agreement on Joint Climate Action with China – a pact with both substantive and symbolic importance in demonstrating collaboration between developed and developing nations.²
5. Review the priorities of the **Asia-Pacific Partnership**. In 2005, the Bush Administration announced the creation of the [Asia-Pacific Partnership on Clean Development and Climate](#), a seven-nation collaboration to accelerate the development and commercialization of low-carbon energy technologies. The members – Canada, China, India, Japan, South Korea, Australia and the United States – are collectively responsible for more than 50 percent of the world’s energy

use and greenhouse gas emissions. The President should direct the Secretary of Energy to review the objectives and work of the Partnership to ensure it reflects the administration's goal to reduce international reliance on fossil energy imports.

6. Propose reforms to improve the **environmental performance** of world development assistance. Much of the United States' international development effort is carried out through the World Bank, the Overseas Private Investment Corp., the Export-Import Bank and sister institutions. Part of the mission of these banks has been to create fossil energy sectors in developing nations to satisfy the growing energy needs of industrialized nations. The President should champion reforms to de-carbonize the development programs and focus them on renewable energy projects in the developing world. The President should advocate that international development programs improve their performance on meeting other important environmental objectives. A [July 2008 report](#) by the Independent Evaluation Group, based on an examination of \$400 billion in investments in nearly 7,000 projects, concluded that environmental and sustainability objectives were often not put into practice in projects financed by the World Bank and its sister institutions.
7. Propose creation of an **International Renewable Energy Agency (IREA)**. This agency would be funded by redirecting global subsidies that have traditionally supported carbon-intensive projects in the fossil and nuclear energy industries to renewable energy investments. The IREA would provide technical assistance through a worldwide network of experts in energy efficiency and renewable technology. Financing would be administered through an IREA Clean Energy Bank to provide micro-loans and grants as well as to facilitate technology transfer from the U.S. and other industrialized nations to the developing world.
8. Recommend the United Nations **assess the impact of greenhouse gas emissions in the developing world**. There is no credible system in place to assess the full impact of greenhouse gas emissions in the developing world – ranging from wood and dung fires, to methane from rice paddies, to deforestation. The administration should propose such an assessment be completed by the United Nations Environment Programme and should distinguish between “luxury” and “survival” emissions – in other words, carbon emissions from activities vital to providing basic needs versus those that are not.
9. Champion **Clean Energy Sovereignty**. Some important policies the United States and other nations can institute to fight global warming, such as requirements that a percentage of energy come from renewable resources, can be challenged as unfair trade practices under the rules of the [World Trade Organization](#) (WTO). Climate protection should trump trade protection. The President should advocate that national policies necessary to reduce greenhouse gas emissions be exempted from WTO challenge. Examples:
 - a) All governments must retain authority to internalize costs, protect climate-friendly products from unfair imports and encourage activities that reduce emissions.
 - b) Domestic regulation and standard-setting cannot be transferred to international trade organizations.
 - c) Specific subsidies for renewable energy programs and practices must be permitted.
 - d) Nations must have the right to determine the country of origin, scale of production and environmental impact of their energy imports to protect climate stability.
 - e) Trade measures vital to multilateral environmental agreements should be exempt from WTO challenges.
10. Seek an **international “grand deal” on carbon subsidies**. A [recent analysis](#) by the United Nations Environmental Programme estimates worldwide subsidies of fossil fuels may amount to as much as \$300 billion annually. The United Nations says that no truly reliable numbers are available on worldwide energy subsidies due to the size and complexity of the task. Estimates are that Russia has the largest subsidies,

about \$40 billion yearly, followed by \$37 billion in Iran and subsidies in excess of \$10 billion each in China, Saudi Arabia, India, Indonesia, Ukraine and Egypt.³ Once the United States has begun an orderly phase-out of its own fossil energy subsidies, the President should seek agreement among all nations to a) inventory, quantify and improve reporting of their fossil energy subsidies; b) phase out the subsidies, preferably with funds redirected to energy efficiency and renewable energy technologies; c) facilitate the transfer of clean technologies and resources to the developing world to reduce their need for fossil fuels; and 4) establish an enforcement mechanism.⁴

- 11.** Implement a **Carbon Debit Mechanism** to address the previous lack in greenhouse gas trading regimes – the failure to factor in the greenhouse gas emissions created by projects funded by development banks that would not have occurred had those projects not been done. Based on a methodology developed by the National Academy of Sciences and approved by the Intergovernmental Panel on Climate Change, investors would be required, prior to project approval, to assess the emissions impact of their lending. Investors could claim and profit from a credit only when the bank’s investment portfolio shows net greenhouse gas credits on an annual basis.
- 12.** Develop and implement international roadmaps to a **carbon-free, nuclear-free global energy economy**. Several organizations have produced “roadmaps”⁵ to a clean energy future for the United States. The President should propose to the United Nations Environment Programme that a similar roadmap be developed for the international community as a guideline for future development programs, with an aggressive emphasis on renewable energy and energy efficiency technologies to reduce world carbon emissions.

LEGISLATIVE ACTIONS

- 13.** Request that Congress address the following vital international agreements which the U.S. negotiated but has yet to ratify:
 - Bonn Convention on Migratory Species (1979)
 - Basel Convention on the Transboundary Movement of Hazardous Wastes (1989)
 - Convention on Biological Diversity (CBD) (1992)
 - Rotterdam Convention on Prior Informed Consent (PIC) (1998)
 - Cartagena Protocol on Biosafety (2000)
 - Stockholm Convention on Persistent Organic Pollutants (POPs) (2001)
- 14.** Request that Congress restore U.S. funding to international entities working in the field of the environment.

ADDITIONAL RESOURCES

- “World Energy Overview: 1995-2005,” Energy Information Administration, U.S. Department of Energy, released June-October 2007, <http://www.eia.doe.gov/iea/overview.html>.
- “The Boundaries of Executive Authority: Using Executive Orders to Implement Federal Climate Change Policy: Vol. 1,” Center for Energy & Environmental Security, Boulder, Colorado, February, 2008, http://www.climateactionproject.com/docs/CEES_PCAP_Report_Final_Feb_08.pdf.
- “The Boundaries of Executive Authority: An Evaluation of Priority Proposals from the Presidential Climate Action Plan,” Center for Energy & Environmental Security, Boulder, Colorado, July, 2008, http://www.climateactionproject.com/docs/Executive_CEES_PCAP_II_Report_Jul_17.pdf.
- “Containing Climate Change: An Opportunity for U.S. Leadership.” Carter F. Bales and Richard D. Duke. Foreign Affairs, September/October 2008. Vol. 87, No. 5. www.cfr.org/publication/17039/containing_climate_change.html?breadcrumb=%2Fissue%2F20%2Fclimate_change
- “U.S. Global Leadership to Safeguard our Climate, Security, and Economy.” Nigel Purvis. Better World Campaign. www.globalproblems-globalsolutions-files.org/unf_website/PDF/2008_purvis_climatechange.pdf

¹ Most of the recommendations here are based on analyses commissioned by the Presidential Climate Action Project from [Daphne Wysham](#) of the Institute for Policy Studies and [Alden Meyer](#) of the Union of Concerned Scientists. For additional analysis of the prospects for an international agreement on greenhouse gas reductions, see the [linked paper](#) by Elliot Diringer, Pew Center on Global Climate Change.

² [China already has committed to significant action](#). It has set a goal of reducing the energy intensity of its economy 20 percent by 2010, has established vehicle efficiency standards higher than those in the United States and plans to obtain 15 percent of its energy from renewable resources by 2020. It's estimated that [voluntary emission reductions](#) already underway in China, Brazil and Mexico alone are greater than those achieved by the countries that signed the Kyoto protocol.

³ Fossil energy subsidies in the United States also amount to tens of billions of dollars a year, but estimates vary widely depending on how they are defined and reported. When state and local subsidies are counted, the U.S. total is even higher.

⁴ Additional information on the impact of fuel subsidies can be found at: “Fuel Subsidies Overseas Take a Toll on U.S.” New York Times. 7/28/2008. [Link to Article](#)

⁵ Current roadmaps to clean energy economies include “[Tackling Climate Change in the U.S.](#)” by the American Solar Energy Society, the “[Solar Grand Plan](#)” published by *Scientific American* and “[Nuclear Free, Carbon Free](#)” by the Nuclear Power Research Institute and the Institute for Energy and Environmental Research.