

## Reigning In the World's Top Two GHG Emitters



*Dr. Mir F. Ali*

**GLOBE-Net** (April 10, 2009) A recent report issued by the **Brookings Institution** provides a primer on two topics: Climate change and U.S.-China relations. It describes the climate change threat, concluding that every year of delay in responding to it puts both countries - and the planet - at greater risk.

Because the United States and China are the world's top two greenhouse gas emitters, together accounting for more than 40% of annual emissions, any solution requires both countries to transition to low-carbon economies. U.S.-China cooperation on climate change would have not only bilateral but global benefits.

Todd Stern, the newly created special envoy on climate change for the United States, was with Mrs. Clinton when she visited China. In an e-mail message to media, he said a top goal is to end the endless sparring between the two giant sources of greenhouse gases over who needs to do what first. "Secretary Clinton is keenly aware that the United States - as the largest historic emitter of greenhouse gases - and China - as the largest emitter going forward - need to develop a strong, constructive partnership to build the kind of clean energy economies that will allow us to put the brakes on global climate change."

Mr. Stern said. "We need to put finger-pointing aside and focus on how our two leading nations can work together productively to solve the problem."

On February 26, the Brookings-Tsinghua Center for Public Policy hosted a discussion on overcoming obstacles to U.S.-China cooperation on climate change, focusing on ways in which cooperation can gain sustained political support in both countries. Any solution to global warming will require strong efforts by the United States and China, the world's top two emitters of greenhouse gases. Working together, the two countries can make important progress toward addressing this challenge.

Recent developments-including new leadership in the U.S., dire scientific warnings and an aggressive schedule for international negotiations-are dramatically raising the profile of this issue on the U.S.-China bilateral agenda. Yet different histories, cultures and national circumstances create substantial barriers to large-scale cooperation.

While China appears to be totally onboard, Li Gao, China's National Development and Reform Commissioner, who was in Washington for a preliminary meeting of the major emitting nations, surprised the audience as well as the world when he stated that between 15% and 25% of all the country's global warming emissions resulted from manufacturing exports. Therefore, he wants consumer countries to take responsibility for the carbon emissions generated in the manufacture of goods, not the producer countries that export those goods. China argues that wealthy nations should contribute more because they have a greater historical responsibility for the carbon that has entered the atmosphere over the past two centuries.

This was indeed a smart strategy to set the scene for the future negotiations on the climate change. However, there was a consensus on climate change in Japan at the G8 Summit that all 8 nations agreed on the goal of a 50 percent reduction in global greenhouse gas emissions by 2050. Moreover, G8 leaders have also accepted that the post-2012 global climate change framework must include all major emitters. This is creating a real challenge for the Obama team to reconcile differences with China as US lawmakers considering the imposition of carbon tariffs on countries that do not set binding caps on their emissions. Li Gao said such a trade barrier would be a "disaster".

His counterparts from Japan and the European Union said the position suggested by Commissioner Li was unacceptable but there is a possibility that softer ground may be found between these two positions. British lawmaker and former environment minister Elliot Morley believes importers and exporters share responsibility because while emissions have been outsourced from the west, China has benefited from extra jobs.

Several recent academic papers have noted how European nations have outsourced emissions and other forms of pollution to developing nations instead of tackling emissions at home. According to Oslo's Centre for International Climate and Environmental Research, a third of all Chinese emissions are linked to exports, with 9 per cent caused by exports to the US, and 6 per cent from producing goods for Europe.

It was also reported in an article published recently in the Guardian that Karl Hallding, of the Stockholm Environment Institute (SEI), said a shift to a consumption-based system was worth considering. "This has been debated among economists. The argument makes sense. It would be better if emissions were owned by consumers. It would provide incentives for us to put the money into reducing emission in producing countries."

The SEI has determined that Britain's calculated emissions would have risen by 20 per cent relative the 1990 if imports and international transport were factored in to the total. In contrast, under Kyoto protocol accounting methods, the UK government says emissions have fallen by 18 per cent over the same period.

There is no doubt in anybody's mind that Li has started a very complex dialogue which is going to take some time for the developed as well as developing countries around the world to comprehend the spirit of this dialogue before they started thinking about

the response to Commissioner Li's strategy. In the meanwhile, the Obama administration is motivated to work with the Chinese authorities to proceed with some kind of understanding about the potential reduction in global GHG emissions. President Obama has identified energy policy and climate change as top priorities. Significant action by the US government on climate change is likely in the years ahead.

The report, **Overcoming Obstacles to US - China Cooperation on Climate Change**, which was co-authored by David Sandlow and Kenneth Lieberhal from the Brookings Institution, proposed that U.S.-China relations should now advance to a new stage that has the two countries consult and cooperate to address the most critical global issues of the 21st century. Climate change and clean energy, along with the global economic crisis, offer turning points. Cooperation on climate change can help move U.S.-China relations to a new stage; failure to cooperate can introduce significant new tensions. In order overcome the obstacles, the following recommendations:

1. Acknowledge legitimacy of each other's perspectives;
2. Build a clean energy framework for cooperation;
3. Highlight one or two major headline initiatives;
4. Emphasize co-development of technology;
5. Promote local-to-local cooperation;
6. Promote capacity building;
7. Seek common ground on the nature of future commitments;
8. Use and improve existing structures for cooperation; and
9. Highlight clean energy in a U.S.-China summit

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There are many signs that the Whitehouse is going to use the findings of the report as a navigation tool to understand relevant conditions in the other country; appreciate the priorities and constraints of counterparts across the Pacific; take action to control greenhouse gas emissions at home; develop specific avenues of bilateral cooperation; and facilitate agreement in multilateral negotiations on these topics.

How this all plays out over the next few months will make for interesting reading, and the possibility of real change in the global campaign to deal with climate change.

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