

National Journal

# Copenhagen Insider

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MONDAY, DECEMBER 7, 2009



## How To Achieve Chinese Emissions Cuts

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A success in Copenhagen - in particular bringing China to the table on emissions reductions - can change the domestic debate in the US. It is crucial to achieve a positive vote of the 2009 Markey - Waxman Energy Bill when it goes to the Senate. To pass this bill through Senate, one needs a simple and truthful response to the sound-bite "Why are we limiting our emissions if China does not"? This sound-bite is right. China and the US are the world's two largest carbon emitters, and without serious cuts from both the world cannot avert climate change risks. To address the threat of climate change and simultaneously to address domestic concerns about the economic consequences to the US-- requires China's commitment to reduce its emissions.

Recently China offered to reduce the carbon intensity of its economy. But this offer reflects increases in energy efficiency that China has been achieving over the last 12 years -- a period in which Chinese carbon emissions have nearly doubled.

Recently President Obama offered a 17% cut in emissions -- an auspicious beginning for the climate summit that needs US leadership. But our 17% uses as base year 2005, while the rest of the world uses 1990. Comparing apples to apples, therefore, the US offer is a mere 3% reduction with respect to EU's offer of 20% cuts and Japan's offer of 25% cuts. Our offer is too small.

What we really need is a systematic and serious approach to reduce emissions in China and the US as part of an ongoing process. While the new developments from the US are important, we need more that gestures of good will that arise when a major international event exposes the problem to the global community and the television screens broadcast our actions to the world.

### A Proposal To Achieve Chinese Emissions Cuts

A modest extension of international law can achieve a systematic reduction of emissions in China, and has already been found acceptable in the United Nations context, by Chinese officials, by law makers within the US, and has been recently discussed at the White House. It is an update of the 1992 Climate Convention that the US has signed and ratified in 1992.

How does my proposal work?

The US can purchase a right, without the obligation, to buy emission cuts from China while China can simultaneously purchase a right, without the obligation, to sell these rights to the US at a minimum appropriate value. These two transactions can be structured so they require little or no exchange of money -- thus overcoming concerns from the Congressional Budgetary Committee. This financial mechanism gives us the right to force emissions reductions on China, while China can say truthfully that it will be appropriately compensated when this happens. This one - two punch can facilitate a Senate's vote in favor of the Markey - Waxman Energy Bill. since it overcomes the sound bite about China's emissions. This both

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China and the US will reduce their emissions, and the world's two largest emitters become part of a world community that needs their help to avert a potentially catastrophic risk of climate change.

The proposal just described is a modest extension of the carbon market that I designed and drafted into the Kyoto Protocol in 1997 and is now trading US\$125 bn per year at the European Union Trading System. The same carbon market approach has been adopted by the Waxman - Markey climate change bill, where it is called "cap and trade". The proposal advanced here is therefore in tune with US legislation and with a market - based approach.

The proposal described above can be extended to other developing nations as voluntary participants. At present China and the developing nations are not part of the carbon market, since Article 4 of the 1992 Climate Convention exempts China and the developing nations from mandatory emission limits without compensation. But the procedure I proposed overcomes this difficulty, as it does not require emissions limits for its implementation: the limits arise as part of the financial mechanism itself. The Secretariat of the UNFCCC Convention views this proposal as an interpretation of existing law, a positive sign that can ease its adoption in Copenhagen.

This proposal serves the interests of the global community and of the US citizen; it is a win - win solution for the world as a whole. I hope it will have the support of Representative Edward Markey, D-Mass, the co-sponsor of the excellent House climate change bill. We want the Markey-Waxman bill to become law, and the proposal presented here will definitely help in this direction.



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#### CONFERENCE INFORMATION

- History of previous U.N. climate change negotiations
- Background on Kyoto Protocol
- Kyoto Protocol [PDF]
- UNFCCC official agenda [PDF]
- Copenhagen Conference Guide [PDF]
- Overview schedule [PDF]
- Daily schedule (to start first day of conference)
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- Conservation International
- Council on Foreign Relations
- Duke University's Nicholas Institute for Environmental Policy Solutions
- Climate Post blog
- Earth Policy Institute
- Heritage Foundation
- Institute for Transportation and Development Policy
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- Nature Conservancy
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- Yale Environment 360

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- Financial Times' Energy Source
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- The Guardian's (U.K.) Environment Blog
- Los Angeles Times' Greenspace
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- New York Times' Green Inc.
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