

CEQ 348

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**Subject:** Climate clips: Asia-Pacific Partnership 7/28/05

**Date:** Thursday, July 28, 2005 9:57:27 AM

**Attachments:** 7-27-05 Final Vision Statement (2).pdf  
Statement by the President on Asia-Pacific Partnership on Clean Development and Climate.pdf  
07-27-05 Fact Sheet - Asia-Pacific Partnership.pdf

NOTE: This contains some redundancy in reporting. We also heard from John Sammis, our Minister Counselor for Economic Affairs at the U.S. Mission to the EU that, "The Frankfurter Allgemeine Zeitung (Germany's major center-right daily) ran an op-ed piece saying that the new initiative was as significant as Kyoto (and more practical)". You should all have them by now but, in case you don't, I'm also attaching the Vision Statement, Presidential Statement, and White House Fact Sheet from last night.

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July 28, 2005 Thursday 5:27 AM GMT

LENGTH: 283 words

**HEADLINE: US, five Asia-Pacific nations unveil new climate pact**

**BODY:**

VIENTIANE (AFX) - The US and five Asia-Pacific nations have unveiled here a pact they said would cut emissions of greenhouse gases blamed for global warming.

In a 'vision statement' issued on the sidelines of a regional forum in the Lao capital Vientiane, the US, Australia, India, China, South Korea and Japan called for a non-binding compact to reduce emissions.

The new initiative does not have enforcement standards or a specific time-frame for signatories to cut emissions, unlike the 1997 Kyoto Protocol which the US and Australia have refused to ratify.

The pact 'is not to be seen as a competitor to the Kyoto Protocol,' Australian Foreign Minister Alexander Downer said at a media briefing to unveil the Asia-Pacific Partnership on Clean Development and Climate.

Areas of cooperation envisioned in the new pact range from the use of clean coal and nuclear power to that of wind and solar energy, according to the statement.

The six nations will also jointly develop technologies that 'promote economic growth while enabling significant reductions in greenhouse gas intensities.'

'The partnership will collaborate to promote and create an enabling environment for the development, diffusion, deployment and transfer of existing and emerging cost-effective, cleaner technologies and practices,' it said.

It said the partnership will share experiences in developing and implementing national sustainable development and energy strategies, and explore opportunities to reduce the greenhouse gas intensities of our economies.

It said they will develop a non-binding compact in which the elements of this shared vision, as well as the ways and means to implement it, will be further defined.

Asia Pulse

July 28, 2005 Thursday 5:24 PM Eastern Time

SECTION: Northern Territory Regional

LENGTH: 411 words

HEADLINE: **6 ASIA-PACIFIC COUNTRIES ANNOUNCE GLOBAL WARMING INITIATIVE**

DATELINE: VIENTIANE, July 28

BODY:

South Korea and five other Asia-Pacific countries agreed Thursday on a new partnership to promote environmentally-clean development and combat global warming, South Korean officials said said.

The initiative, announced by top foreign ministry officials of the six countries on the sidelines of the ASEAN-plus-three meeting currently underway here in the Laotian capital, outlines greater technical cooperation and sharing of information related to the reduction of greenhouse gases.

The five other nations are the United States, Australia, China, India and Japan.

"The deal is to facilitate sustainable growth and to work together on ways to develop technologies that are energy efficient and reduce greenhouse gas emissions," said South Korea's Foreign Minister Ban Ki-moon.

He said the parties also concurred on the need to develop new energy technologies like fuel hydrogen and cold fusion.

South Korean foreign ministry officials also said the countries will hold talks in November to discuss in detail their future energy and power generation strategies.

The partnership, promoted by the United States, does not aim to replace the 1999 Kyoto Protocol on climate change and has no mandatory timetable for the six countries to cut back on greenhouse gas emissions.

"The significance of the pact is that the United States, China and India, that together churn out 40 per cent of the world's greenhouse gasses, have decided to work together on this endeavor," said a ministry insider.

The official in Vientiane said the partnership will also allow the countries to develop and accelerate the deployment of cleaner, more efficient energy technologies while not hindering economic growth, often cited as the reason some countries have failed to abide by the Kyoto agreement,

The U.S. and Australia have so far refused to ratify the Kyoto Protocol because they claim such a move will be harmful to their respective economies.

Some analysts, however, said that without any clear legal obligations, the partnership may be more about symbolism than actually achieving concrete results.

Under the Kyoto Protocol, industrialized countries are to reduce their carbon dioxide and other greenhouse gas emissions from 1990 levels by an average 5.2 per cent between 2008 and 2012.

South Korea will be required to accept obligations to cut emissions under the Kyoto Protocol from 2013 because it is treated as a developing country.

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Data in Image

Agence France Presse -- English

July 28, 2005 Thursday 7:03 AM GMT

LENGTH: 444 words

HEADLINE: **New climate pact better than Kyoto accord: Australian PM**

DATELINE: SYDNEY July 28

BODY:

A new pact on climate change announced Thursday after secret negotiations by six nations is superior to the Kyoto Protocol and will

be fairer and more effective, Australian Prime Minister John Howard said Thursday.

The United States, Australia, India, China, South Korea and Japan announced the agreement in a "vision statement" issued on the sidelines of a regional forum in the Lao capital Vientiane.

In contrast to the 1997 Kyoto Protocol, which the United States and Australia have refused to ratify, it calls for a non-binding compact to reduce emissions of greenhouse gases which cause global warming.

"The fairness and effectiveness of this proposal will be superior to the Kyoto Protocol," Howard said.

"It demonstrates the very strong commitment of Australia to reducing greenhouse gas emissions according to an understanding that it's fair in Australia and not something that will destroy Australian jobs and unfairly penalise Australian industries."

One of the arguments used against the Kyoto Protocol by Australia and the US is that it does not require big developing countries to make targeted emissions cuts -- an absence that US President George W. Bush says is unfair and illogical.

But developing countries say historical responsibility for global warming lies with nations that industrialised first, and primarily with the US, which by itself accounts for a quarter of all global greenhouse-gas pollution.

Australia is the world's biggest exporter of coal, one of the fossil fuels responsible for carbon dioxide emissions, which industrialised countries are bound to trim under the Kyoto Protocol.

"It's in Australia's interests that we try and find a way of coal being consumed in a manner that does not add as much as it does now to greenhouse gas emissions," Howard said.

"It is a matter of the national interest and common sense that Australia should associate herself very vigorously with such a process."

Australian Foreign Minister Alexander Downer said in Vientiane that details of the new deal -- the Asia-Pacific Partnership on Clean Development and Climate -- would be discussed at a meeting of ministers from the six nations in Australia in November.

Australia's Environment Minister Ian Campbell left the door open to more countries joining the pact.

"It's a partnership that's about developing technologies to make real achievements ... real greenhouse gas reductions, real progress in saving the climate," Campbell said.

"The target is to develop the very best technologies and to deploy them across these countries and to bring in new partners where they can be deployed as well."

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## **The New York Times**

### **Bush Administration Unveils Alternative Climate Pact**

New York Times

By REUTERS

Published: July 28, 2005

WASHINGTON, July 27 (Reuters) - The Bush administration, which is pushing alternatives to the Kyoto accord on global warming, unveiled a six-nation pact on Wednesday that promotes the use of technology to cut greenhouse gas emissions.

The six nations, the United States, Japan, Australia, China, India and South Korea, will build on existing bilateral agreements on technology sharing to control emissions, but will not set mandatory targets.

President Bush said in a statement that the Asia-Pacific Partnership for Clean Development and Climate, which will be formally introduced in Vientiane, Laos, would address global warming while promoting economic development.

But environmentalists criticized it as an attempt by Washington to create a distraction ahead of United Nations talks in November in Montreal that will focus on how to widen the Kyoto accord to include developing nations after 2012.

The approach of looking to technology for solutions to global warming was emphasized by Mr. Bush at the Group of 8 summit meeting in Scotland when he called for a "post-Kyoto era." The United States, which creates the biggest share of greenhouse emissions, and Australia are the only developed nations that have not ratified the Kyoto accord. But Japan, China, India and South Korea have ratified Kyoto, which demands cuts in greenhouse emissions by 5.2 percent below 1990 levels by 2008 to 2012.

"As far as I can tell, there's really nothing new here," said Jeff Fielder, an analyst at the Natural Resources Defense Council in New York. He said that the bilateral agreements already served the purpose of technology sharing but that companies would not have an incentive to deploy it without a strong signal sent by mandatory limits.

"I think this is aimed at complicating the Montreal talks," he added.

Jim Connaughton, chairman of the White House Council on Environmental Quality, said there was no attempt to undermine the Kyoto pact.

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Data in Image

Agence France Presse -- English

July 28, 2005 Thursday 6:27 AM GMT

LENGTH: 421 words

HEADLINE: **New pact a welcome Kyoto complement but needs meat: Canada**

DATELINE: VIENTIANE July 28

BODY:

A pact unveiled by the United States and five Asia-Pacific nations to cut emissions blamed for global warming is a welcome complement to the Kyoto Protocol but needs to be fleshed out with more details, Canada's foreign minister said Thursday.

"I'm pleased with the vision that is there. It is an acknowledgement of the problem we have with the climate change," Pierre Pettigrew told reporters on the sidelines of a regional security forum.

The initiative unveiled by the United States, Australia, India, China, South Korea and Japan called for a non-binding compact to reduce emissions.

It does not have enforcement standards or a specific time-frame for signatories to cut emissions, unlike the 1997 Kyoto Protocol which the United States and Australia have refused to ratify.

"This is progress but I am still waiting for the meat... I hope very much that there will be meat because we need that," said Pettigrew, whose country in December will host the first round of negotiations on what happens after the Kyoto Protocol runs out in 2012.

"We will have to see how this will be developed," the minister said.

President George W. Bush earlier walked away from the UN's Kyoto Protocol, which legally commits 39 industrial nations and territories to trim their output of six greenhouse gases -- especially carbon dioxide -- by 2012 compared with 1990 levels.

Bush's move damaged the US image and crippled the global cleanup effort by depriving it of the support of the world's biggest polluter.

But at a recent meeting of the G8 group of industrialized countries including Canada, Bush acknowledged the climate change problem, Pettigrew said.

The "vision statement" issued Thursday is a further step following that acknowledgement, he said.

"We really do welcome that very much and I hope that this will lead to the Montreal conference in December on the environment in a constructive way, in a constructive fashion," said the minister, who expects non-Kyoto signatories to participate in that conference.

Pettigrew said he does not see the new six-party pact as weakening Kyoto.

"I would say that in the vision statement they have acknowledged that this was a complement, it was not meant to replace Kyoto," he said.

Australian Foreign Minister Alexander Downer said details of the new Asia-Pacific Partnership on Clean Development and Climate would be discussed at a meeting of ministers from the six nations in Australia in November.

Their "vision statement" envisions the development of nuclear and solar power to reduce greenhouse gases.

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Data in Image

Agence France Presse -- English

July 28, 2005 Thursday 6:16 AM GMT

LENGTH: 289 words

HEADLINE: **Key points of US-Asia Pacific emissions agreement**

DATELINE: VIENTIANE July 28

BODY:

The United States, Australia, China, India, Japan and South Korea on announced Thursday a new treaty aimed at cutting greenhouse gas emissions and reducing global warming.

The six nations said their vision for a "non-binding compact" called the Asia-Pacific Partnership on Clean Development and Climate would be developed at a meeting in Australia in November.

The following are some of the key points in a "vision statement" the six countries presented:

- The new partnership would promote the use of "existing and emerging cost-effective, cleaner technologies and practices, through concrete and substantial cooperation so as to achieve practical results."

- Areas for collaboration may include energy efficiency, clean coal, liquefied natural gas, combined heat and power, civilian nuclear power, hydropower, wind power and solar power.

- The partnership would also cooperate on the development and use of technologies to "promote economic growth while enabling significant reductions in greenhouse gas intensities."

This would include collaboration in the areas of hydrogen, nanotechnologies, advanced biotechnologies, next-generation nuclear fission and fusion energy.

- The partners would "explore opportunities to reduce the greenhouse gas intensities of our economies."

- They would consider "establishing a framework for the partnership, including institutional and financial arrangements and ways to include other interested and like-minded countries."

- They would also try to engage the private sector and review the partnership on a regular basis.

- The six said the new deal was intended to complement the UN Framework Convention on Climate Change and the Kyoto Protocol.

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July 28, 2005 Thursday 3:00 AM EST

SECTION: WORLD NEWS; Political

LENGTH: 520 words

HEADLINE: **Six Asia-Pacific countries agree to form partnership on climate**

DATELINE: VIENTIANE

BODY:

Six Asia-Pacific nations, Australia, China, India, Japan, South Korea and the United States, announced here Thursday to form the Asia-Pacific Partnership on Clean Development and Climate.

A vision statement announced at a joint press conference said that the six nations will work together to create a new partnership to develop, deploy and transfer cleaner, more efficient technologies and to meet national pollution reduction, energy security and climate change concerns, consistent with the principles of the UN Framework Convention on Climate Change ( UNFCCC).

The partnership brings together key developing and developed countries in the region to address the challenges of climate change, energy security and air pollution, in a way that strives to encourage economic development and reduce poverty.

The statement emphasized that the partnership will be consistent with and contribute to efforts under the UNFCCC and will complement, but not replace, the Kyoto Protocol.

It said the partnership will collaborate to promote and create an enabling environment for the development, diffusion, deployment and transfer of existing and emerging cost-effective, cleaner technologies and practices, through concrete and substantial cooperation so as to achieve practical results.

"Areas for collaboration may include, but not limited to: energy efficiency, clean coal, integrated gasification combined cycle, liquefied natural gas, carbon capture and storage, combined heat and power, methane capture and use, civilian nuclear power, geothermal, rural/village energy systems, advanced transportation, building and home construction and operation, bioenergy, agriculture and forestry, hydropower, wind power, solar power, and other renewables," the statement elaborated.

The partnership will also cooperate on the development, diffusion, deployment and transfer of longer-term transformational energy technologies that will promote economic growth while enabling significant reductions in greenhouse gas intensities.

"The partnership will share experiences in developing and implementing our national sustainable development and energy strategies, and explore opportunities to reduce the greenhouse gas intensities of our economies," the statement said.

It said the six countries will develop a non-binding compact in which the elements of this shared vision, as well as the ways and means to implement it, will be further defined. "In particular, we will consider establishing a framework for the partnership, including institutional and financial arrangements and ways to include other interested and like-minded countries."

The partnership will also help the partners build human and institutional capacity to strengthen cooperative efforts, and will seek opportunities to engage the private sector. "We will review the partnership on a regular basis to ensure its effectiveness," the statement added.

The press conference was jointly held by representatives from the Governments of Australia, China, India, Japan, the Republic of Korea and the United States.

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**REUTERS**   
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## Australia to host inaugural "Beyond Kyoto" meeting

Thu Jul 28, 2005 2:53 AM BST

VIENTIANE (Reuters) - Australia will host in November the first meeting of six nations which have agreed a pact to combat global warming by developing technology to cut greenhouse gas emissions, diplomatic sources said on Thursday.

The Asia Pacific Partnership on Clean Development and Climate will be introduced by the United States, Japan, Australia, China, India and South Korea at the Association of South East Asian Nations (ASEAN) regional forum later on Thursday.

In documents seen by Reuters, the six nations say the pact will "seek to address energy, climate change and air pollution issues within a paradigm of economic development" and will "complement but not replace the Kyoto protocol".

The United States and Australia are the only developed nations outside Kyoto, which demands cuts in greenhouse emissions by 5.2 percent below 1990 levels by 2008-12. Both say Kyoto is flawed because it omits developing states.

U.S. President George W. Bush said in a statement on Wednesday the Asia-Pacific partnership would address global warming while promoting economic development.

The six nations have likened the pact to a climate change plan of action agreed by the Group of Eight powers in Scotland earlier this month, with both emphasising the importance of strategic technology development in addressing climate change.

One such technology identified by the partnership will be the development and adoption of commercial carbon capture and storage technologies, which the six nations see as playing a crucial role in enabling deep cuts in global greenhouse emissions.

The partnership will release a vision statement and is open to more like-minded countries joining the pact in the future.

As economies expand, the world is consuming more energy and is producing more greenhouse gas emissions, particularly carbon dioxide from burning fossil fuels such as coal in power plants and petrol in cars.

According to figures to be released by the partnership, the six founding partners of the new pact account for 45 percent of the world's population, 48 percent of the world's greenhouse gas emissions and 48 percent of the world's energy consumption.

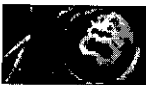
Australian Environment Minister Ian Campbell said on Wednesday that the countries had been quietly working on the pact for months.

"It's quite clear the Kyoto protocol won't get the world to where it wants to go ... We have got to find something that works better -- Australia is working on that with partners around the world," Campbell told reporters.

The Kyoto protocol, first agreed in 1997, came into force in February after Russia ratified it is of limited use because many signatories are far above their emission targets.

The United Nations' Intergovernmental Panel on Climate Change (IPCC) has said world temperatures are likely to rise between 1.4 and 5.8 degrees Celsius by 2100, linked to the build-up of greenhouse gases from human activities.

Scientists say the planet's average surface temperature has increased by about 0.6 degrees Celsius over the past century.



**BBC NEWS** UK EDITION

## New climate plan 'to rival Kyoto'

By Richard Black  
BBC Environment Correspondent

**The US and Australia are developing a new pact on climate change with a group of Asian countries, believed to include China, India and South Korea.**

Australia's Environment Minister Ian Campbell said that details would be announced "in the very near future".

That could be as soon as Thursday, in a speech due to be given by US Deputy Secretary of State Robert Zoellick.

It is believed the pact will focus on technology transfer from industrialised nations to the developing world.

Australia and the United States are the two major industrialised countries which have not ratified the Kyoto Protocol, claiming it would damage their economies.

Both countries also criticise the protocol on the grounds that it does not include major developing countries such as China and India.

### Something better

At a news conference in the West Australian capital Perth on Wednesday, Minister Campbell told reporters that Kyoto could not achieve the level of greenhouse gas reductions which the majority of climate scientists believed was necessary if climate change was to be kept within manageable bounds.

"We're going to have a 40% increase in emissions under the Kyoto Protocol, and the world needs a 50% reduction," he said.

"We've got to find something that works better."

Details of the new pact have so far remained under wraps; but there are indications that it will focus on technology transfer, probably with an emphasis on cleaner ways of burning coal.

According to the Organisation for Economic Co-operation and Development (OECD), the four biggest producers of coal in the world are China, the United States, India and Australia; so it is unlikely that these nations would come up with an agreement to reduce the production and use of coal.

The final plan of action from this month's meeting of G8 leaders made clear that fossil fuel power stations are



*Details of the new pact have so far remained under wraps*

**“ We're going to have a 40% increase in emissions under the Kyoto Protocol, and the world needs a 50% reduction**

*Ian Campbell, Australia's Environment Minister* ”

going to be a dominant source of electricity for decades to come, and reducing their emissions would be a priority.

And Ian Campbell gave strong hints of an emphasis on technology.

"We need to expand the energy the world consumes and reduce the emissions," he said in Perth.

"That's going to need new technologies; it's going to need the development of new technologies and the deployment of them within developing countries - we need to engage developing countries, we need to develop technologies which can be developed in Australia and exported around the world."

One of the Bush Administration's initiatives, called FutureGen, aims to develop coal-fired power stations that essentially emit no carbon dioxide; this would work through various technologies including gasifying the coal before burning it, and capturing and storing the CO2 produced.

### **Environmental scepticism**

Agreements with developing countries could provide an export market for these technologies.

But will this be enough to curb climate change? Environmental groups are sceptical.

"It's part of the Bush administration's strategy to prove that the technological approach is the answer to global warming," the director of WWF International's Climate Change Programme, Jennifer Morgan, told BBC News.

"You only need to look at the way that emissions are going to see that's not the case."

WWF believes that pacts on technology cannot be seen as an alternative to the Kyoto Protocol; and Dr Rajendra Pachauri, chair of the Intergovernmental Panel on Climate Change, the scientific body which advises the United Nations negotiations on global warming, agrees.

"It shouldn't distract from the Kyoto process - there is room for both," he told the BBC News website.

"If countries like India could gain access to technologies like hydrogen storage or zero-emissions power generation, that would be beneficial for years to come."

Details of the proposed new pact are likely to emerge on Thursday during the Regional Forum of the Association of South-East Asian Nations (Asean), held in the Laotian capital Vientiane.

The US Deputy Secretary of State, Robert Zoellick, and Australia's Foreign Minister, Alexander Downer, are likely to share a platform at 1030 Laotian time, and US officials have hinted that they will announce an environmental initiative.



## **Six nations agree new climate pact**

### ***Environmental groups skeptical about effectiveness***

Thursday, July 28, 2005; Posted: 4:47 a.m. EDT (08:47 GMT) Thursday, July 28, 2005 Posted: 0847 GMT (1647 HKT)





*Details of the new climate pact were unveiled in Vientiane Thursday.*

**VIENTIANE, Laos (AP) -- The world's top two air polluters -- the U.S. and China -- joined Australia, India, Japan and South Korea on Thursday to unveil a new Asia-Pacific partnership to develop cleaner energy technologies in hopes of curtailing climate-changing pollution.**

They described the initiative as a complement to the Kyoto Protocol that commits 140 countries to cutting emissions of the greenhouse gases blamed for global warming, but environmentalists said the new pact lacked firm obligations to cut pollution and that it might undermine the Kyoto accord.

The Asia-Pacific Partnership on Clean Development and Climate, also announced overnight in Washington, aims to create cleaner technologies for energy-hungry economies such as China and India, meeting long-term energy needs while reducing pollution and addressing climate concerns.

"We view this as a complement, not an alternative" to the Kyoto treaty, U.S. Deputy Secretary of State Robert Zoellick said at a joint news conference by the six countries at an annual Asia-Pacific security conference in the Laotian capital Vientiane.

Emissions of carbon dioxide and five other gases are believed to be behind rising global temperatures that many scientists say are disrupting weather patterns.

A landmark agreement negotiated in Japan's ancient capital of Kyoto in 1997 and ratified by 140 nations requires them to take steps to reduce the emissions. The Kyoto Protocol went into force on February 16 this year.

However, the United States, the world's largest emitter of such gases, and Australia refused to ratify the agreement, saying it would harm the economy by raising energy prices, and cost five million jobs.

Their other objection is that China -- second only to the U.S. in emissions -- and India are not required to follow the Kyoto Protocol because they are considered developing economies.

Australian Environment Minister Ian Campbell said Wednesday that Canberra and Washington had negotiated the new agreement for the past 12 months among the countries accounting for 40 percent of the world's greenhouse gas emissions.

The pact was finalized during secret talks in Honolulu on June 20-21, a diplomat said, speaking on condition of anonymity.

It said the countries could collaborate on clean coal, liquefied natural gas, methane, civilian nuclear power, geothermal power, rural energy systems, solar power, wind power and bio-energy. In the long-term, they could develop hydrogen nanotechnologies, next-generation nuclear fission and fusion energy, it said.

Environmental group Friends of the Earth was skeptical about the pact because it contained no legally binding requirements to cut emissions.

"It looks suspiciously as though this will be business as usual for the United States," said the U.K.-based group's member, Catherine Pearce.

"A deal on technology, supported by voluntary measures to reduce emissions, will not address climate change. This is yet another attempt by the U.S. and Australian administrations to undermine the efforts of the 140 countries who have signed the Kyoto Protocol," she said.

The Kyoto Protocol imposes legally binding requirements on 35 industrialized states to cut emissions of greenhouse gases an

average of 5 percent below 1990 levels.

Average global temperatures rose about 1 degree Celsius in the 20th century, and scientists say that has contributed to the thawing of the permafrost, rising ocean levels and extreme weather.

Experts say further increases could seriously disrupt ecosystems, agriculture and human lifestyles.



## US unveils alternative plan to Kyoto treaty

By FT reporters

Published: July 27 2005 20:11 | Last updated: July 28 2005 07:00

(FINANCIAL TIMES, UK) The US unveiled an agreement with several Asian countries to develop technology for reducing greenhouse gas emissions but denied the plan was an attempt to sideline the United Nations-brokered Kyoto protocol.

Robert Zoellick, US deputy secretary of state, who formally announced the pact at the sidelines of the Association of South-East Asian Nations meeting in Vientiane, Laos said the agreement was not in direct competition to the Kyoto protocol.

"We are not detracting from Kyoto in any way at all. We are complementing it. Our goal is to complement other treaties with practical solutions to problems," he said.

However, the US has been seeking a way to move "beyond Kyoto" and says the pact - called the Asia Pacific Partnership on Clean Development and Climate - contrasts with "broad international commitments that lack a programme of action."

The partnership will include China, India, South Korea, Japan, Australia and the US. It will promote research and development for environmentally clean technology but does not set any new targets for greenhouse gas emissions, or involve specific commitments on the transfer of technology from the US to developing countries.

Jim Connaughton, chairman of the White House Council on Environmental Quality, said the aim was to focus on "practical efforts to create new investment opportunities and remove barriers to help each country meet nationally designed strategies and address the long term challenge of climate change".

Together the six countries generate 50 per cent of global greenhouse gas emissions. The US and Australia are the only developed countries to have rejected the Kyoto treaty, which requires developed countries to reduce greenhouse gas output by 2012.

China, India and other developing nations account for a rapidly rising share of the world's emissions of greenhouse gases such as carbon dioxide but are not required to cut them under the Kyoto treaty, which the US has branded unfair.

The deal could intensify pressure on the European Union, Canada and Japan - the strongest proponents of Kyoto to gain stronger backing among poorer nations.

Catherine Pearce, climate campaigner at Friends of the Earth, the environmental lobby group, said: "A deal on technology, supported by voluntary measures, to reduce emissions, will not address climate change. This is yet another attempt by the US and Australian administrations to undermine the efforts of the 140 countries who have signed the Kyoto protocol."

Reporting by Amy Kazmin in Vientiane, Fiona Harvey in London, Caroline Daniel in Washington and Tim Johnston in Sydney



## US in plan to bypass Kyoto protocol

Paul Brown and Jamie Wilson in Washington  
Thursday July 28, 2005  
The Guardian, UK

The United States and Australia have been working in secret for 12 months on an alternative to the Kyoto protocol and will reveal today a joint pact with China, India and South Korea to cut greenhouse gas emissions.

The deal, which will be formally announced by the US deputy secretary of state Robert Zoellick in Laos today when the five "partners" hold a press conference, comes a month after Tony Blair struggled at the G8 summit to get George Bush to commit to any action on climate change.

Details of the agreement are not yet public but it is clear it is designed to give US and Australian companies selling renewable energy and carbon dioxide-cutting technologies access to markets in Asia.

It is thought the pact does not include any targets and timetables for reducing greenhouse gas emissions, which the rest of the developed world has signed up to under Kyoto.

The US, Australia and China are big coal exporters and are anxious to develop and export clean coal technologies.

The existence of the pact appeared to come as a surprise to Downing Street yesterday.

The government eventually issued a statement through the Department for Environment welcoming the agreement but warning that it could not replace Kyoto. It also made clear that Mr Blair would continue to discuss climate change with America, China and India, as part of his G8 presidency.

Oliver Letwin, the Conservative environment spokesman, said it was "odd" that the pact had not figured in the Gleneagles discussions but added: "I hope that it means Bush at last accepts the need to move in a sensible direction."

Tony Juniper, director of Friends of the Earth, described Mr Bush's failure to disclose the deal at Gleneagles as "a poke in the eye for Tony Blair".

The existence of the pact, and the fact it was designed as an alternative to Kyoto, were disclosed by Australia's environment minister, Senator Ian Campbell.

He said: "It is quite clear that the Kyoto protocol won't get the world to where it wants to go. We have got to find something that works better. We need to develop technologies which can be developed in Australia and exported around the world - but it also shows that what we're doing now, under the Kyoto protocol, is entirely ineffective. Anyone who tells you that the Kyoto protocol, or signing the Kyoto protocol is the answer, doesn't understand the question."

Kyoto would fail because "it engages very few countries, most of the countries in it will not reach their targets, and it ignores the big looming problem - that's the rapidly developing countries".

He disclosed that the US and Australia had been working on the deal for 12 months.

The British government statement said: "We welcome any action taken by governments to reduce greenhouse gases ... The announcement from Australia and others certainly does not replace the Kyoto process.

"Kyoto represents a historic first step in world cooperation but needs to be built on post 2012 - that process continues in Montreal later this year. We made excellent progress on climate change at Gleneagles.

"The G8 leaders, including President Bush, signed up to a plan of action to reduce emissions. In addition ... China, Brazil, Mexico, South Africa and India, were brought into the debate on energy needs, development and climate change, on equal terms."

The trade agreements in the Kyoto protocol allowed developed countries, and companies in them, to export clean technologies to developing countries and make money by claiming carbon credits. These credits are the notional tonnes of carbon saved by using low-carbon technologies and renewables to generate electricity rather than dirty coal or other fossil fuel plants. These deals are not open to the US and Australia because they repudiated the treaty.

Environment groups across the world yesterday expressed doubts that the US was doing any more than safeguarding its own trade in technology.

Mr Juniper said that only a legally binding treaty which set targets and timetables to reduce greenhouse gas emissions would achieve the 60% reductions which scientists said were required to save the planet from climate change.

"I fear this is another attempt to undermine Kyoto and a message to the developing world to buy US technology and not to worry about targets and timetables."

US environmental groups agreed and pointed to an energy bill expected to move through Congress this week which includes \$8.5bn in tax incentives and billions of dollars more in loan guarantees and other subsidies for the electricity, coal, nuclear, natural gas and oil industries.

The White House said that President Bush intended to sign the bill.

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AAP NEWSFEED

July 28, 2005, Thursday 5:33 AM Eastern Time

SECTION: International News

LENGTH: 306 words

HEADLINE: **ASIA: Downer welcomes alliance to combat global warming**

BYLINE: By Rob Taylor, South East Asia Correspondent

BODY:

VIENTIANE, LAOS July 28 AAP - Foreign Minister Alexander Downer today said a new six-nation alliance to combat global warming would be a "fresh new development" for the problem of climate change.

Mr Downer formerly launched the alliance, bringing together Australia, China, India, The United States, Japan and South Korea, at a regional summit in the Laos capital, Vientiane.

He said foreign ministers, energy ministers and environment ministers from the six countries would meet in Adelaide in November for the first time to discuss sharing new technologies which would make a real impact on global warming and greenhouse gas emissions.

The alliance, dubbed the Asia-Pacific Partnership on Clean Development and Climate, would compliment rather than replace the 1999 Kyoto Protocol and would not have binding targets for greenhouse gas reductions, Mr Downer said.

"It is very important to understand that we are not trying to detract from Kyoto," he said.

"Climate change is a serious problem and it needs serious solutions.

"The serious solution first of all involves all countries, not just some countries, and we must ensure that developing and developed countries are all involved addressing these issues.

"In the end, the key to solving these problems is going to be in technology, adopting new technology, cleaner technologies, making those technologies work better."

Australia and the US are the only developed nations outside Kyoto, which both have criticised because it does not include developing nations.

The Kyoto Protocol calls on countries to cut greenhouse gas emissions by 5.2 per cent below 1990 levels between 2008 and 2012.

Mr Downer said he had discussed the new alliance with South East Asian nations as the ASEAN Summit in Laos and expected several would join the new group in the future.

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AAP NEWSFEED

July 28, 2005, Thursday 5:33 AM Eastern Time

SECTION: Domestic News

LENGTH: 219 words

HEADLINE: **FED: Climate pact fair, effective: Howard**

DATELINE: SYDNEY, July 28

BODY:

A newly-signed pact to combat global warming is more fair and effective than the Kyoto Protocol, Prime Minister John Howard says.

Australia has joined the United States, Japan, China, India and South Korea in signing the Asia Pacific Partnership on Clean Development and Climate.

The agreement is expected to be introduced at the Association of South East Asian Nations (ASEAN) regional forum in Laos later today.

Mr Howard today welcomed the historic agreement.

"This is an historic agreement for the cause of reducing greenhouse gas emissions," he told reporters.

"The vision statement that's been released in Vientiane tackles head-on the need for greater emphasis on new and more effective technologies to reduce the greenhouse emissions from the use of fossil fuels."

The PM rejected suggestions the pact was largely symbolic.

He said it was superior to the Kyoto Protocol which both Australia and the United States has refused to sign.

"The fairness and effectiveness of this proposal will be superior to the Kyoto Protocol," Mr Howard said.

"It demonstrates the very strong commitment of Australia to reducing greenhouse gas emissions according to an understanding that it's fair in Australia and not something that will destroy Australian jobs and unfairly penalise Australian industries."

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AAP NEWSFEED

July 28, 2005, Thursday 4:24 AM Eastern Time

SECTION: Domestic News

LENGTH: 398 words

HEADLINE: **Fed: Australia expects others to join greenhouse pact**

DATELINE: CANBERRA, July 28

BODY:

Australia expects other countries to join the greenhouse emissions pact it has signed with the United States, Japan, China, India and South Korea.

The pact, which has been developed in secret over several months, was unveiled at simultaneous media conferences in Australia and Laos today.

The nations have agreed to combat global warming by developing technology to cut greenhouse gas emissions.

Federal Environment Minister Ian Campbell said the Asia Pacific Partnership on Clean Development and Climate showed optimism about the future in addressing climate change.

"We believe as a government that we can address climate change if we work in practical partnerships," Senator Campbell told reporters.

"The countries we have represented here today that have worked for so long to build this new partnership and will begin work today on the practical implementation of it can together make the difference the world needs on climate change.

"We will welcome in the future new partners to this partnership."

Resources Minister Ian Macfarlane said the partnership had been formed against the stark reality that Kyoto would not deliver the greenhouse gas reductions it set out to.

He said the key to reducing greenhouse gas emissions was in developing new technologies.

"If we look at the countries that ... represent not only half the population and economy, but also represent half of the energy consumption in the world, you've seen technologies adopted in those countries, particularly in the area of energy production and steel production, that will exceed the Kyoto reductions by 50 per cent and that is the reality of where we are now," Mr Macfarlane said.

"The future of greenhouse gas reduction lies in the introduction of new technologies."

He said those technologies were particularly in the area of clean coal.

"So we are going to see an economic development process running hand in hand with an energy security and environmental responsibility policy through this partnership," Mr Macfarlane said.

"We're going to see policy integration, cooperation and collaboration and we're going to see the new technologies that we know are already being developed, make the real impact on greenhouse gas emissions that we need.

"We will see affordable, reliable and cleaner energy become part of the modern world and that is an important part of this partnership."

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Xinhua General News Service

July 28, 2005 Thursday 3:00 AM EST

SECTION: WORLD NEWS; Political

LENGTH: 144 words

HEADLINE: **Singapore welcomes Asia-Pacific Partnership**

BODY:

VIENTIANE, Laos, July 28 (Xinhua) Singapore welcomes the newly-formed six-nation Asia-Pacific Partnership on Clean Development and Climate, Singapore Foreign Minister George Yeo said here Thursday.

"Any effective effort to ameliorate the problem of global climate change must involve the United States.

We see US leadership in this initiative as a positive development," Yeo said.

The Asia-Pacific Partnership on Clean Development and Climate was jointly announced here Thursday by representatives from the Governments of China, the United States, India, Australia, the Republic of Korea and Japan.

The partnership brings together key developing and developed countries in the region to address the challenges of climate change, energy security and air pollution, in a way that strives to encourage economic development and reduce poverty.

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July 28, 2005, Thursday  
06:15:30 Central European Time

SECTION: Politics

LENGTH: 499 words

HEADLINE: **1ST LEAD: U.S., five other countries announce energy/climate accord**

DATELINE: Vientiane

BODY:

The United States, Australia, India, China, Japan, South Korea announced on Thursday a new environment and energy partnership at an annual Southeast Asian foreign ministers gathering in Vientiane.

The partnership between the six countries aims to develop and increase the transfer of technology between the members, in an effort to tackle global warming and ensure sustainable energy security.

"This is a very important initiative and it reflects the depth of feeling we all have," said Alexander Downer, Australia's foreign minister.

"(It is) not only about access to energy, access to energy supplies that are secure and competitively priced so that economic development continue to progress, but also about making sure in addressing those issues we are also tackling questions like climate change and pollution," the Australian foreign minister said at the launch of the partnership.

The agreement between the six countries, which make up over half the world's population and economy, is not meant to replace the Kyoto protocol agreement on climate change signed by 140 countries in 1997, representatives said.

"We view this as a complement, not an alternative to the U.N. framework convention on climate change and the Kyoto treaty," said Robert Zoellick, deputy secretary of State.

"We will work together, in accordance with our respective national circumstances, to create a new partnership to develop, deploy and transfer cleaner, more efficient technologies and to meet national pollution reduction, energy security and climate change concerns," the six countries said in a collective statement issued on the sidelines of the Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF).

The developed countries in the grouping will have to pay close attention to the developing states, according to Zoellick, the U.S. deputy secretary of state.

"One has to be careful to listen to ones developing country counterparts to have a sense of how one can develop mutual interests if one is going to be able to solve a problem," Zoellick said.

The U.S. and Australia are not signatories to the Kyoto protocol agreement, and the Australian foreign minister stressed that the intention of the agreement was not to detract from the Kyoto accord.

China and India, as developing countries, were not included in the 1997 Kyoto Protocol. South Korea and Japan, defined as a rich countries, were among the 140 signatories to the pact.

Singapore welcomed the announcement made in Vientiane on Thursday.

"Any effective effort to ameliorate the problem of global climate change must involve the U.S. We see U.S. leadership in this initiative as a positive development," the Singapore delegation to the ASEAN Regional Forum said in a statement.

Australia will host the inaugural ministerial meeting of the six-nation grouping, due to be held in Adelaide. Environment and energy ministers from the six countries will attend, said Downer.

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July 28, 2005, Thursday  
08:41:29 Central European Time

SECTION: Politics

LENGTH: 919 words

HEADLINE: **ANALYSIS: World's top coal miners serve up Kyoto-lite**

DATELINE: Sydney

BODY:

Australia expects other countries to join a six-nation Asia-Pacific regional initiative announced in Laos this week to cut the greenhouse gas emissions from factories, homes and cars that are changing our climate.

And why not? Signatories hold out the promise that the pact has no economic downside and that a fresh reliance on the alchemy of modern technology will deliver more power while reducing carbon monoxide and other damaging emissions.

Too good to be true? Australian Conservation Council executive director Don Henry thinks so. Technology transfers are useful, he says, but voluntary programmes like the one just agreed by Australia, the United States, India, China, Japan and South Korea are not

going to cut greenhouse pollution by the required 60 per cent by 2050.

"The new pact risks being a lot of hot air," Henry said of the grandly titled Asia-Pacific Partnership on Clean Development and Climate unveiled in Vientiane Thursday. "It needs to be complemented by strong international targets that require greenhouse pollution to be cut - like the Kyoto Protocol."

The Kyoto Protocol, negotiated among 140 countries in 1997 and which took effect in February, promises gain from pain: legally binding requirements on 35 rich countries to cut greenhouse gas emissions an average of 5.2 per cent below 1990 levels by 2012. Developing countries would join the tough-love rubric thereafter.

Australia and the U.S. are the only two rich countries holding out against accepting Kyoto targets. They argue the pact is unfair because energy-gobbling developing countries like China, India and Brazil aren't sharing the pain. They also argue that their economies would be pummelled by the higher energy prices that dipping under the Kyoto targets would entail.

Prime Minister John Howard is upbeat about what he tellingly calls a "vision statement" that carries with it no targets, cash demands or penalties for non-compliance.

"The vision statement that's been released in Vientiane tackles head on the need for greater emphasis on new and more effective technologies to reduce the greenhouse emissions from the use of fossil fuels," Howard said in Canberra. "The fairness and effectiveness of this proposal will be superior to the Kyoto Protocol."

The world will have to wait until the six partners get together in Adelaide in November to flesh out their "fresh new development" for curbing climate change.

Howard said the focus of the meeting in the South Australian state capital would be on finding ways to cut the environmental cost of relying on coal for power generation rather than exploiting solar power and other whiz-bang alternatives to fossil fuels.

"The greater emphasis is on finding ways of reducing the greenhouse gas emissions flowing from the exploitation of traditional energy sources," the prime minister said.

This is in keeping with Howard's statement two years ago that coal would be the staple of power generation in Australia for as long as pits were workable. The coal industry employs 120,000 Australians, backs the generation of 80 per cent of the country's electricity, and its exports bring in 24 billion Australian dollars (16 billion U.S. dollars) a year.

"The reality is that the older fuels, of which we have large supplies, are going to contribute the bulk of our energy needs," Howard declared in 2004. "The energy advantage provided by our resources is something that Australia must not throw away."

The six partners in what some have called the "post-Kyoto" initiative include four of the world's biggest coal miners - Australia, China, the U.S. and India - and the ambition of the new grouping is to install technologies round the region that will reduce the polluting power of coal.

It's this that has led some to scoff at what was proposed in Vientiane.

Said Bob Brown, the leader of the Greens in Australia's parliament: "This is all about taxpayers' money being diverted from developing clean renewable technologies to try to make burning coal less dirty".

Howard and his ministers take another tack. They argue that they have done the world a huge service by engaging China and India in efforts to stem climate change. Kyoto, they say, failed in that it didn't demand effort from rich and poor alike.

"The real answer to global emission reduction is engaging China and India and the big emitters that don't have big commitments under Kyoto," Environment Minister Ian Campbell said. He trumpeted the new initiative, which has managed to rope in the two biggest developing country emitters, as a triumph in a global effort at "finding ways to produce that the technology that can see energy use go up but emissions go down".

Howard has been careful not to traduce the 140 countries, including India, China, Japan and South Korea, that embraced the Kyoto process.

Kyoto stop-outs Australia and the U.S. have been labelled global vandals for not picking up their share of the burden in cutting emissions. Canberra will be hoping that through the new initiative it will be seen as doing something positive to tackle the issue of climate change.

The meeting in Adelaide later this year will be crucial in testing the commitment of the new partners. What analysts will be looking for is a raft of cash commitments to develop technologies for filtering emissions and burying the carbon dioxide produced by coal-fired power stations. These technologies are so far no more than experimental.



Data in Image

Agence France Presse -- English

July 28, 2005 Thursday 11:10 AM GMT

LENGTH: 289 words

HEADLINE: EU sceptical about new climate pact

DATELINE: BRUSSELS July 28

BODY:

The European Union expressed scepticism on Thursday about a new pact between the United States and five Asia-Pacific nations aimed at cutting greenhouse gases in the future.

A spokeswoman for environment commissioner Stavros Dimas said the EU had not been in direct contact with the parties over the accord, but that she believed it did not set mandatory targets to reduce the gases that cause global warming.

"We are not very convinced that a voluntary agreement of this sort will have the significant impact, which we need to combat climate change," said the spokeswoman, Barbara Hellferich.

She also said she believed the agreement, announced in Laos earlier on Thursday, focused on using clean technologies rather than coal, and could in now be seen as a substitute for the Kyoto climate change treaty.

"We believe, if that is the case, we have always supported clean technologies, but it can certainly not substitute any commitment in terms of a Kyoto-like agreement," she said.

"The proof is in the pudding, what we need is to combat climate change."

In a "vision statement" issued on the sidelines of a regional forum in the Laos, the United States, Australia, India, China, South Korea and Japan announced their initiative on a non-binding compact to reduce emissions.

The new initiative does not have enforcement standards or a specific time-frame for signatories to cut emissions, unlike the 1997 Kyoto Protocol which the United States and Australia have refused to ratify.

Areas of cooperation envisaged range from the use of clean coal and nuclear power to that of wind and solar energy.

The six will also jointly develop technologies that "promote economic growth while enabling significant reductions in greenhouse gas intensities."

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Data in Image

Agence France Presse -- English

July 28, 2005 Thursday 7:28 AM GMT

LENGTH: 579 words

HEADLINE: **Environmentalists condemn new global warming pact**

DATELINE: SYDNEY July 28

BODY:

Environmentalists Thursday condemned a new pact against global warming agreed by the United States and five Asia-Pacific countries, saying it was self-serving and would not work.

The agreement by the US, Australia, India, China, South Korea and Japan calls for a non-binding compact to reduce greenhouse gas emissions which are blamed for climate change.

"Skulking around making secretive, selective deals will not accomplish" a reduction in emissions as called for in the 1997 Kyoto Protocol, which the US and Australia have declined to ratify, said Greenpeace Australia.

"No doubt the (Australian) government has been cooking this scheme up for a while to cover up for their failure to ratify Kyoto, and to

try to prove that developing countries are abandoning Kyoto," said spokeswoman Catherine Fitzpatrick.

"This is not the case. Unlike Australia, China, India and South Korea have all ratified Kyoto and are moving forward to implement their commitments," she said.

"The suggested scheme is, unlike Kyoto, a voluntary scheme and all evidence shows that voluntary schemes do not work."

The Kyoto accord legally commits 39 industrial nations and territories to trim their output of six greenhouse gases -- especially carbon dioxide, the by-product of burning fossil fuels such as coal and oil.

The gases trap heat in the atmosphere and are blamed for global warming.

Friends of the Earth Australia said the proposed alliance "does not address the immediate need to cut greenhouse pollution by at least 60 per cent by 2050.

"Although detail on the 'secret plan' is difficult to access, it appears to contain no binding commitments," spokesman Cam Walker told AFP.

"By staying out of the 'main game', the Kyoto Protocol on greenhouse gases, the US and Australia continue to be open to criticism that they are only looking after their narrowly defined interests at the expense of the rest of the world," he said.

The leader of the opposition Australian Greens party, Bob Brown, dismissed the new agreement as "a coal pact" involving four of the world's biggest coal producers -- China, the US, India and Australia.

It was designed to "defend the coal industry in an age where it's the biggest industry contributing deliberately to the global warming threat to Australia and the planet," he said.

In Geneva, the environmental group WWF said: "A deal on climate change that doesn't limit pollution is the same as a peace plan that allows guns to be fired."

WWF said in a statement that any agreement to develop environmentally friendly technology for energy use was no alternative for the Kyoto Protocol.

"This seems to be another attempt by the (US President George W.) Bush and (Australian Prime Minister John) Howard administrations to draw attention away from the fact that their countries' emissions continue to rise," said Jennifer Morgan, head of the WWF's climate change programme.

The Australia Institute, an environmental think-tank, described the new accord as "nothing more than a device to cover up (the government's) refusal to reduce Australia's burgeoning greenhouse gas emissions and the abject failure of its policies."

Calling it a "Machiavellian pact", executive director Clive Hamilton said "the main beneficiaries will be Australian coal companies, some of the world's biggest greenhouse polluters.

"Study after study has shown that voluntary agreements such as those foreshadowed in this treaty do not work."

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Data in Image

Agence France Presse -- English

July 28, 2005 Thursday 5:57 AM GMT

**LENGTH:** 299 words

**HEADLINE:** Japan says US climate proposal complements Kyoto Protocol

**DATELINE:** TOKYO July 28

**BODY:**

Japan said Thursday that a US-backed pact to reduce global warming would not undercut the Kyoto Protocol, the landmark treaty championed by Tokyo that sets requirements to reduce greenhouse emissions.

The initiative unveiled in Laos, which Japan has joined along with Australia, India, China and South Korea, does not set enforcement standards or a specific time-frame to cut emissions.

"This will complement the Kyoto Protocol as it is also aimed at reducing greenhouse gas emissions," said Akio Takemoto, deputy

director for climate policy at Japan's environment ministry.

"Kyoto remains in place, and the new initiative focuses on transferring technology to developing countries to eliminate the emissions of carbon dioxide gas," Takemoto told AFP.

Japan has previously said it would try to persuade the United States, its close ally, to join the Kyoto Protocol, which was reached in 1999 in Japan's ancient capital and came into force in February this year.

The United States and Australia are the sole major industrialized nations that have refused to join Kyoto, arguing that it is unfair as it does not require emission cuts from growing developing nations such as China and India.

But developing countries say the historical responsibility for global warming lies with nations that industrialized first and primarily with the United States, which alone accounts for a quarter of the world's greenhouse gas pollution.

The Kyoto Protocol requires Japan to cut greenhouse gas emissions six percent by 2012 from the 1990 level.

Japan has showcased its eco-friendly technology, which is the theme of the ongoing World Exposition in central Aichi province. But the trade ministry has said that many Japanese industry sectors including steel risk failing to meet their self-imposed targets to meet Kyoto.

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The Evening Standard (London)

July 28, 2005

LENGTH: 157 words

HEADLINE: **US UNVEILS SECRET PLAN TO RIVAL THE KYOTO TREATY**

BYLINE: PAUL WAUGH DEPUTY POLITICAL EDITOR

BODY:

THE United States today joined China and India to unveil an alternative plan to the Kyoto treaty on climate change.

The deal, which has been hatched in secret over the past year, also includes Australia and South Korea in a plan to cut greenhouse gas emissions without harming their economies.

The scheme was announced in Laos today and received a cautious welcome from Britain, although Environment Minister Elliot Morley said that he 'did not see it as an alternative to Kyoto'.

While 140 countries ratified the 1997 Kyoto agreement to reduce greenhouse gas emissions, Australia and the US refused because developing countries weren't required to adopt emission targets. Under the new deal, American and Australian companies will be allowed to sell renewable energy technologies to Asia.

The move comes after Tony Blair struggled at the G8 summit to get President George Bush to commit to action on climate change.

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Financial Times (London, England)

July 28, 2005 Thursday  
London Edition 1

SECTION: INTERNATIONAL ECONOMY; Pg. 12

LENGTH: 507 words

HEADLINE: **Emerging economies seen as key to Kyoto treaty**

BYLINE: By FIONA HARVEY

BODY:

The likely agreement between the US and several Asian countries on climate change highlights the importance of China and India in negotiations on greenhouse gas emissions.

Both countries are showing rapidly rising emissions thanks to their booming economic growth and dependence on coal and oil - "dirty" fossil fuels that cause more emissions than gas.

According to research from the Pew Centre on Global Climate Change, China is the world's second biggest emitter of greenhouse gases after the US, responsible for 15 per cent of the world's emissions. India accounted for 5.5 per cent of global emissions in 2000, making it the world's fifth biggest if the European Union is counted as a single block.

The two nations are signatories to the UN-brokered Kyoto protocol on climate change, which came into force in February, but under that treaty are not bound by any requirement to reduce their emissions of carbon dioxide and other greenhouse gases. The US has rejected the Kyoto treaty, under which it would have to cut its emissions, on the grounds that it unfairly favours developing countries. Australia is the only other developed nation to have rejected the treaty.

For these reasons, China and India, along with a handful of other emerging economies such as Brazil, Mexico and South Africa, are considered the main battleground for climate change. If these countries were to line up behind the Kyoto protocol, they would effectively isolate the US internationally and increase pressure on President George W. Bush, who is already facing stronger calls from within the US to do more to tackle climate change.

However, the US has been wooing developing nations with promises of technology transfer arrangements to take its line, which avoids "putting the world on an energy diet" to lower carbon emissions, and instead emphasises the role of future technologies that would cut emissions. These include hydrogen as an energy source and methods of capturing and storing carbon as it is emitted.

The US has repeatedly emphasised its broad range of agreements with numerous countries, including Australia, China, India and Korea, as an alternative to the Kyoto treaty. Paula Dobriansky, US under secretary of state for global affairs, recently told the FT: "We are assisting developing countries like China and India in having access to the development of clean energy technologies . . . we see that as very important."

Environmentalists said yesterday that an agreement between Asian countries and the US that did not contain targets for cutting carbon emissions would be inadequate given the scale of the problem of greenhouse gas emissions, which have driven the level of carbon dioxide in the atmosphere to its highest for 400,000 years.

Carbon dioxide and other greenhouse gases trap infra-red heat on earth that would otherwise dissipate into space, causing climate change. Jennifer Morgan of environmental pressure group WWF said: "A deal on climate change that doesn't limit pollution is the same as a peace plan that allows guns to be fired."

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National Post's Financial Post & FP Investing (Canada)

July 28, 2005 Thursday  
National Edition

SECTION: FINANCIAL POST; Pg. FP5

LENGTH: 466 words

HEADLINE: **U.S.-Asia emission cuts pact would impact Canada: To involve developing nations: Agreement likely to focus on alternative energy sources**

BYLINE: Fiona Harvey and Caroline Daniel, Financial Times

BODY:

The United States appeared poised yesterday to forge an agreement on climate change with several Asian nations and strengthen its attempts to sideline the United Nations-brokered Kyoto protocol.

Ian Campbell, Australian environment minister, confirmed Canberra was working on a regional proposal to combat climate change but refused to divulge on details. Australia and the United States are the only countries to reject the Kyoto treaty, which requires developed countries to reduce output of greenhouse gases by 2012. "We've been working on bilateral and multilateral arrangements on 'beyond Kyoto' for the past 12 months. We will be announcing any future proposals in the very near future," he said.

He hinted developing countries would be a key part of the initiative. "The main aim of effective action to reduce greenhouse gases is to involve developing countries, who have legitimate needs to increase their energy use, but also we need to find the answer to the global imperative of reducing emissions," he said.

China, India and other developing nations account for a rapidly rising share of greenhouse gases such as carbon dioxide but are not required to reduce their emissions under the Kyoto treaty, something the United States has branded unfair.

A deal between the United States and Australia, China and India would intensify pressure on the European Union, Canada and Japan -- the strongest proponents of the Kyoto protocol -- to gain stronger backing among poorer nations. Robert Zoellick, U.S. deputy secretary of state, is expected to discuss the climate change agreement at the meeting in Laos today of the Association of South-East Asian Nations.

The next stage of talks on the protocol are in Montreal in November. Much of the discussion is likely to focus on the role of developing countries and the future of the treaty after 2012, when its provisions expire.

In contrast to the Kyoto protocol's requirement to cut emissions, the U.S.-Asian agreement is likely to focus on technological remedies for climate change, such as alternative fuel sources and ways of preventing carbon dioxide from reaching the atmosphere, where it causes climate change.

The United States is already involved in bilateral and multilateral partnerships on climate change with Australia, China, India and Korea. For instance, it is involved in a project with Australia to test technology for storing carbon dioxide underground.

However, environmental groups and scientists have warned that relying on future technological fixes could be dangerous, as emissions released now will affect the climate for a century.

Last week, the United States offered civil nuclear co-operation with India, which would -- if Congress agrees to lift the current sanctions -- enable the United States to share nuclear technology.

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The New Zealand Herald

July 28, 2005 Thursday

SECTION: BUSINESS; General

LENGTH: 975 words

HEADLINE: **Brian Fallow: Rationing not the American way**

BODY:

It is ironic, in a way, that George W. Bush owns a ranch in Texas.

Go back far enough and that land would have been no one's property, part of the apparently boundless rangeland of the American west. An ocean of grass. Cattle heaven.

But we have long ago learned that to avoid what economists call the tragedy of the commons - such as the overgrazing of common land which lays waste the resource and leaves everyone impoverished - there comes a point where some form of rationing becomes necessary: boundaries, fences, registries, property rights and a market.

What divides the United States and its loyal sidekick, Australia, from the rest of the developed world is whether that time of rationing and regulation has come for the atmosphere.

Can we continue to burn fossil fuels untrammelled and heedless of the impact on the global climate? Or do we need a system akin to land ownership or fishing quotas that limits those rights and a market to ensure they flow to whoever values them most? The Kyoto Protocol is, of course, an attempt to set up such a system.

But the largest emitter of greenhouse gases will have none of it. And that is not about to change, the chief US climate negotiator, Harlan Watson, made clear on a visit to Wellington late last week.

At the Gleneagles summit this month, the leaders of the eight largest industrial power, plus China, India, Brazil, Mexico and South Africa, agreed on a "plan of action". It is a package of worthy but modest measures to foster the development and uptake of clean technologies.

Ongoing dialogue is scheduled among the G8 plus five group, which includes the leading representatives of devolving countries which collectively will soon exceed the developed countries in greenhouse gas emissions.

But we should not see that as a path forward to some sort of multilateral agreement on a regime to succeed Kyoto after 2012 (the end of the treaty's first commitment period).

The gaps are still too wide.

"Our European colleagues are still very much looking at a targets and timetable approach. We are looking more at a technology-based approach and the 'plus five' are certainly not ready to adopt a targets and timetables approach," Watson said. China, for instance had made it clear in a number of forums that economic development was its priority.

"So we think it is going to be an interesting forum to carry on discussions but it is too early to speculate on what will evolve."

But, even viewed from this distance, it is clear that the US is neither monolithic nor immobile on the issue of global warming.

It is not just that hybrid cars are chic in Hollywood. Various climate-friendly initiatives are occurring at state and city level, notably California's bid to regulate greenhouse emissions from car exhausts.

Meanwhile, last month, senators John McCain and Joe Lieberman garnered 38 votes (out of 100) for a Kyoto-style cap-and-trade regime within the US. The targets are less ambitious than those the US agreed to at Kyoto but later walked away from. It suggests the Senate has moved some distance from 1997 when it voted 95-0 against any international agreement that would harm the US economy and which did not impose commitments on developing country emitters.

But it is five fewer votes than McCain-Lieberman got two years ago. "We don't really think the cap and trade approach has gained much more momentum in the Senate and the House [of Representatives] would block it in any event," Watson said.

"And, for an international treaty to be ratified, it requires a two-thirds majority in the Senate, no matter who is president."

One of the ironies in all this is that what is arguably Kyoto's greatest strength - its preference for market mechanisms rather than regulatory fiat to achieve emission reductions - reflects US advocacy, but it is the Europeans who are trying to make it work. The US had used the cap and trade system successfully to tackle emissions of sulphur dioxide, the cause of acid rain.

The problem it has with Kyoto is that too much of the world's emissions would fall outside the cap, even if the US was in.

"You certainly want emission reductions to be done in the most efficient, cost-effective manner. But the size of the pie and how you divide up the pie is where you get into difficulty. The developed world is soon going to be outpaced by developing country emissions."

The US Government prefers to put money - serious money, it has to be said - into research and development in areas with promise for emissions reductions in the future, such as "clean coal" technology, fuel cells and carbon capture and storage.

It is easy to dismiss this as corporate welfare and picking winners, but such technologies do need to be developed.

But Kyoto's defenders would say that if the successor technologies are to be commercialised, they have to make sense to final consumers of energy.

That is the case for having a price for carbon emissions built into energy prices and climbing inexorably over time so that cleaner technology is commercially viable.

"But we are seeing plenty of price signals now with US\$60 oil and it is not clear to us, I guess, what additional price signals the market needs," Watson said.

"You would have to raise taxes or do it through the back door via a cap and trade system which has the same effect. We haven't figured out a way yet where you tax the economy and maintain appropriate economic growth. Not too many economies have figured out how to do that."

That, it seems, is the bottom line.

While that view prevails in Washington, the geopolitics of climate change are going to stay intractably difficult.

Climate debate

Europe wants a targets and timetable approach.

The US wants a technology-based approach.

Developing countries think economic development is the priority.