

**Testimony of Oren M. Cass
before the Senate Committee
on Environment and Public Works
November 18, 2015**

Good morning Mr. Chairman, Ranking Member Boxer, and distinguished members of the Committee. Thank you for inviting me to participate in today's hearing.

My name is Oren Cass. I am a senior fellow at the Manhattan Institute for Policy Research where my work addresses both domestic environmental policy and international climate negotiations.

My primary message to the committee is this: international climate negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) no longer bear a substantial relationship to the goal of sharply reducing greenhouse gas emissions. Rather, the only likely achievement of the upcoming Paris conference (COP21) is a commitment by developed nations including the United States to transfer large sums of wealth to poorer nations.

This outcome is not surprising to those skeptical that U.S. "leadership" on climate policy could persuade the developing world to make economic sacrifices for the sake of reducing emissions. However, it differs dramatically from the popular narrative in which COP21 represents the historic culmination of an effective process to bring the world together and act on climate. Policymakers must understand why that narrative is wrong and what the reality means for U.S. policy and the role of Congress in particular.

I will make three points here: First, that the negotiating process is designed to produce an easy consensus while excusing inaction. Second, that the much-celebrated developing nation commitments in fact reflect only a promise to continue with business as usual. Third, that the emphasis on so-called "climate finance" is unproductive and should – and can – be strongly resisted by the Congress.

1. The UNFCCC Negotiating Process

After the collapse of the Copenhagen talks in 2009, the world appears to have abandoned the prospect of achieving a binding agreement to reduce greenhouse-gas emissions. Certainly, no global cap-and-trade program, carbon tax, or other "price on carbon" is under discussion.

Instead, negotiators have adopted a "pledge-and-review" process whereby each country announces an "Intended Nationally Determined Contribution" (INDC) that represents its proposed actions and emissions reductions. The contents of these INDCs

are at the discretion of the individual countries. At the insistence of developing nations, there is no requirement that INDCs achieve cuts of certain levels or that they even use consistent formats, metrics, or baselines.¹ Developing nations also oppose “any obligatory review mechanism for increasing individual efforts of developing countries.”² No consequences have been established for missing a plan’s goals.

The hope is that, to quote from a preliminary negotiating text, this approach will produce an “upward spiral of ambition over time”³ – or, as the *New York Times* headlined it, “A Climate Accord Based on Global Peer Pressure.”⁴ But as David J.C. Mackay and his colleagues noted in a recent commentary for *Nature*: “History and the science of cooperation predict that quite the opposite will happen.”⁵ A process that ignores the collective-action problems associated with climate change and provides no concrete incentives to act is ill-suited to the purported objectives of climate negotiators.

Boosters of the negotiations have highlighted the agreement to move forward with an INDC-driven structure, followed by the parade of submitted INDCs, as proof that the world can in fact come together and take meaningful action on climate change. That view is precisely backward. Negotiations have followed this course of discretionary, unenforceable pledges only because the positions and interests of countries were so plainly incompatible that a substantive agreement was not possible.

Of course, one should not exclude the possibility of progress on the basis of theory alone. Unfortunately, the poor quality of the submitted INDCs only confirms what rational analysis of the process would have predicted: significant obfuscation and posturing, but insignificant results.

2. Estimated Impact of INDCs

Because creation of INDCs was left entirely to the discretion of individual countries, with no common baseline or metrics, measuring the cumulative impact of submissions is not a straightforward process. INDCs must be standardized and then translated into a plausible emissions trajectory. A realistic baseline for emissions absent the INDCs must be established, against which progress can be measured.

¹ Coral Davenport, “A Climate Accord Based on Global Peer Pressure,” *New York Times*, December 14, 2014, <http://www.nytimes.com/2014/12/15/world/americas/lima-climate-deal.html>.

² Press Release, “Meeting of Negotiators of Like-Minded Developing Countries Concludes; Javadekar Lauds Work Done by LMDC,” Press Information Bureau, Government of India, September 15, 2015, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=126913>.

³ Parties’ Views and Proposals on the Elements for a Draft Negotiating Text (ADP.2016.6.NonPaper), UNFCCC, October 2014, http://unfccc.int/documentation/documents/advanced_search/items/6911.php?preref=600008013.

⁴ *Supra* note 1.

⁵ David J.C. MacKay et al, “Price Carbon—I Will If You Will,” *Nature*, October 12, 2015, <http://www.nature.com/news/price-carbon-i-will-if-you-will-1.18538>.

If INDCs slow emissions growth relative to the past, but only by the amount emissions were already likely to slow given economic and technological progress, then countries are “committing” only to proceeding with business as usual (BAU). Conversely, choosing an implausibly high baseline and then comparing it to BAU can make simply proceeding with BAU appear significant.

Most efforts at quantification show the INDCs achieving significant progress, however that progress is the illusory result of poorly chosen baselines and unwarranted inferences.

2.A “Top-Down” Assessments

Aggregations of INDCs have produced confusing and seemingly inconsistent results:

- Climate Interactive, a Washington-based non-profit that has partnered with the U.S. State Department,⁶ reports that temperatures by 2100 would rise 4.5°C above pre-industrial levels in a BAU case but only 3.5°C based on INDCs.⁷ However, it uses the UN Intergovernmental Panel on Climate Change (IPCC)’s RCP 8.5 reference case as its BAU, even though the IPCC specifies that: “The RCP 8.5 pathway has higher emissions than all but a few published baseline scenarios.”⁸
- Climate Action Tracker (a partnership of Climate Analytics, Ecofys, NewClimate Institute, and Potsdam Institute for Climate Impact Research) reports that temperatures by 2100 would rise 3.6°C based on current policy action but only 2.7°C based on INDCs.⁹ However, that 2.7°C figure is reached only by assuming that all countries will make additional commitments to further reduce emissions after the end of the period covered by the INDCs.¹⁰
- The Massachusetts Institute of Technology’s Joint Program on the Science and Policy of Global Change reports that temperatures by 2100 would rise 3.9°C without INDCs and 3.7°C with them.¹¹ The MIT study uses an apples-to-apples comparison of its own projections before and after incorporating the INDCs. Unfortunately, much of the progress thus disappears.

⁶ “About,” Climate Interactive, <https://www.climateinteractive.org/about/> (accessed November 11, 2015).

⁷ “Climate Scoreboard,” Climate Interactive, <https://www.climateinteractive.org/tools/scoreboard/> (accessed November 11, 2015).

⁸ IPCC, Fifth Assessment Report, Working Group 3, Section 6.3.1.3, http://www.ipcc.ch/pdf/assessment-report/ar5/wg3/ipcc_wg3_ar5_full.pdf.

⁹ “Global,” Climate Action Tracker, <http://climateactiontracker.org/global.html> (accessed November 11, 2015).

¹⁰ “Global Pathways,” Climate Action Tracker, <http://climateactiontracker.org/methodology/18/Global-pathways.html> (accessed November 11, 2015).

¹¹ John Reilly et al, “Energy & Climate Outlook: Perspectives from 2015,” MIT Joint Program on the Science and Policy of Global Change, 2015, <http://globalchange.mit.edu/files/2015%20Energy%20%26%20Climate%20Outlook.pdf> (box 2).

- The UN has conducted its own analysis, concluding that INDCs will reduce global carbon-dioxide-equivalent emissions in 2030 from 60.3 to 56.7 gigatons, with a twentieth percentile estimate of no improvement and an eightieth percentile estimate of a 7.5 gigaton improvement.¹² The UN emphasizes that this reduction equates to growth of “11–23 per cent in the 2010–2030 period compared with 24 per cent in the 1990–2010 period,”¹³ implying that continuation of the prior growth rate would represent a baseline and any slowing of growth an improvement (see Figure 1). But as the IPCC observed only two years earlier in its Fifth Assessment Report: “most baseline scenarios project a deceleration in emissions growth, especially compared to the rapid rate observed in the past decade.”¹⁴

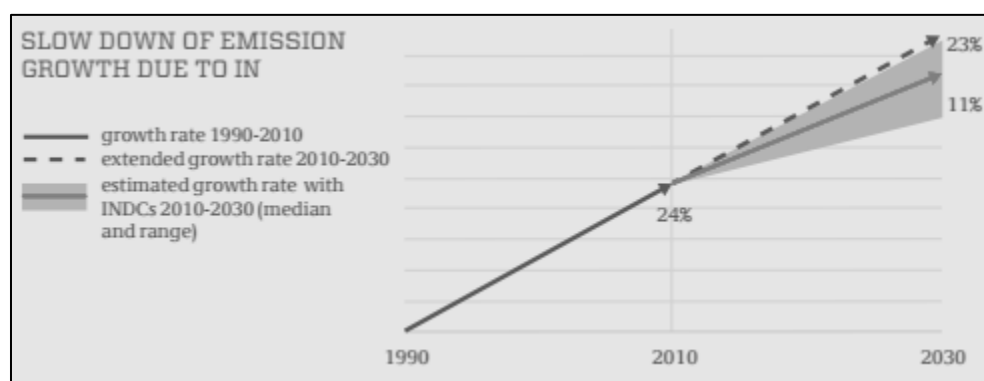


Figure 1. UNFCCC Assessment of INDC Impact from Constant-Growth Baseline.¹⁵

In aggregate, the best estimate for temperature rise with INDCs appears to be 3.5°C (Climate Interactive) to 3.7°C (MIT), while the best estimate of the world’s trajectory absent them is 3.6°C (Climate Action Tracker current policy) to 3.9°C (MIT). In other words, the actual improvement if all countries follow through with their voluntary contributions, is 0.1 to 0.2°C.

However, even this estimate may overstate the impact of the INDCs.

2.B A Better Baseline

None of the assessments described above uses the set of baseline scenarios developed by the IPCC Special Report on Emissions Scenarios (SRES) in 2000 to describe the likely emissions associated with various future trajectories of economic growth and

¹² Synthesis Report on the Aggregate Effect of the Intended Nationally Determined Contributions, UNFCCC, October 30, 2015, <http://unfccc.int/resource/docs/2015/cop21/eng/07.pdf>.

¹³ *Id.*

¹⁴ *Supra* note 8.

¹⁵ Synthesis Report on the Aggregate Effect of the Intended Nationally Determined Contributions (Brief Overview), UNFCCC, October 30, 2015, http://unfccc.int/files/focus/indc_portal/application/pdf/synthesis_report_-_brief_overview.pdf

technological progress.¹⁶ Of these, the “A1B” scenario provides a particularly useful and widely-used baseline. According to the IPCC:

The A1 storyline and scenario family describes a future world of very rapid economic growth, global population that peaks in mid-century and declines thereafter, and the rapid introduction of new and more efficient technologies. Major underlying themes are convergence among regions, capacity building and increased cultural and social interactions, with a substantial reduction in regional differences in per capita income. The A1 scenario family develops into three groups that describe alternative directions of technological change in the energy system. The three A1 groups are distinguished by their technological emphasis: fossil-intensive (A1FI), non-fossil energy sources (A1T) or a balance across all sources (A1B) (where balanced is defined as not relying too heavily on one particular energy source, on the assumption that similar improvement rates apply to all energy supply and end use technologies).¹⁷

The A1B scenario has been used as a baseline in recent years by both the U.S. government¹⁸ and European researchers¹⁹. Climatologists Michael Mann and Richard Alley of Penn State University call it “a ‘middle of the road’ emission scenario that is often used as a baseline for comparisons.”²⁰ Its emissions trajectory falls in between those of the RCP 6.0 and RCP 8.5 pathways,²¹ consistent with the IPCC’s observation that: “Although most baseline scenarios project a deceleration in emissions growth, especially compared to the rapid rate observed in the past decade, none is consistent in the long run with the pathways in the two most stringent RCP scenarios [2.6 and 4.5], with the majority falling between the 6.0 and 8.5 pathways.”²²

One possible reason that INDC analyses have avoided using the A1B baseline is that using it eliminates any sign of progress. According to the Model for the Assessment of Greenhouse-gas Induced Climate Change (MAGICC), developed through support of the U.S. Environmental Protection Agency,²³ the projected climate change by 2100 under the A1B scenario is 3.4°C.²⁴ This result is consistent with the IPCC’s own estimate

¹⁶ IPCC, Fourth Assessment Report, Working Group 1, Summary for Policy Makers, https://www.ipcc.ch/publications_and_data/ar4/wg1/en/spmsspmp-projections-of.html.

¹⁷ *Id.* (emphasis added).

¹⁸ Jeremy Melillo et al, eds., “Climate Change Impacts in the United States: The Third National Climate Assessment,” U.S. Global Change Research Program, October 2014, http://s3.amazonaws.com/nca2014/low/NCA3_Climate_Change_Impacts_in_the_United%20States_LowRes.pdf.

¹⁹ Ole B. Christensen et al, “European and Global Climate Change Projections,” The ClimateCost Project, September 2011, http://www.climatecost.cc/images/Policy_brief_1_Projections_05_lowres.pdf.

²⁰ Michael Mann and Richard Alley, “SRES Scenarios,” Penn State University, <https://www.e-education.psu.edu/meteo469/node/145> (accessed November 11, 2015)

²¹ IPCC, Fifth Assessment Report, Working Group 2, Chapter 1, http://www.ipcc.ch/pdf/assessment-report/ar5/wg2/WGIIAR5-Chap1_FINAL.pdf (figure 1-4).

²² *Supra* note 8 (and figure 6.4).

²³ “MAGICC/SCENGEN: About,” <http://www.cgd.ucar.edu/cas/wigley/magicc/about.html> (accessed November 11, 2015).

²⁴ M. Meinshausen et al, “Emulating coupled atmosphere-ocean and carbon cycle models with a simpler model, MAGICC6: Part I – Model Description and Calibration,” Atmospheric Chemistry and Physics, 2011, <http://live.magicc.org> (accessed November 11, 2015).

for the scenario of 3.3°C warming.²⁵ Either figure is *already below* the best estimate for what the INDCs achieve. In its report, MIT also shows the A1B trajectory of emissions as virtually indistinguishable from the INDC-driven projection.²⁶

A “bottoms-up” assessment of individual INDCs confirms the view that countries have promised only what was already likely to happen.

It is the major developing nations whose aggressive emissions trajectories will dictate the world’s total emissions this century – four-fifths of carbon-dioxide emissions in the A1B scenario. But those are the same nations whose desperate need for economic growth precludes a willingness to focus on emissions reductions. They are committing only to doing what they believed their economies would do anyway, rather than making sacrifices or incurring costs.

Two, China and India, are reviewed in detail here.

2.C Country Assessment: China

China has committed to reaching peak emissions “around 2030” but offered no commitment regarding the level of that peak or the subsequent rate of emission decline. It has also committed to reducing carbon-dioxide emissions per unit of GDP by 60 to 65 percent in 2030 as compared to 2005.²⁷

But four years ago, in 2011, a study by the U.S. government’s own Lawrence Berkeley National Laboratory had already concluded that Chinese emissions would peak around 2030.²⁸ An analysis by Bloomberg New Energy Finance further concludes that the commitment with respect to emissions intensity is actually *less* ambitious than BAU.²⁹

China’s recent announcement that its coal consumption is up to 17 percent higher than previously estimated makes the commitment even weaker and more easily achievable,

²⁵ IPCC, Fourth Assessment Report, Summary for Policy Makers, https://www.ipcc.ch/publications_and_data/ar4/syr/en/spms3.html (table SPM.1 provides warming since 1980-1999; note (d) provides adjustment to pre-industrial baseline).

²⁶ John Reilly et al, “Energy & Climate Outlook: Perspectives from 2015,” MIT Joint Program on the Science and Policy of Global Change, 2015, <http://globalchange.mit.edu/files/2015%20Energy%20%26%20Climate%20Outlook.pdf> (figure 17).

²⁷ “Intended Nationally Determined Contribution of China,” UNFCCC, June 30, 2015, <http://www4.unfccc.int/submissions/INDC/Published%20Documents/China/1/China's%20INDC%20-%20on%2030%20June%202015.pdf>.

²⁸ Nan Zhou et al, “China’s Energy and Carbon Emissions Outlook to 2050,” Lawrence Berkeley National Laboratory, April 2011, <https://china.lbl.gov/sites/all/files/lbl-4472e-energy-2050april-2011.pdf>.

²⁹ “How Ambitious Are the Post-2020 Targets?,” Bloomberg New Energy Finance, October 2, 2015, <http://about.bnef.com/content/uploads/sites/4/2015/10/2015-10-02-How-ambitious-are-the-post-2020-targets-UPDATE-2-Oct.pdf>.

as its officials acknowledge.³⁰ Because its commitments include no absolute emissions targets, starting from a higher baseline simply means it can consume and emit more while still meeting its goal. Especially insofar as Chinese leaders may have been aware their official statistics underreported coal consumption and emissions, they have played the INDC game masterfully.

Climate Action Tracker, one of the organizations attempting to calculate INDC impacts, provides a China-specific view and projects the country's commitments to fall squarely in the middle of the projection for current policy (i.e., absent the INDC). Notably, the analysis disregards the emissions intensity target entirely because "the weak INDC carbon intensity targets, if taken literally, would only be reached at the expense of important national policies and actions, including in relation to reduced air pollution. This appears unlikely in our judgment."³¹ The analysis acknowledges that the commitment is meaningless but therefore dismisses it as implausible and substitutes a more climate-friendly estimate.

2.D Country Assessment: India

Nonetheless, China's INDC is a model of climate ambition when compared to India's. While the *New York Times* headlined India's announcement with "India Announces Plan to Lower Rate of Greenhouse Gas Emissions,"³² the country offered no commitment with respect to its emissions – even a potential future peak – and only a 33 to 35 percent reduction in emissions per unit of GDP in 2030 as compared to 2005.³³

Analyses from multiple perspectives demonstrate the emptiness of this commitment. In April, India's Centre for Policy Research estimated an emissions trajectory for the country absent further policy action³⁴ and the INDC commitment falls squarely in the middle of the established range. Bloomberg finds it significantly worse than BAU³⁵ and researcher Glen Peters has shown the proposed progress is slower than historical trend.³⁶ Indeed, the most obvious reference point is in the INDC itself: India reports that

³⁰ Chris Buckley, "China Burns Much More Coal Than Reported, Complicating Climate Talks," *New York Times*, November 3, 2015, <http://www.nytimes.com/2015/11/04/world/asia/china-burns-much-more-coal-than-reported-complicating-climate-talks.html>.

³¹ "China," Climate Action Tracker, <http://climateactiontracker.org/countries/china.html> (accessed November 11, 2015).

³² Ellen Barry and Coral Davenport, "India Announces Plan to Lower Rate of Greenhouse Gas Emissions," *New York Times*, October 1, 2015, <http://www.nytimes.com/2015/10/02/world/asia/india-announces-plan-to-lower-rate-of-greenhouse-gas-emissions.html>.

³³ "Intended Nationally Determined Contribution of India," UNFCCC, October 1, 2015, <http://www4.unfccc.int/submissions/INDC/Published%20Documents/India/1/INDIA%20INDC%20TO%20UNFCCC.pdf>.

³⁴ Navroz K. Dubash et al, "Informing India's Energy and Climate Debate: Policy Lessons from Modelling Studies," Centre for Policy Research, April 2015, http://cprindia.org/sites/default/files/Informing%20India%27s%20Energy%20and%20Climate%20Debate_CPR-IIASA.pdf.

³⁵ *Supra* note 29.

³⁶ Glen Peters, "Is the Indian #INDC ambitious?" Twitter, October 12, 2015, https://twitter.com/Peters_Glen/status/653497917613830144/photo/1 (accessed November 11, 2015).

its energy efficiency has already improved more than 17 percent between 2005 and 2012. Assuming no change in its carbon intensity of energy, India could improve only half as fast going forward and still achieve its “goal.”

Climate Action Tracker also concedes that India’s target is less ambitious than BAU, but nevertheless awards the country a rating of “Medium.”³⁷ The only countries in the world to receive better ratings are Morocco, Costa Rica, Ethiopia, and Bhutan.

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Looking beyond China and India, Indonesia has submitted a plan³⁸ so vague that the World Resource Institute could not assess it; Taryn Fransen, project director of the Institute’s Open Climate Network concluded it “does not allow for any accountability.”³⁹ Even Climate Action Tracker rates the plan “Inadequate” and finds it less aggressive than current policy projections.⁴⁰

Brazil, the most ambitious of the large developing countries, may actually have proposed an improvement on current policy. However, its carbon footprint has historically been driven by deforestation, which has slowed dramatically in recent years leading to significantly lower emissions. In its INDC, Brazil reports a 41 percent decline in emissions between 2005 and 2012 but commits to only a 37 percent reduction between 2005 and 2025.⁴¹ As professor Timmons Roberts and research fellow Guy Edwards of Brown University observed at the Brookings Institution, this is “seeking credit for work done” and “the new targets mean only tepid steps forward.”⁴²

Pakistan and Nigeria have submitted nothing, failing to comply with even the entirely subjective and unenforceable INDC process.

In summary, claims of progress for the INDC-driven approach are incorrect and depend on the use of inappropriate baselines or an assumption of action not even pledged. But if actual discussions over emissions reductions have been reduced to the

³⁷ “India,” <http://climateactiontracker.org/countries/india.html> (accessed November 11, 2015).

³⁸ “Intended Nationally Determined Contribution of Indonesia,” UNFCCC, September 24, 2015, http://www4.unfccc.int/submissions/INDC/Published%20Documents/Indonesia/1/INDC_REPUBLIC%20OF%20INDONESIA.pdf.

³⁹ Suzanne Goldenberg, “Indonesia to Cut Carbon Emissions by 29% by 2030,” Guardian (UK), September 24, 2015, <http://www.theguardian.com/environment/2015/sep/21/indonesia-promises-to-cut-carbon-emissions-by-29-by-2030>.

⁴⁰ “Indonesia,” Climate Action Tracker, <http://climateactiontracker.org/countries/indonesia.html> (accessed November 11, 2015).

⁴¹ “Intended Nationally Determined Contribution of Brazil,” UNFCCC, September 28, 2015, <http://www4.unfccc.int/submissions/INDC/Published%20Documents/Brazil/1/BRAZIL%20iNDC%20english%20FINAL>.

⁴² Guy Edwards and Timmons Roberts, “Despite Its Heavyweight Status, Brazil’s Climate Plan Punches Below Its Weight,” PlanetPolicy (Brookings), September 30, 2015, <http://www.brookings.edu/blogs/planetpolicy/posts/2015/09/30-brazil-climate-plan-edwards-roberts>.

submission of voluntary, unenforceable, and often empty INDCs, what is the point of even meeting in Paris?

3. An Emphasis on “Climate Finance”

Negotiations in Paris will focus little on greenhouse-gas emissions and almost entirely on the more mundane subject of cash. Specifically, the developing world expects developed countries to offer more than \$100 billion per year in what is called “climate finance.”

Then-Secretary of State Hillary Clinton first announced a developed-world commitment to such enormous wealth transfers in a bid to save the Copenhagen talks in 2009.⁴³ UN Secretary-General Ban Ki-moon now insists “credible climate financing is essential” to success in Paris⁴⁴ while Miguel Cañete, the EU’s Commissioner for Climate Action, has reportedly promised not only \$100 billion per year by 2020 but increasing amounts thereafter.⁴⁵ Christiana Figueres, the Executive Secretary of the UN Framework Convention on Climate Change, wrote in an op-ed published October 30:

Crucial to that success [in Paris] and to fostering the current and future ambitions of countries will be finance – and, more specifically, support from developed countries to the aspirations of developing ones. Six years ago, rich countries pledged to provide \$100 billion to poorer countries by 2020, the date when the new agreement will come into force. Paris needs to provide certainty, clarity and confidence that this promise will be met, not least to support the climate action plans – Intended Nationally Determined Contributions (INDCs) – of the most vulnerable nations, including the least developed countries and the small island developing states.⁴⁶

What remains unclear is not only the source of this finance, but also its rationale. Figueres notes that one purpose might be to support the implementation of INDCs (though, as discussed above, those INDCs do not generally represent new action). As her phrasing implies, many justifications have been floated:

- First, developing nations suggest that developed nations owe them an “ecological debt” for the latter’s disproportionate share of past emissions. Pope Francis endorsed this argument in his encyclical on the environment.⁴⁷ This

⁴³ Lisa Friedman and Darren Samuelsohn, “Hillary Clinton Pledges \$100B for Developing Countries,” *New York Times*, December 17, 2009, <http://www.nytimes.com/cwire/2009/12/17/17climawire-hillary-clinton-pledges-100b-for-developing-96794.html>.

⁴⁴ “100 Billion Reasons a Global Climate-Change Deal May Fall Apart,” *Bloomberg Business*, June 29, 2015, <http://www.bloomberg.com/news/articles/2015-06-29/un-leader-says-climate-talks-won-t-hit-mark-to-limit-warming>.

⁴⁵ Fiona Harvey, “No Plan B if Paris Climate Summit Ends in Failure, Says EU Climate Chief,” *Guardian* (UK), July 6, 2015, <http://www.theguardian.com/environment/2015/jul/06/no-plan-b-if-paris-climate-summit-ends-in-failure-says-eu-climate-chief>.

⁴⁶ Christiana Figueres, “Time to Focus on Climate Finance,” G7 G20, October 30, 2015, <http://www.g7g20.com/articles/christiana-figueres-time-to-focus-on-climate-finance>.

⁴⁷ Pope Francis, *Laudato Si'*, May 24, 2015, http://w2.vatican.va/content/francesco/en/encyclicals/documents/papa-francesco_20150524_enciclica-laudato-si.html.

argument holds that because scientific estimates place an upper limit on the amount of carbon dioxide that humanity can ever emit, nations like the U.S. that have already emitted more than their fair share are accumulating debt payable to nations using less than their fair share. In America's case, the monetary value of the debt could reach trillions of dollars.⁴⁸

- Second, developing nations suggest that developed nations should pay them “reparations” for natural disasters caused by the climate change for which past developed-nation emissions are purportedly responsible. While many western politicians are eager in the domestic context to attribute natural disasters and their severity to climate change, they are reluctant to do so in an international context where accepting such causation could trigger enormous and unpredictable liability.⁴⁹
- Third, developing nations suggest that the funding will help them to pursue low-carbon development, deploy more renewable energy, and adapt to whatever climate changes occur. This rationale is the only one that U.S. negotiators have acknowledged as valid.⁵⁰ However, in the current negotiating framework, it remains unclear what developed nations would be receiving for their money. India, for instance, has suggested it will require \$2.5 trillion between now and 2030 – to pursue its business-as-usual INDC.⁵¹

As should be clear, it makes little sense under any rationale for the developed world to offer trillions of dollars in wealth transfers as part of an agreement not likely to produce emissions reductions. But increasingly, those payments are considered the price of the agreement. Developed-world climate negotiators are pursuing a transaction in which leaders in the developed world, having staked their political capital and legacies on achieving an “agreement,” must pay developing nations to sign on the dotted line.

This dynamic – where the objective of an agreement is the agreement itself – explains why a process was embraced that prioritizes empty consensus over any prospect of substantive action, why the empty commitments that followed have been celebrated as important achievements rather than condemned as inadequate, and why negotiations now center on wealth transfers.

⁴⁸ Oren Cass, “Leading Nowhere: The Futility and Farce of Global Climate Negotiations,” Manhattan Institute for Policy Research, October 2015, <http://www.manhattan-institute.org/html/leading-nowhere-futility-and-farce-global-climate-negotiations-7816.html>.

⁴⁹ Ben Webster, “Britain Rejects Demands for Climate Disaster Compensation,” *The Times* (UK), November 21, 2013, <http://www.thetimes.co.uk/tto/environment/article3927261.ece>.

⁵⁰ Andrew C. Revkin and Tom Zeller Jr., “U.S. Negotiator Dismisses Reparations for Climate,” *New York Times*, December 9, 2009, <http://www.nytimes.com/2009/12/10/science/earth/10climate.html>.

⁵¹ *Supra* note 33.

4. Role of the Senate

The Senate has a critical role to play in this negotiation – though perhaps not the one traditionally envisioned. It is unlikely that any binding agreement will emerge from the Paris talks that would necessitate ratification as a treaty. Indeed, the negotiations have been designed to ensure countries can all reach an agreement that binds themselves to nothing.

However, developing countries are demanding clear commitments of “climate finance” and, unconstrained, developed countries desperate to produce an agreement may capitulate. Congress would then find itself positioned to serve as a scapegoat if it refuses to appropriate funds, responsible for undermining the agreement even though negotiators condemned it to ineffectiveness from the start.

The Senate, ideally together with the House of Representatives, should preemptively signal that the United States will not provide the “climate finance” under discussion. There is precedent for this approach in the Senate’s unanimous 1997 Byrd-Hagel resolution rejecting the framework of the Kyoto Acord.⁵² A clear, simple resolution rejecting enormous transfers of wealth from the United States to other countries would help to highlight the issue for the American public and could earn significant bipartisan support.

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Thank you again for the opportunity to appear before the Committee. I hope my testimony will be helpful to you as you consider the appropriate role for the United States, and the Senate, in international climate negotiations.

⁵² Senate Resolution 98, 105th Congress, July 25, 1997, <https://www.congress.gov/bill/105th-congress/senate-resolution/98>.