

Brussels forum. Climate Change.

Good morning. Brussels forum. We have a terrific panel on the future of climate change policy this morning. A great, great line-up. And every year we try to find some new moderators that we bring in. This year we've brought in Paul Adamson who's the editor and publisher of E! Sharp magazine. You want to read something interesting? This is a great magazine to get. Paul, it's all yours.

MODERATOR: Thank you. Thank you very much, Craig. Thank you for you advertising for the magazine. Totally unsolicited. Good morning, everybody. Welcome to this very interesting and exciting session on climate change. And thank you all for being here, first of all, for setting your watches and alarm clocks given the time change. I wasn't sure who'd be here this morning apart from the panel and myself. But I'm very gratified that you're here. Thank you very much. I'm very proud, by the way, to be chairing the session with the highest representation of women on the panel. More than I've seen in these past two days. I'm very proud of that. I had no say in that, but I'm still very proud and take some credit for it. I'm also very happy to see some younger people. I was told there would be

some younger people bringing the average age down from the young leader's forum. Hopefully, they will have some interesting questions about the future and not listen in silence to their elders and betters.

Let me kick off, first of all, by briefly introducing our four speakers. First of all, Dr. Gro Harlem Brundtland, who is the UN General's Special Envoy on Climate Change 2007, 2009, and, of course, has served as Prime Minister of Norway on three occasions, and of course, the author of the Brundtland Commission Report Our Common Future in '87.

Dr. C.S. Kiang, founding dean of the College of Environmental Sciences at the Peking University 2002 to 2006 and has also spent more than 30 years in the U.S. in various institutes of science.

Connie Hedegaard, the brand new, and first ever, Commissioner For Climate Change in the European Commission and also former Minister of Environment in Denmark had a front row seat as the host of the Copenhagen Summit last December.

Last but not least, Ambassador Paula Dobriansky, Senior Vice President, Head of Government Affairs at Thomson Reuters, and, of course, in the previous administration, the key negotiator on climate change and Secretary of State for Democracy and Global

Affairs. So clearly a very well-informed and experienced panel.

I think that we should start by having a common reference point, a common starting point which obviously is the Copenhagen Summit last December. We don't want to look too much in the back and backwards. But I think a common reference point is important. And there's been of course much of finger-pointing and hand-wringing about the outcome of that summit. About what happened, what went wrong. Was it a disappointment, a wake-up call, an eyeopener as Bob Zelick said yesterday in the session. The GMF paper we've all been given refers to it as a defining moment. The Copenhagen Report as it was called at once a profound disappointment, but also a major step forward. That sounds like a contradiction in terms, but that's what the GMF says. So let's see what we can get from the panel. I'd also like, in terms of broad themes, to look for solutions in this morning's discussions, not just try to predict the future as we all do because we all know what's going to happen because we are all so very clever, also try and see what should happen not just what will happen.

Let me, first of all, start by turning to Dr. Brundtland, if I may. Dr. Brundtland, forgive me

for saying so, but a lot of people are saying that the U.N. system, the U.N. process is now slightly discredited after the Copenhagen Summit because it just didn't work out. So you see this system going forward as the only way to go forward in terms of multilateral agreements between very different member states and countries around the world?

DR. GRO HARLEM BRUNDTLAND: I see it as the only venue, the only forum that can make a global deal. However, in that -- in the U.N., we have a 192 nations. And what played out in Copenhagen was that they came to Copenhagen with different opinions and with fighting experience with their own experience. This is the venue. The thing is, nations don't agree on what we need to do. Now, you mentioned -- and that's why it plays out in U.N. And the U.N. is used and misused by everyone who has something on their agenda to try to get their points through or to avoid, you know, agreeing to action depending on where you are. So, you know, there's no other institution that can make a better deal. However, you need to have a lot more dialogue between different groups of companies seeking solutions, and even if -- and this is informal and outside of the U.N. process, but it needs to come together in the U.N. in Mexico. It will, to a certain

extent, some solutions, I'm sure will be found by Mexico, not everything. But we need the other institutions to be actively discussing the policy challenges that we are facing because one thing Copenhagen did was it did formulate an agreement between countries that we need to limit their increasing global temperature increase to two degrees Celsius by 2050. This, in itself, was an important result.

MODERATOR: Okay. But even the Chief U.N. Negotiator resigned recently due to exhaustion and from exasperation. He thought this system is not workable. Do you have no sympathy as to why he resigned finally from exhaustion?

DR. GRO HARLEM BRUNDTLAND: I don't know the deeper reasons behind the worst total assessment of his own life and so on. When I speak to him, and I spoke to him in India in February, he was obviously still depressed over the result in Copenhagen. We all were and we all are. Because we could have achieved more; however, the reality that we didn't is you need to look at why we didn't and where are the big gaps in different opinions, seek them out, and try to find solutions. That's what's needed.

MODERATOR: Thank you. Thank you.

Commissioner Hedegaard, you had a high stakes game in Copenhagen. We all knew that we were trying to play this leadership role to you at the summit and everybody is looking to you to maybe show leadership on this occasion, but we all know what happened. So as a result of what the outcome of Copenhagen Summit is that you are rethinking strategy going forward?

CONNIE HEDEGAARD: Both yes and no. There is a general feeling that Europe did not sort of get enough out of what happened in Copenhagen. But I wanted to start saying that without Europe, you would not have had climate change that high on the agenda. In all the years, with all due respect, other regions did not pay a lot of interest in the international climate negotiations. Europe pushed the whole process forward. And we intend to continue to do that. I also think that what we actually got out of Copenhagen was that European and I also think a U.S. priority for many years that we would have to have the emerging economies to be part of the shared responsibility here which was the major achievement in Copenhagen. So you cannot say from a European perspective it was a total failure. I know there are now being created a lot of myths about Obama walking into the that room and there we had the

leaders of going to meet with (inaudible) and then we had the leaders of all the emerging economies and Europe was not there. And then it's as if Europe did not count at all. It's much too simplistic. Sometimes things happen by coincidence even at that level. And Europe still wants to play a strong role. And this is one of the reasons why a job like the one I've got has been created that we try to focus not only on the domestic side but also in the international area. How can we still continue to play this leadership role?

MODERATOR: Okay. But you said that a legally-binding climate change treaty in Cancun in later years Dr. Brundtland referred to is unlikely and unrealistic and maybe South Africa in 2011 is more realistic. Are you trying to manage expectations now? Are you just being more realistic?

CONNIE HEDEGAARD: Yes. And we try to help the Mexicans doing that. The easiest thing for the European Union had been, and for me, to go out saying now everything that we didn't get in Copenhagen now it must be delivered in Cancun. From what I can hear coming out of Delhi and Beijing and Washington, out of reality is that, yes, I agree very much with Gro Harlem Brundtland that the we can get specific deliverables out of Mexico. Substantial action, substantial

decisions, getting the Copenhagen accord into the formal negotiations. The two degrees, the fast-act financing, making things on forestry and adaptations, some of the things where we actually had substantial progress in the formal negotiations in Copenhagen. But if after Copenhagen now start to say, let's up to Mexico the legal form before we deliver content, then it's the surest way of securing that nothing happens. This is a way to try to secure momentum and secure that now the world delivers specific action when we have agreed on that, then I think it's easier to agree on the legal form for the future.

MODERATOR: We'll come back to the future. Ambassador Dobriansky, turning to you, please. Is it fair to say that the U.S. now faces a serious credibility problem at least in terms to the outside world of commitment to climate change people are not sure where the Obama administration is coming from now?

AMBASSADOR PAULA DOBRIANSKY: I don't think so. First of all, I think that with regard to Copenhagen, the fact that President Obama went, I think certainly underscored the President's commitment and the administration's commitment. I thought it was also quite significant that during Copenhagen just about every cabinet member who's affiliated with the issue



came and addressed the issue. Domestically, also although climate change, in terms of our legislative process, isn't the first issue that's being discussed, I think all of you know healthcare has been front and center in the United States. And there are several other issues and legislative bills that are front and center. It nevertheless is on the docket and will be discussed but I also think significantly to the Administration's credit, the Environmental Protection Agency has been very active in terms of regulations. Fourthly, the United States has always stepped forward in terms of resources. In fact, when Secretary Clinton was at Copenhagen, she announced the resources, the kind of resources that the United States would bring to this. And from the developing world's perspective, I think it's a very important area, an issue. Finally, in terms of technologies, we not only look at what is just happening now, but we also look at the medium and the long-term. If we're going to really make a significant impact here, you have to have investments in technologies in this area, energy-security matters economic-growth matters. Towards that end, I think the United States has been addressing all of those. So I don't think so. I don't think that it has been effective here.

MODERATOR: Since you are a seasoned negotiator on climate change for the U.S. Government, do you have any comments on the process, do you agree with Dr. Brundtland's assessment?

AMBASSADOR PAULA DOBRIANSKY: Thank you. I do. First of all, the U.N. Framework Convention on Climate Change, it is a global forum. If we're going to try to get a global agreement in that context, it does serve an important purpose. Having said that, I do agree with her in terms of now the discussion is focused on what kind of practical steps could be taken to actually get an agreement? And are there other fora that might be useful really in terms of negotiating and that also might make sense. Whether it's the major economies of forum or the G20. The point is, is that you have countries around the table that comprise a very substantial portion of the greenhouse gas emissions; the world's GDP; and also energy, production, and consumption. From that standpoint, there's a logic. But I think the point you were making is that to have something that feeds back in to the UN Framework Convention on Climate Change to get results.

MODERATOR: Thank you. We'll come back. Turning to Dr. Kiang. This is one of the few sessions where we have a real person from China. Not just

talking about China in the abstract, having an outside expert but having somebody on the inside. You do know that China was accused by many people of deliberately and systematically blocking progress of Copenhagen. Some people say China was highly destructive and like a wrecking ball on negotiations. What do you say to those comments?

DR. KIANG: I just want to give a little background. I was born in Shanghai, and then was educated in Taiwan. I spent 46 years in the United States. It's very difficult to say I'm a China expert. Whenever I go to China, if I missed two weeks, I know I've become (inaudible) expert. They're growing too fast. In the meantime, I would like to say, China (inaudible) play an international role are relatively new. I heard so many comments about China the last few days. In the meantime, I think there are a lot of understanding between China and the rest of world. We need a tremendous amount of communication. I do hope in the future, German Marshall Fund will have a little more balance between some of the financial guy and the other people from China. Professor Wong expresses it's very significant because at least you can heal the (inaudible) view of China and Iran sanctions. Today, I would like to say about the things, the Turner position

about the climate change in the Copenhagen they really would like to make it work, even though they don't know the climate change. Many out of the country in my protection agency and the last in the 2007 their are more emphasize on sulfur dioxide instead of carbon dioxide because they care more about the regional issue than global issue. They catch up very fast. They converted all things from SO2 into CO2 so it's not directly incalculable about the low carbon economics. I just want to say a little bit of background. They come out strong. I think in some sense in China, they are pretty much in the same position like India, like South Africa or Brazil. I think yesterday the gentlemen from India, they say every clever, they say India is like a big elephant behind dragon. Everybody pay attention to the dragon and forget the elephant. They are about the same issue. I think China can learn is little bit more about India. Because China, it's a national game relatively new suddenly come out and instead of a G20, G8, G20, even talk about G2, that's a little bit ridiculous. It's too early to say about China. I just want to say a statement about that. However, when China make the decisions on the low carbon, and they are very much try to work on that, and, for example, in 12-5 year plan, they try to make the GDP and have an

impact on the reduction of the CO2 by the year of 2005, 40 to 45 percent, obviously, that's not total emission but that's intensity. But China needs to learn a little bit more before they make a commitment also they have a question about what is the standard of carbon emission? Everybody can talk about 20 percent, 40 percent. But how we can measure it? How we can validate it? Even though we talk about it, is transparency. That's the question, do we have standard or not? China is waiting for the rest of the world, but in the meantime, they want to share the responsibility. That responsibility and the guidelines are little bit different because they (inaudible) set up the rule. They consider historical emission of the CO2, needs to be considered not just about current emission. That's a cumulative atmosphere. That not just happen now. That's one of the criteria they talk about is about the per capital European about 10 and United States about 20 and India about 2 and China is about 4. Which way should be the standard of equity? That's another argument behind that.

MODERATOR: We'll come back to the process. Going forward in transparency, integrity, and whether China has an alternative vision on how we would go forward. I promised myself I wouldn't get too much

involved in the discussion of the panel. And there's a room out there of people who want to ask questions. We'll take them in groups of three. Obviously give your name, your organization and if your question is only directed at one or two members of the panel that would help as well, otherwise I really will feel obliged to answer every question. We'll start with you sir in the back row. A microphone is coming your way, no doubt, and then you sir, and then you.

AUDIENCE MEMBER 1: This is Muhammad, from (inaudible) and one of the fellows of (inaudible). My question is, we have Copenhagen last few months and now we are looking for Mexico, so what happened in those few months to make the world leaders think that they were acting bad? The second question is, I feel that the problem is that we don't really get an answer in Copenhagen, but the problem is that we have a problem in the international mindset. We be the U.N. transparency. We have the United Nation Panel For Climate Change. We have the GEF World Bank. And they are not really having a certain kind of collaboration and coordination between each other. So the problem starts with the mindset then move to the government and, of course, we have those bureaucratic and

arguments concerning the climate and many other things  
thank you.

MODERATOR: Thank you, sir.

AUDIENCE MEMBER 2: I'm Chris Atrium. I'm with German Embassy in Washington, D.C. You mentioned in your introduction finger-pointing doesn't help and looking back either. We discovered a while ago in D.C. that we might wait a long time until we found that everyone in D.C. can be willing and able to spell the word "Kyoto" back and forth so we decided on an alternative approach by inventing a thing called the Transatlantic climate bridge which was basically an idea to go beyond Washington, D.C. and talk to everyone in the U.S. who was willing to cooperate with with Germany and Europe. It happened to be a bipartisan effort and the bipartisan success with the Governor of Florida, the Governor of California. We included Canada, research institutes, and so forth and the network is growing by the day. By question is to the Commissioner, we heard from President Perozo on the first day on the importance of the U.S. Summits. There are some question marks as to why the next one is still without a date. Might that not be an idea to reinforce European leadership on this very crucial issue by going forth from Brussels with a joined proposal with the

United States also in an analogy to what we just experiencing in the disarmament field where the two big ones who have the largest stakes go ahead and try to pull the others along.

MODERATOR: Thank you, sir. And this gentleman.

AUDIENCE MEMBER 3: (Inaudible) The role of technology fighting climate change is obviously immense we. Have seen in the last two years technology for an exploration of (inaudible) being cracked and bring emissions down considerably in the United States, elsewhere, in central Europe, and China as well. But there is enormous costs behind all this. Bringing renewables from North Africa through European supergrids would cost something like 23 to 30 billion Euro in the next 5 years. European Union is spending a lot of money on carbon capture and storage so is the United States. Is there room there for joint Transatlantic initiative which would also involved common spending point?

MODERATOR: In fact, we have four questions there. Dr. Brundtland, any questions that appeal to you?

DR. GRO HARLEM BRUNDTLAND: Well, the mindset I think we have to be realistic. The mindset is



inspired by difference of opinion. There are Angios, there is Europe, and I agree with what Connie was saying that Europe has been in the lead for years and years. And without it, we wouldn't have been where we are. On the acknowledgment of the problem and the degree of understanding that after all is there around the world about the problem is that. It is not something that will go away. So I don't think it helps to dream that we had another world. We have different institutions under the U.N. umbrella. In governments, we have different institutions, different ministries. They have to be able to work together, yes. And that's the challenge. And to be able to do this same thing under the same vision, you need to have more dialogue about the realities, about the kinds of action plans, the kinds of technologies that you are talking about. It is moving ahead on things that can be done and how they can be done which helps us in finding the ways even in a bigger and more complicated agreement and finding the legal base in the final stage.

MODERATOR: Thank you. Commissioner, at least one or two questions were addressed to you directly.

CONNIE HEDEGAARD: Yes. What happens between now and Mexico and the dialogue is already starting

again. I think some people when they came back from Copenhagen thought, "Never ever this U.N. nightmare again." Then people had that Christmas rest and thought, "Okay. It's very difficult with, but it's totally impossible without. I heard some people say, "G20, I'm all for it." Fine, if G20 can deal with this, but until this day China and India have said, "We do not want to discuss climate in the year 20." Basically there is still this historical responsibility that developed countries must take the lead. Easier said than done. I was in Mexico last week where first time after Copenhagen started to meet. And there is this will to try to be more semantical. Last year, went to my first negotiator's meeting. I know everything is big in the U.N. I thought there would be maybe 500, maybe 800 people there. There were thousands of people even in a small workshop. That cannot work. It must be more practical. The lessons learned in Copenhagen might get more people to get more flexible on the process, how can be actually be more practical in the way we prepare the negotiations. So far, it's like "you cannot do this. You must not do this." And maybe we will have in a transparent manner to find more flexible ways. The other thing about the the U.S. corporation, the form can be discussed. This

dialogue, I agreed with basically, last fall, they are attending no international meetings on climate unless the basic countries have coordinated before. Then of course there was a very big problem with the developed countries. How can they be sure to deliver what is set by the IBCC to be necessary? Last point, to keep this agenda, the way we work not only the U.S., Europe, also Europe and China and a lot of different countries besides the fact that we must be practical in the technology corporation, in that then I also think that we should discuss climate but with climate comes energy, security, and climate comes job and innovation and growth potentials. We must see climate as sort of one issue basically dealing with all these three other issues. Maybe this is one recipe for bringing new defendants of this process and issue on board. That's what we try to do in the commission two weeks back.

MODERATOR: The question about more cooperation U.S., is that feasible?

AMBASSADOR PAULA DOBRIANSKY: Yes. And let me just go on with that. I think as Connie said, the issue of climate change is very much interwoven with energy, security, economic development. These three sectors are very important not only for the United States and Europe but particularly for the major

economies and the developing world. I wanted to address on the point from our colleague at the German Embassy, I think this is a good idea. There has been traditionally this kind of interchange but what specifically you put on the table, not just dealing with Washington but dealing with United States as a whole. From the last administration and this administration, that is welcome. And it's welcome because the variety of initiatives across the United States, we're benefiting from in the United States in terms of what's working, what isn't working, I think the collaboration across the Atlantic would be beneficial. A comment on the issue of technologies, I think the investment that we make now in technologies is really going to have a significant impact in the long run. And it will make a difference. Your question was, how do we come together on this particular, on carbon sequestration? Norway has done phenomenal work in this area. The Shlepner Project. Also the Canada with the Wayburn project on capturing carbon from the air and storing it. Australia came forward. They set up an institute to bring all countries interested in carbon sequestration to come together to share what they're doing with the goal of bringing down the cost. There are already such fora.

There's also the carbon sequestration leadership forum started in the last administration continued in this administration. Why? Because the goal, again, we can only benefit multilaterally in getting information as to what's working and how best to bring down the cost. I'm only giving one example. One could go on in so many areas where this is happening.

MODERATOR: Since you mentioned security, Dr. Kiang, I know that is one of your main passions. What is your comment on that?

DR. KIANG: I want to answer a specific question about the action. I just want to make example between U.S. and China. In the last year, in November, when Obama visit China. And U.S. and China signed agreement on low carbon city, low carbon city. Five city in the U.S. and five city in China, one of the things in the agreement we try to demonstrate, we can reduce the carbon dioxide in the meantime, we can increase job in China and the United States. That was a very action-oriented in the current technology about the field, about electric car, many other things China and U.S. can work together even when the Dalai Lama and (inaudible). In this September, U.S. and China will resume the clean energy forum between U.S. and China. I think there are certain things that we needed to

prove to the people if we want to reduce the carbon dioxide. It can create jobs. We will make the post-Kyoto dialogue, the dialogue of Mexico dialogue much easier. So far people only thinking about climate change with cost money. If you find out the, used the technology generated, use the low carbon city as attracting place for investment and technology demonstration. Then you can spread it in much bigger way. I think that's a very focus and action-oriented and try to provide part of the solution. Eventually those kind of things go back to the U.N. not only with U.S. and China. China also try to plan to have a summit between China and India. Also try to do it with Japan, with Korea. China try to get them to internationally try to understand the problem with their neighbor and critical component including Brazil and South Africa. And to have the dialogue before the Mexico. Otherwise, we just go over and Mexican and we reproduce same thing as Copenhagen.

MODERATOR: Round two of questions. You and then you, sir, in the back row.

AUDIENCE MEMBER 4: Yes, sir. John Richardson, German Marshall Fund. I wanted to ask about financing of what we're going to have to do in climate change. Under Kyoto, one of the elements was a

financing by money from developed countries of clean development in the developing countries. If we look forward now to the new agreement, it would seem to me that one of the needs will be massive investments in Europe and the United States in order to reduce the carbon footprint. Massive investments in infrastructure like pipelines to collect carbon if we're going to be able to store it like the infrastructures needed to remodel cities so they will have a much lower carbon footprint. In this conference, we've also heard that Europe and the United States will be trying to reduce their budget deficits for these 20 years to come. My question is where the financing for those huge infrastructure costs come from? Will we, Europe and the U.S., be prepared to accept that financing comes from those countries massive savings over recent years and will continue to do so? Countries like Kuwait, the United Arab Emirates, like China. Will be we prepared to have our infrastructures paid for my China?

MODERATOR: Make sure the microphone is on. That's all.

AUDIENCE MEMBER 5: I'm (inaudible) from (inaudible) Newspaper in Jordan. And also I'm a member in the (inaudible) fellowship. I need to ask the

members a question. I heard that you are preparing for the negotiation for the next system in Mexico. I didn't heard what you are planning to do until the next step will be success. For, especially for, country like Jordan we are fourth worst in water resource, and we are effected by climate change. But I didn't heard what you will do to help these countries, for example, for programs to help them to have a water resource or something like that. What your next step will be for these countries until the Mexico conference will be held under negotiations. I hope so but I don't know if it will success because we know from the beginning that the Gulf countries and China and America, they have one situation that they will never sign in the agreement. This was before the Copenhagen held. Do you think so they will take the same idea for the next Mexico conference?

MODERATOR: And last question.

AUDIENCE MEMBER 6: Yes, sir. I'm a member of the European Parliament. I tend to agree with skeptical assessment of the prospects for the Cancun conference, unless there will be really relevant new actions leading up to Cancun. But I would also like to tackle a second issue which I think is very much at the center of this discussion, and that is global climate



equity. Dr. Kiang mentioned that. It's not been picked up and I would like to ask the European and American panelist how they see this issue. Can we have a new initiative jointly agreed upon by the Europeans and the American side and adaptation financing in the run up to Cancun or we going to balked down again because the G77 are not going to move unless be provide them a better helping hand?

MODERATOR: Thank you.

CONNIE HEDEGAARD: On the finance and the thing several (inaudible) that Europe is ready to deliver the finance pledged in Copenhagen. The finance ministers of Europe decided last week no discussion. The 10 billion U.S. dollars over three years, we can deliver that. The member states are preparing specific programs. Where the member states will put their money is up to them because everybody agrees in this finance for 10, 11, 12 fast-start financing, we should not invent new bureaucracies or channels, we should use existing channels. Where the EU will spend the money that we are coming with, we are just making a plan for that now, that will primarily go for adaptation purposes. Note one thing, and somebody here was talking about the finance for who, we gain one very important thing in Copenhagen accord. It says that

finance should go to the most vulnerable and least developed. It's not equally -- everyone should have the money back. It also says the emerging economies shouldn't rely on the fast act financing because it's going to the vulnerable and the least developed countries. I think that's important. I understand from meetings in the discussions with American colleagues and Japanese colleagues, they are also very much aware of prior to Cancun, they will also deliver on their pledges. And I agree with the European Parliament saying that has a huge psychological impact. If we did not, in the developed countries, deliver on these pledges, how big would their credibility be among developing countries? They have to see that we are serious and that money starts working. On the long-term finance question, I would say nobody could sort of see a situation where \$100 billion yearly, annually from 2020 would come only from public money. It's not of this world to expect that to happen. That's why it's important to have some more innovative sources. The carbon market for (inaudible) fuels for aviation, shipping has been mentioned. There are other issues by (inaudible) advisory panel on finance, they will have to deal with those kinds of things. They have a deadline prior to Cancun. We must find smarter

ways of getting these 100 billion than saying it has to be public money. Then it has to be negotiated with 193 finance ministries. Everybody can see that's not going to happen. We must have innovative sources and agree on them.

AMBASSADOR PAULA DOBRIANSKY: I would just add to Connie's remark in couple of ways. The financing, as you asked your question, I was thinking of a change that occurred in the process a number of years ago, starting in Indonesia. When Indonesia held the climate change conference in Bali, they insisted on having a meeting of trade ministers and finance ministers beforehand. And I mentioned that to all of you, I didn't take it for granted. It was a very good idea. It integrated in ministers in other areas into this process. The financing issue is an important one and since that time, actually they have been very much front and center. When commitments are made as you indicated that countries are stepping forward. They are going to work out even in these challenging time, the commitments that are on the table. One other comment, this is the trade piece, if I may. I thought it was significant, the United States and Europe actually in Bali called for an elimination of tariffs and trade barriers on environmental goods and services.

That was an important step forward. This is an area that has consequences for financing and provides incentives which hasn't come forth in the trade rounds that we've had. I think it's still a very important piece relative to financing.

DR. GRO HARLEM BRUNDTLAND: There's no question that, you know, the financing part. Of the global deal is an essential. One the technology one, yes. The financing one without I think the fact that Hillary Clinton came to Copenhagen and opened a new door in a couple of days before the final meetings, we probably wouldn't have had the progress in the latest day or two that we've had. As long as people were feeling uncertain across the board about financing completely, nobody pledging really except small pieces. It was a stumbling block completely. However, I'm saying this. It was enough to unleash a little on the process; however, the skepticism across the G77 about the concretization of those hundred billion was also to be very strongly felt. You know, it's easy to pledge a number but they have so many experiences over decades about the countries pledging and not delivering. That this was a major stumbling block which has to be solved before Mexico. I'm just saying, supporting what Connie was saying here that the financing panel needs to come

up with credible solutions before Mexico so that some at least of this financing challenge will be more straight forward and easy to comprehend and to believe in across the world because otherwise it's going to be, "we," "they," not "us" on the globe.

MODERATOR: Dr. Kiang.

DR. KIANG: I think we need to focus, like a financing problem is very important also the equity issues are very important, but do we have enough money under the current global economic crisis? I think we need to focus and show some signal which can give the people enough confidence. I think the finance committee should very wisely make the decision to make the investment sustainable because if it's not sustainable the subsidy never can be sustainable. The focus to generate significant signal is much more important than so much noise. We have so many conference, so many discussion on how we can signal. It's very important to get all our mind together to make significant signal to give some evidence that certain model can work. So far, we don't know. We only talk. Very little action, and we have a commitment but we have no action. I think it's very important we take out of the example to show the case because it is the changing time. So I think we need to

create a signal. And I really plead and about to put the best mind together and together feel of the project and selectively to make the work. Then we can spread the rest of the world. It's called (inaudible) and defusion model.

MODERATOR: You're round three. Then you're round four.

AUDIENCE MEMBER 6: Andreas (inaudible), Ecologic Institute in Berlin and Washington, D.C. The United Nations Framework Convention on Climate Change and protocol are both based on assumptions that are 20 or 15 years old. Since then, we've learned a number of things. My question specifically, to you Paula, Connie, how do we respond to the new insights that we've had over the last decade or two? What can we deal with within the architecture and what has to be dealt with elsewhere? We've seen from the McKenzie studies that there is enormous economic potential in reducing energy wastage. It hasn't happened even though it makes commercial sense to reduce that wastage. There seems to be an information problem and a policy problem. How do we resolve that? We've seen the expansion of renewable energies, most of them have reached or close to reaching (inaudible). We've seen the electrification debate of battery storage, the

smartgrid idea which helps the integration. And we've revealed the enormous extent of subsidies that still go for the use of fossil fuels. Do we deal with that inside the architecture of climate negotiations or do we need separate processes in order to address these issues? Essentially, what we've learned is that the mitigation is cheap, that the transformation is cheap, that the electrification, the provision of basic energy services will be much less expensive in the future than it was in the past. The only thing that costs money is adaptation. How do we respond to the changing circumstances inside the regime that we've developed?

MODERATOR: Thank you, sir.

AUDIENCE MEMBER 7: (Inaudible) Professor of Law at the Graduate Institute in Geneva. With the wake-up call in Copenhagen and the financial crisis when it comes to legally binding admission cuts, is this a moment to rethink some of the fundamentals and how we account for carbon and how we reduce carbon and thinking about two issues Kyoto focus on emission during production. That perhaps we should focus on emissions during consumption. Which in one stroke would reduce China's emissions with one quarter because so much of their emission are from products that we in the West consume. That's a fundamental way of

accounting for carbon. Second, a lot of criticism including the U.S. who was the original proponent of this has been raised against cap and trade. And more and more people seem to support a carbon tax that may be simpler, it may also be more compliant with WTO rules reduce debt levels. Do you see scope with international systems for a carbon tax? I've mentioned the WTO, do you see a possibility that climate negotiators can deal with the trade issues the competitive issues or would you leave all of the that to (inaudible) who will be on the next panel?

MODERATOR: A third question here. Forgive me for not remembering.

AUDIENCE MEMBER 8: Thank you. (Inaudible) Yale University. In my distant youth, I was President of Mexico. That's why I dare to make a comment because I see that a lot of pressure would be on Mexico to deliver. I want to say that the Mexico would be as good or as bad as the political willingness of the key players. And I also want to say or to make a prediction. If the approach to get a global agreement is not a radical in change, and by that I mean, that instead of insisting on a global cap and trade regime, we move into what you mentioned, a system of universal harmonize carbon pricing, then I think Cancun will be a



failure. So then the question is whether key players like the European Union or the United States will be ready to open these new avenue of negotiation and discussion because if that is not the case, then I would make again the prediction that Cancun will be a failure.

MODERATOR: Okay. Three good questions who wants to go first?

CONNIE HEDEGAARD: If I take the last one, it would be tempting to say this cap and trade, it's difficult. All the principles in Kyoto, they are so difficult. Why don't we just get away with them? It's fine with me, but would you be sure that we would not waste a lot of work over years at least on something. I'm not saying that everything should continue just like it is with Kyoto. Definitely not, only 30 percent of global emissions to have a responsible to do something about it according to Kyoto so we have to do something. But would it be easier to say, let's drop it from here. Let's get a global tax agreed. I don't think so. It's just to move sort of the arena to a new area. The fundamental political discussions would remain the same. Do the emerging economists want to be a part of this? Many people after Copenhagen said why don't you link the WTO negotiations and climate

negotiations. Somehow I thought that we had enough on the plate with Copenhagen. That's to link two impossible pieces of international negotiations to make more likely that we get progress. I would be skeptical to that because the time factor actually is a challenge here. It matters whether we agree now or 5 years from now or 10 years from now. If we are going to listen to what science tells us. What I would like to see is that we must have the long-term price signal. I personally do believe that a kind of target to come with that, that insures that actions are being delivered faster than would else have been the case. Is a give just one example. I am coming from Denmark. According to the internal sharing of Kyoto, we would have to take 21 percent reductions by 2012 compared to 19. The EU average was 8. This marked to 21. As a minister coming from Denmark a Danish over the five and a half years, had it not been for political initiatives over recent years, we would not have taking in agriculture, green growth, in energy companies, building and obligatory building codes, big political agreement on how to deal with transport in very different way. We would not have done that had it not been for the target. I still think, don't throw the targets away before we know we have something better in

place. I think cap and trade can deliver the price signal if we get just one hook, for instance, cap and trade for the utilities for the American administration in the also a substantial American business then they know what kind of playing field they have then Japan will continue with their legislation in Japan. We can actually see soon, an OECD if you ask business that's what they would like give them the price signal, and the predictability that they are asking for.

DR. GRO HARLEM BRUNDTLAND: Well, I share the sentiment of the former President of Mexico that, of course, a carbon tax would be a better way of dealing with the problem. But I also agree with most of what Connie just said. Although this is the case, if the panel, for instance, that deals with finances, addresses this issue as one of the issues in what they are now working on and gives a signal which is even more strong can can be more broadly held about the importance of a price on carbon then it can help us even to get the cap and trade in bits and pieces around the world. I don't think we can afford to throw away in a sense what has been done. The American legislation if you now enter the idea of a carbon tax instead of what they are struggling across the parties to get support for in the U.S. Congress, it will not

help at least short-term because we do need to have American legislation which is serious passed. It is necessary for the transatlantic dialogue and for the global dialogue between the U.S. and other countries and outside of Europe. So I think we have to think in several steps. But it would be very helpful to increase the awareness of the carbon pricing and over carbon taxes a mechanism. For instance, in that panel where people are now really analyzing, how can we move towards completely different levels of financing of the global necessities including adaptation which is going to be costly?

DR. KIANG: I think just based on how much emission on commitment by the developing country is not enough, you have to include the India, China, and Brazil and South Africa if you don't do that I think you never get anywhere. It doesn't matter Mexico or any other place, I think before Copenhagen we do not have communication even the last week or before, we find out these two four countries say we're going to get out of it if you don't. That's before the old chaos. That means we learn from the mistake what need to be done and that's one. The second thing is about equity issue. We never reach that point and maybe it's start time to learn equity. We never have equity. We

always have the stronger one and the takeover. We we don't have the peace and maybe that's too idealistic but maybe we should have that as part of the goal in the process. Maybe take a hundred years but nevertheless if we don't address there equity issue, we don't are have peace in the world.

AMBASSADOR PAULA DOBRIANSKY: I can't predict where our Congress is going to come out. But there is a very vibrant debate and discussion, you have different Senators that have put recently different kinds of legislation. There's one now I believe called cap and dividend. Where I see this though at the moment, there is some creative thought being given, not to cap and trade economy-wide, but specific sectors. That's least part of what some of the debate is focusing on at least right now. How this will come out, I don't know. But I think what I can say is my own personal view is I think that there is a strong desire to have legislation that will be, in fact, impactful here. I wanted to go to your question at the beginning, you know, in terms of the kinds of changes taking place. I think that all of the participants are looking more closely at the kinds of changes that ar taking place and what are the practical ways forward? I think our colleague from China certainly pointed out,

it's not only what happens in the U.N. framework convention that are taking place but many of the actions that are taking place are having consequences and serving as models. All of the areas that you mentioned, these are areas that there's a lot of concrete work being done. Whether that, in fact, will be then part of an architecture, it remains to be seen. But it's interesting the issue of adaptation, by the way, was never on par with mitigation at least not when I began in these negotiations. In recent time and particularly the last several meetings of the U.N. Framework Convention, adaptation became more of a focus. Deforestation, that issue in the U.N. Framework Convention moved also significantly. It has a ways to go. So I think my own view on this is I think there's a lot that's happening that isn't waiting for what's happening in the general forum. But a lot of investment creativity, and innovativeness that's going on in many ways that may drive that process and direct it rather than the other way around.

MODERATOR: We're running out of time. I'm going to turn to the side of the room.

AUDIENCE MEMBER: Thanks. I'm Tim from Princeton University and the German Marshall Fund. In the last year, there have been three articles in the

Science Magazine suggesting that our policies are making a major accounting error in one aspect of climate change that they count the burning of biomass regardless of the source as a hundred percent greenhouse reduction strategy. There are studies by the Department of Energy and others that suggest that in fact lead to the loss of most of the world's forests. Europe has started to buy wood pellets that are produced in the U.S. from chopping down trees in the Southeastern United States which most calculations would indicate increase greenhouse gas emissions as a theoretical strategy. I simply ask you, is the concerns about this getting through to high level policymakers.

THE WITNESS: My name is Katherine (inaudible) I am Director of the Brussels office of the Protestant church in Germany. My question is directed to the Commissioner. In the beginning, you briefly alluded to the 2020 strategy head of state government now include the climate targets in the strategy. I want you elaborate what this means politically speaking, what is the added value of this agreement and conclusions we already have? To the Ambassador, how the G20 strategy is perceived in the U.S.

MODERATOR: Any questions this side. One final question? This may have to be the last round I fear.

AUDIENCE MEMBER: David (inaudible). When Obama was elected on a camp -- he used the campaign slogan, yes, we can. He didn't say yes, we in government can and yes, business working together can. He said yes all of us working together can. I've seen in the Presidency, he's pointed the finger at everybody, we all have to play our part. Has anyone done that on climate? Is there any real focus on saying all of us across the whole of society need to play our part.

MODERATOR: One final question. This will be the very final question.

AUDIENCE MEMBER: My name is (inaudible). I run a think tank in Istanbul. I have a question about China's policies. Namely, I would greatly appreciate if you could give us to sense of how important will be for Chinese leaders to work with the West to come to an agreement regarding climate change issues when there are many other topics on the agenda like China's views on sanctions at the U.N. on Iran, like the strained relationship with the U.S.? How important will be for



Chinese leaders to earn brownie points on climate change to deal with other issues for the West?

MODERATOR: Go down one by one to answer. Ambassador, kicking off this time.

AMBASSADOR PAULA DOBRIANSKY: Well, let me go with, yes, we can. Over here, you know, on that issue I think that actually I think we have witnessed a broadening of all stake holders. It's very striking to me that you have not only government, you have local governments, you have business you have NGOs and you put in the mix of education. I think more and more it's not driven by any declaration it's driven by interest even in the Washington area on the Chesapeake Bay and on the importance of pollution in the Chesapeake Bay a lot of initiatives driven at all levels. There is a heightened awareness of this issue. In the United States though with Americans are polled this is not the number one issue. We've had many pollings on where things are we have a ways to go there has been a significant broadening of to use the term, yes, we can, at the local level in our own schools.

MODERATOR: Thank you. Dr. Brundtland.

DR. GRO HARLEM BRUNDTLAND: Well, I would like to say I'm kind of passing to you there on China

that I believe that still China due to global equity and due to the historical situation came to Copenhagen and probably will still be in that mode of saying it's Kyoto it's the other countries that have to do this. We historically can not responsible. So they are kind of keeping to the fact that they are not in Kyoto. And they are trying to avoid getting into a situation where they have real commitments to the international community. Trying to stay in that historical mode although the emerging trends show how big an impact Chinese society and Chinese emissions will have. Now, I hope you can tell us that there is a maturation by the sum of experience now in China that could lead to a change in this. But I really felt it way it happened in Copenhagen that determined China we are not moving one inch, you know, from this kind of position because this is not our responsibility. So but as we have heard from several that unless we have the emerging economies, coming on board in some form or shape that we can agree on, we can not have a global deal and we can not deal with the issue whatever actions are taken in separate places the sum of that does not come up to the level we need to believe able to limit two agrees increase. The only hope we have is to change some mindsets that we can meet. Although I'm quite sure

about my analysis of where China was and probably is now before Copenhagen. But I do also think everyone was analyzing what happened there. What role can we play in the future? So I'm hoping that when you respond we get a little better picture.

MODERATOR: No pressure on Dr. Kiang.

CONNIE HEDEGAARD: To the question on wood pellets. It's hugely complicated. You ask is the concern coming through? The answer is yes. Biofuels, we're setting up tough criteria. It's extremely important that we get this right. Not try to mend one problem by creating other problems. 2020 targets and the whole liberation of the EU 2020, strategy extremely important that the EU heads of states at the summit acknowledge that we have to keep a 30 percent in there. Some tried to get it out couple of hours. We got it back there. That's very important why because of the international negotiations we've been discussing about role there. Also because basically Europe must consider what is our own interest here. What are we going to learn from in the future? How are we with wind and reusables that whole argument is very important. That's why we in the climate action will come with an analysis. Why June what will it take for Europe if we had to go to 30 percent? What would be

the price? What would be the potentials in different sectors and cobenefits because there are also many cobenefits in energy security. Very last remark, we can sit and despair, now there is a new conference coming up, will it ever happen? Will anything come out of this? Try to recall in your own life and own mind, where were we three or four years back? We've come a long way the mobilization and wind it rising up Copenhagen that has changed out of things heads of states and government and back domestically considering exactly how we can cope with resource efficient future. That is basically a huge paradigm shift.

MODERATOR: Thank you. Dr. Kiang to finish.

DR. KIANG: China definitely want to share the responsibility. But it's just the difference of responsibility. Two, China is working very hard on the for last thirty years in China continued developed and with deterior of the environment ask all those very critical issues for their own survival, they want a knowledge-based economic development. Which means they want emphasize the innovation, emphasize on transparency, emphasize on rule by law. If you want China to change that, become knowledge-based. It's going to take some time. It's not going to switch with 1.3 billion people. That's the realistic picture of

China. One more thing, what they want to see in order to university for party university, central government and they try to all the ministers or mayors 52 hundred countries they are going to have extensive education on low carbon economic. And that's a very broad scale even though they are per capital and they still try to reduce that and maybe try to reduce in the level. They challenge about the Europe and the United States. If you have 10 turn for capital you have 20 turn per capital. And you should do something about the reduce of carbon dioxide. Don't try to squeeze more. That's the equity. They are responsible but they have a question. That that question need an question. You can't say that's China's problem and China not doing anything. China do everything they can include 52 countries. I hope the United States in 2010 per capital are you able to reduce a little bit and Europe. That's just my fundamental question.

MODERATOR: We've run out of time. Too much talk not enough action. A lot of talk about concrete action your presence your questions and most of all their panel for their wonderful contributions and thank you, Paul. That was a terrific panel. We're not going to take our last coffee break. Then the committee to save the world. The G20. Thank you so much. That was really great.