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**Remarks at the
China Council for International Cooperation on Environment and Development (CCICED)**

“A New Economic Model: Low Carbon Prosperity”

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It is a great privilege for the Rockefeller Brothers Fund to be working with CCICED on environment and development issues. I am honored by your invitation to offer some remarks at today's roundtable meeting.

I first came to China in July of 1979—just six months after the normalization of relations between the People's Republic and the United States. I was fortunate to be among the first American tourists to visit this fascinating country.

Ten years later, I returned to China as Minister of Economic Development for the State of Connecticut. I came with a delegation of business leaders who were eager to develop economic ties here. All of us were deeply impressed with the openness and entrepreneurial energy we found as we met with Chinese officials and enterprise managers.

Last December marked the 30th anniversary of Deng Xiaoping's policy of “reform and opening” that opened the door for my first visit to China. Over these three decades, China has moved rapidly down the path of progress. Imagine my shock when I returned to Guangzhou after a decade of economic reforms. I literally could not recognize the first Chinese city I visited in 1979.

But we know there have been significant costs of China's progress. They are visible in the quality of the air and measurable in the pollution of water. The question we must now answer is: how can China continue on the path of progress in a way that is truly sustainable?

A Low Carbon Prosperity Development Model

In my brief remarks today, I would like to introduce a vision for China's continued development during these turbulent times. I am reminded of something the management expert Peter Drucker once wrote: "The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday's logic." I think he's right.

In development terms, yesterday's logic was a global development model based on largely unrestrained exploitation of natural resources – especially fossil fuels. Today, we need a 21st century development model – one that continues to produce improved living standards while also reducing consumption of fossil fuels and the emission of climate threatening gases.

I believe that China can pioneer an innovative new development model that I call "low-carbon prosperity" – prosperity that generates economic and employment growth, and the sustainable development of communities and businesses. Prosperity that values innovation and efficiency, along with conservation in the use of precious natural resources.

Many economists and scientists agree that low carbon development is the only way to increase incomes and productivity while also preventing catastrophic climate disruptions that will reduce the amount of arable land, produce acute shortages of water, increase the spread of disease, and force hundreds of millions of people to flee their homes as sea levels rise. All of these pose enormous risks to China.

Why China?

I am convinced that China now has the opportunity to demonstrate the kind of bold leadership in developing low carbon prosperity as it has during the last 30 years of extraordinary economic growth, rising living standards, and poverty reduction. China's intellectual resources in science, engineering, and technology are powerful competitive advantages in creating this new economic model. China's workforce can produce high technology products at competitive prices. And the Chinese government has shown the ability to mobilize the instruments of policy and society to accomplish ambitious goals.



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With this unique combination of assets, China has demonstrated the capacity to pioneer low carbon prosperity. And if it can happen here, China will become the global leader in showing how large, complex, developing countries can steadily improve living standards in a way that preserves our planetary environment for future generations.

Last November, the international members of the CCICED were privileged to meet in Zhongnanhai with Premier Wen Jiabao. During our discussion, the Premier told us forcefully that “economic growth should not come at the expense of the environment.” And he said the global economic crisis must be seen as an opportunity to transform China’s development model.

China has already taken steps on the path toward low carbon prosperity. China is now the world’s leading producer of energy from renewable resources and may soon surpass developed countries in creating clean technologies. And now China has adopted a plan to become one of the leading producers of hybrid and all-electric vehicles in just three years.

The Financial Crisis as an Opportunity

Since our CCICED meeting last year, the global economic crisis has continued to worsen. It is a profoundly difficult time for China and the rest of the world. Yet as we struggle with this challenge, we cannot let it undermine our attention to climate change. In fact, these two global crises—economy and climate—must be addressed concurrently, with measures that take into account their interconnectedness. Premier Wen affirmed this when he told the CCICED delegation that the global community must not let the financial crisis distract us from the Millennium Development Goals and the problem of climate change, because these are the keys to people’s future prosperity.

The United Nations Framework Convention on Climate Change (UNFCCC) describes the “common, but differentiated, responsibility” of states to tackle the global challenge of climate change. UNFCCC and the Kyoto Protocol identify the shared obligation of countries to reduce their emissions, while recognizing that not all contribute to environmental degradation at the same rate and not all have reached the same level of development. While we all share a duty to reduce the amount of carbon in the atmosphere, there are substantive inequalities among us.



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But the United States and China share a special responsibility to work together to develop low carbon prosperity. After all, we are the world's leading emitters of greenhouse gasses. We are facing this crisis together and we must surmount it together. Neither China nor the US can succeed without the other. Moreover, the world cannot *not* succeed without our collaborative leadership.

Great Potential for Success

Leaders from both countries have recognized the need for bold policies at home and closer cooperation at the global level. Like Premier Wen Jiabao, President Obama understands that we must re-evaluate our economic strategies and make the creation of a green economy central to US national goals. After the G-20 meeting in London, the White House issued a statement noting that President Obama and President Hu Jintao had pledged to “intensify policy dialogue and practical cooperation in energy, the environment, and climate change.”

In his recent visit to Washington, NDRC Vice Chairman Xie Zhenhua explored a number of avenues for US-China cooperation, including partnerships between U.S. states and Chinese provinces. This is very welcome – as I believe collaboration on the provincial and state levels can produce concrete results while also promoting even closer cooperation between our two central governments.

Over the last eight years, U.S. states have made significant progress in developing and implementing comprehensive energy efficiency and greenhouse gas reduction plans despite the Bush administration's failure to act at the national level.

California got an early start and since the mid-1970's it has reduced per capita energy use by 50% and saved \$65 billion. Arizona—the fastest growing state in the union—has adopted a plan that promises to cut emissions in half by 2020, save \$5.5 billion, and create 250,000 new jobs. Today, some 30 US states have comprehensive climate plans in place or underway.

The Rockefeller Brothers Fund has supported many of these state-level initiatives. And through our Southern China program, we are supporting a number of NGOs that are helping create market and community-based models for solving development and environmental problems in China. These initiatives are showing the way toward low carbon prosperity.

One of our Chinese partners, the Global Environmental Institute (GEI), recently completed an energy consumption analysis of key industrial sectors in Guangdong province. In the next phase of this project, GEI plans to work with enterprises to implement energy efficiency measures.

Last Saturday, I visited Doumen Township in Zhuhai where another RBF partner, the Institute for Sustainable Communities, is helping local leaders create their own plans for sustainable development. It was inspiring to see citizens, government officials, grass roots NGOs, and enterprise managers working closely together. They are educating school children and citizens about the need for energy conservation. They are improving energy efficiency in local factories, and reducing energy consumption by government.

One can find examples of progress all across China and they are testament to how quickly innovation can occur. And it is clear that low carbon prosperity must and can be built from the bottom-up and from the top-down.

Conclusion

The path to low carbon prosperity won't be easy. It may be the most complex challenge China has ever undertaken – and that is saying a lot. But the 30 year history of economic reforms demonstrates what China can accomplish when it sets ambitious goals and marshals its considerable resources to achieve them.

If China chooses to aggressively pursue the path to low carbon prosperity, I am certain it will succeed – and others will follow. The international community, especially the US, must help China forge this path. It is essential for the future of our planet. Thank you.