

The Fourth U.S.-China Joint Statement on Climate Change: US' and China's Efforts to Set a Model for Other Countries

Li Zhidong, Visiting Researcher, IEEJ
Professor at Graduate School, Nagaoka University of Technology

During the state visit to the US, on September 25, President Xi Jinping and President Obama together announced the US-China Joint Presidential Statement on Climate Change.¹ This was the Fourth Joint Statement following the first on April 13, 2013, the second on February 15, 2014, and the third on November 12, 2014.

The first one primarily confirmed the importance of US-China cooperation in preventing global warming and announced that the countries will set up an organization for this purpose, and the second one set out specific areas of cooperation.² The third landmark statement presented a wide range of agreements including the global warming prevention target beyond 2020. In this statement, the US announced a target of reducing GHG by 26–28% from 2005 levels by 2025, while China indicated a goal of reaching peak CO₂ emissions as soon as possible around 2030, and increasing the ratio of non-fossil energies in primary energy consumption to around 20% by 2030.³ Based on these targets, the countries each finalized and submitted an Intended Nationally Determined Contribution (INDC) to the UN, the US in March 2015 and China three months later in June.⁴

Titled "Joint Presidential Statement", the Fourth Joint Statement was released just two months before the start of the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), where the international community seeks to adopt the climate action framework beyond 2020. This shows the intention of the two countries to lead the framework negotiations by taking the initiative in presenting specific measures for meeting the INDC, promoting bilateral cooperation and strengthening assistance for developing countries, thereby "setting a model for other countries to follow". Here are the key points.

First, the countries "set a model" by announcing the domestic measures needed to achieve the target. Although the two countries have already submitted their INDCs, the international community was somewhat skeptical about the feasibility of the ambitious INDCs and the commitment of the two countries. Under such circumstances, the US announced the Green Power Plan which aims to reduce the emissions of the generation sector by 32% from 2005 levels by 2030, and China announced the introduction of a national emissions trading system in 2017 for six high-emission industries including steel, power generation and cement, among other specific measures.

¹ See http://www.fmprc.gov.cn/mfa_chn/ziliao_611306/1179_611310/t1300787.shtml for Chinese and <http://en.ccchina.gov.cn/archiver/ccchinaen/UpFile/Files/Default/20150928153720374768.pdf> for English.

² See IEEJ Newsletter No.116 (May 2013 issue), and No.127 (April 2014 issue).

³ See IEEJ Newsletter No.135 (December 2014 issue).

⁴ See IEEJ Newsletter No.142 (July 2015 issue).

All these measures are certainly necessary, but may not be sufficient. For instance, China has not mentioned introducing total emissions control for all industries including the six, or introducing a carbon tax. As for the US, it is not at all clear whether Congress will ratify the INDC even if the new framework containing the INDC is approved at COP21.⁵ However, considering that dozens of countries have not yet even submitted an INDC,⁶ the US and China deserve praise not only for submitting the INDC but also for setting specific measures that are critical for its achievement.

Second, the two countries "set a model" for bilateral cooperation on climate change. In the joint statement, the US and China announced strengthening the existing government-level cooperation led by the US-China Climate Change Working Group, and also supporting region-level cooperation initiatives by municipalities. Prior to the Summit, on September 15 and 16, twenty-four municipalities (provinces, states, cities, prefectures and counties) including Beijing and Washington DC gathered in Los Angeles for the First Session of the U.S.-China Climate-Smart/Low-Carbon Cities Summit, and issued the US-China Climate Leaders' Declaration.⁷ The Declaration contains the voluntary action goal of each municipality, such as Beijing which seeks to reach peak emissions around 2020, and Washington, D.C. which aims to cut emissions by 50% from 2006 levels by 2032 and by 80% by 2050.

The binding effect of these targets is not clear, but the municipalities' initiatives to set voluntary action targets and announce them constitute a big push for achieving the national targets in the INDCs. The Declaration also requires developing and reporting emissions inventory, and setting an action plan.

Lastly, the two countries "set a model" for financial support for developing countries, which is attracting much media attention. As is well-known, financial support for developing countries is a decisive factor for the success or failure of COP21. The promise at COP15 in 2009 for developed countries to secure 100 billion dollars of aid per year by 2020 from all advanced countries has not yet been fulfilled⁸. Under such circumstances, the Fourth Joint Statement announced that the US would provide 3 billion dollars of funds to the Green Climate Fund (GCF) established in COP16. Separately, China promised to individually set up 20 billion yuan (1 dollar \doteq 6.7 yuan) under the China South-South Climate Cooperation Fund to help developing countries, primarily the poorest ones such as small island nations and African countries.

These initiatives will undoubtedly generate momentum for financial support for developing countries. Meanwhile, it is also necessary to discuss whether the level of US' financial support is an appropriate share to comply with the "Principle of Respective Capabilities" for the

⁵ The US has a record of agreeing to the Kyoto Protocol at COP3 in 1997 that includes its own target, but leaving the Protocol after it was rejected by Congress.

⁶ According to the UNFCCC Secretariat, 147 countries and regions have submitted an INDC as of October 2. See http://unfccc.int/focus/indc_portal/items/8766.php.

⁷ See <http://www.ccchina.gov.cn/archiver/ccchinaen/UpFile/Files/Default/20150922095059991179.pdf> for Chinese and <http://en.ccchina.gov.cn/archiver/ccchinaen/UpFile/Files/Default/20150922094506124939.pdf> for English.

⁸ According to the release by OECD on October 7, around 62 billion dollars was offered by the advanced countries in 2014. See <http://digital.asahi.com/articles/DA3S12007176.html?rm=150>.

country. Further, regarding China's financial support, it remains unexplained why a self-proclaimed "developing country" is offering support to other developing countries when it does not even need to do so, and why China is abruptly providing as much aid as the US despite the clear gap between the two countries in terms of national strength and cumulative and per capita emissions. Solving these questions will take both time and strategical analysis, and above all, further explanation by the countries themselves.

As such, the Fourth Joint Statement needs further discussions and analysis from broad perspectives. Further, the US and China picked global warming prevention as the focus for cooperation, presumably because it is more manageable than others like human rights and cyber-security, over which the countries remain apart. This, however, will not affect the understanding that the Joint Statement presented a "model" by the two countries for the international community for global warming prevention. At a post-Summit joint press conference, President Obama said: "*When the world's two largest economies, energy consumers and carbon emitters come together like this, then there's no reason for other countries to not do so as well.*" The US-China initiative to set a model will hopefully spread throughout the international community, creating a circle of cooperation, and lead to an ambitious and binding new framework.

Contact: report@tky.ieej.or.jp