



for a living planet[®]

Global Cooperation Toward A Clean Energy Future

The climate crisis is a global problem and requires global emissions reductions

- We won't address increased wildfires in California or hurricanes on the Gulf Coast by simply reducing emissions in the United States; we need a plan to reduce emissions globally.
- Without global reductions, we face grave impacts to ecosystems and species, as well as threats to global food security, freshwater availability and political security throughout the world.

Developing country emissions must be addressed, but how?

- Strong incentives are needed to accelerate the modernization of entire economic sectors in key developing countries. A project-by-project approach isn't enough.
- Low carbon action plans can establish a framework for success at a low cost.
- Incremental public investments can leverage larger private sector capital to catalyze new clean energy markets.
- Smart, modest investments now will keep developed countries from getting "locked in" to dirty development pathways and so will lower global emissions.

Help for the world's energy poor

- Although emissions are greatly increasing in the developing world, its people remain energy poor – 1.6 billion of whom do not have access to electricity.
- Modest public investments in clean energy access will help to eradicate extreme poverty without triggering catastrophic climate change.

These investments won't harm the U.S. economy

- U.S. clean energy industries will thrive under climate legislation; investments in international clean technology will open up new markets for these US companies.
- This is not a zero sum game. Increasing the demand for clean energy products will spur innovation and lower costs for everyone.
- By helping to modernize sectors in key emerging economies, we can level the global playing field for U.S. companies.

5% of allowance value should be dedicated to this clean energy cooperation through 3 approaches:

I. For All developing Countries: Low Carbon Plans and Joint Research

To promote emissions reductions in the developing world, all countries should create low carbon action plans that include an overall national, regional, or local strategy for clean technology deployment.

To promote effective and coordinated research and development, the United States should engage in joint R&D efforts with key developing countries in cooperation with private sector leaders.

II. For Key Emerging Economies: Transforming Emission-Intensive Sectors

The following three-step process offers a practical, cost-effective approach to transforming high emitting sectors in key emerging economies. Learning from the mistakes of the clean development mechanism (CDM), this avoids a project-by-project approach in favor of long-lasting, sector-level transformation through a public-private partnership. Public funds help with planning and market readiness, as well as targeted investments to help clean energy choices compete during the key transition period. Private sector capital provides the heavy lifting, as new clean energy markets become available for US companies and other international investors.

1. **Establishing a clear road map:** As part of their low carbon action plans, key emerging economies would develop comprehensive sector transformation plans that detail the stages, technology requirements, policy reforms, financing partners and monitoring mechanisms. Following international approval of sector reform plans, US companies and other investors can identify opportunities in sectors corresponding to their competitive advantage. (Financing: 100% public)
2. **Reaching market readiness:** An initial testing and demonstration period follows to begin implementing sector reform plans. Relying principally on private finance and loans from multilateral development agencies, domestic and international companies can test modern technologies in new environments and move near-commercially-viable technologies to market. (Approximate Financing Mix: ~25% public, 75% private)
3. **Implementing full sector reforms:** When technologies reach market readiness and sectoral programs are tested and internationally approved, host governments and corresponding domestic companies can enter into the full range of commercial engagements. A mixture of financing from public and private sources, carbon markets, multi-lateral development banks, among others, will drive full sector reforms during subsequent years. (Approximate Financing Mix: ~15% public, 85% private)

This approach incentivizes progress and rewards results. Using international standards, countries graduate from one step to the next. Relying heavily on private sector investments, the program demands real-world results, while reducing global emissions and creating clean energy markets.

III. For the World's Poorest People: Clean Energy Access

Over 80% of the people in the world without electricity live in rural areas within developing countries. With modest public investments we can help bring clean energy to those currently without access. This would help to reduce one of the key drivers of deforestation, while promoting sustainable development in the poorest countries of the world. This is a global opportunity to prevent emissions which – sooner rather than later – will need to be mitigated.

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