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**Before the**

**Senate Committee on Foreign Relations  
Subcommittee on East Asian and Pacific Affairs**

**July 24, 2013**

**Rebalance to Asia: Protecting the Environment and Ensuring Food and Water Security in  
East Asia and the Pacific**

Mr. Chairman, Ranking Member Rubio, and Members of the Subcommittee, thank you very much for inviting me here today to testify on this important issue of protecting the environment in the context of the rebalance to Asia. I would also like to thank the Committee for its efforts to build bipartisan consensus to engage the Asia-Pacific region and advance U.S. interests there. We value working with you and look forward to continuing to work closely with you and other Members of Congress in the future.

The Obama Administration's "rebalance" to the Asia-Pacific region is motivated by the desire to develop deeper and more wide-ranging partnerships in a part of the world that is increasingly important to American interests. The region, which is home to two-thirds of the world's population and the world's fastest growing economies, offers increasing opportunities and challenges for U.S. strategic interests. As such, the Administration's rebalance to the region covers a range of strategic objectives from deepening alliances and boosting economic growth and trade, to expanding good governance, democracy and human rights. However, no rebalance policy would be complete without also examining implications for efforts to protect the environment in the Asia-Pacific region and to promote food, water and climate security.

The East Asia and Pacific region is known for its vast natural resources and biodiversity. Its economic growth has outpaced environmental protection, which has led to negative impacts on the region's fisheries and coral reefs, forests and grasslands, rivers, lakes, and air. Though the region has made great strides to reduce poverty, 1.2 billion people still live on less than US\$2 a day, according to the World Bank. At the same time, in the past decade some countries in the region have lost 70 to 90 percent of their natural wildlife habitat to agricultural and infrastructure development, deforestation, land degradation, and climate change effects, while demand for water has almost doubled. Populations of big mammals such as elephants, tigers, bears, antelopes, and wild cattle, as well as marine turtles, freshwater fish and amphibians have continued to decline over the past decade. Many primate populations are in serious decline.

Much is at stake: communities across the region are experiencing great changes from fast-paced economic growth averaging five to seven percent annually. Recent growth has

reduced poverty and supported progress toward achieving the Millennium Development Goals. Yet rapid growth, urban migration, extensive new infrastructure, exploitation of raw materials, and energy needs also jeopardize the region's natural resource base, food security, and traditional livelihoods.

The United States has a long history of engagement with countries in the Asia-Pacific on a bilateral and regional basis. The Bureau of Oceans and International Environmental and Scientific Affairs (OES) at the U.S. Department of State seeks to advance U.S. foreign policy goals in the region in such critical areas as climate change, conservation, and environmental quality, to name a few. In my testimony, I will focus on several efforts the United States is undertaking in such areas as climate change, water and conservation, among others in East Asia and the Pacific, and will highlight some examples of bilateral cooperation efforts.

### **Climate Change Initiatives and Partnerships:**

Internationally, we have made strides in the UN Framework Convention on Climate Change (UNFCCC) toward an approach in which all major economies commit to reducing emissions, and we are working to negotiate a global agreement by the end of 2015—to come into effect post-2020—that is ambitious, flexible, and applicable to all.

Through the Global Climate Change Initiative (GCCCI) and other climate-related U.S. government programs, the United States is integrating climate change considerations into relevant foreign assistance programs through the full range of multilateral, bilateral and private mechanisms to foster low-carbon growth, promote sustainable and resilient societies, and reduce emissions from deforestation and land degradation.

Through the GCCCI's Sustainable Landscapes pillar and related projects, the U.S. works with partners to reduce emissions from the land sector, and especially from deforestation. These efforts are undertaken in order to help stabilize temperatures while conserving biodiversity, protecting watersheds, and improving livelihoods of vulnerable populations. For example, the U.S. provides support to, and sits on the governing body of, the Forest Carbon Partnership Facility (FCPF). The FCPF is a multi-donor trust fund housed at the World Bank that supports countries to develop and implement their own strategy to Reduce Emissions from Deforestation and Forest Degradation (REDD+). The U.S. also supports, and sits on the governing body of the Forest Investment Program (FIP). This multi-donor trust fund, also housed at the World Bank, assists eight pilot countries in implementing elements of their REDD+ strategies. The Asia-Pacific region is prominent in each of these global initiatives. Cambodia, Indonesia, Lao People's Democratic Republic, Papua New Guinea, Thailand, Vanuatu and Vietnam are all participants in, and recipients of funding from, the FCPF. Indonesia and Lao People's Democratic Republic are FIP pilot countries. Through the GCCCI's adaptation pillar and related projects, the U.S. works to help low-income countries reduce their vulnerability to climate change impacts in a variety of multilateral, regional and bilateral contexts. The Asia-Pacific region figures prominently in these GCCCI activities because of its high levels of vulnerability, as well as its strategic importance for U.S. economic and security interests.

Another example of U.S. engagement in multilateral adaptation initiatives is our support for enhanced action on adaptation in vulnerable countries through contributions to two multilateral adaptation funds overseen by the Global Environment Facility (GEF). The U.S. is one of the largest donors to the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), multilateral funds created under the UNFCCC. The Asia-Pacific region has benefitted greatly from both multilateral funds. As of May 2013, Asia and the Pacific had accessed 29 percent of total LDCF resources approved (roughly US\$160 million). For the SCCF, the largest share, or 30 percent, of financing had been directed towards Asia.

*Climate and Clean Air Coalition (CCAC):*

The Climate and Clean Air Coalition is a voluntary, collaborative global partnership uniting governments, intergovernmental organizations, the private sector, and civil society to quickly reduce short-lived climate pollutants such as methane, black carbon, and many hydrofluorocarbons. Actions can be undertaken now using current technologies. Major efforts include reducing methane and black carbon from waste and landfills; avoiding methane leakage, venting, and flaring from oil and gas production; phasing down hydrofluorocarbons through new technologies; and addressing black carbon from brick kilns and diesel engines.

In the Asia-Pacific region the Coalition's members include Australia, Japan, New Zealand, and the Republic of Korea (Bangladesh and the Maldives are also members from Asia). In February 2013, the Coalition held a regional intergovernmental consultation in Bangkok for the Asia-Pacific region. Led by the environment ministers of Bangladesh, Nepal, and Maldives and the vice-minister of Japan, over 100 participants from 19 Asia-Pacific countries, development organizations, CCAC partners, scientists, and NGOs participated. CCAC is actively working with additional countries, including Indonesia, at the subnational level through CCAC initiatives such as municipal solid waste management.

*Low Emission Development Strategies (LEDS):*

One of our premier international climate activities involves support for "low emission development strategies," or LEDS, in over twenty different developing countries. LEDS provide a framework for developing countries to address poverty and development concerns, while simultaneously reducing greenhouse gas emissions. In many cases, identifying cleaner domestic energy opportunities or finding energy efficiencies accelerates economic growth. In Asia, our assistance is two-pronged. First, we provide bilateral assistance to Cambodia, Indonesia, the Philippines, Malaysia, and Vietnam through the Enhancing Capacity for Low Emission Development Strategies (EC-LEDS) program. Second, we provide multilateral assistance through the LEDS Global Partnership, a largely U.S.-supported platform which provides a space for countries to share knowledge and best practices on LEDS.

*Pacific Islands Small Developing States (PSIDS):*

From a regional standpoint, the Pacific Small Island Developing States (PSIDS), in particular, are especially vulnerable to the impacts of climate change. They are small in size, have limited human, economic and natural resources, including freshwater supplies, and are located in areas frequently prone to natural disasters, with much of the population living within 1.5 kilometers of the shore. We are supporting efforts to enhance the scientific and technical capacity of governments, regional and local institutions, and communities in the PSIDS to:

understand, forecast, and use climate information to strengthen the adaptive capacity of key sectors, and; to access and effectively utilize adaptation financing. We are also supporting the Secretariat of the Pacific Community and the Secretariat of the Pacific Regional Environment Program to implement adaptation activities in local communities across the region to strengthen their food security and water resilience in the face of climate change and variability.

China:

With regard to our bilateral efforts in the East Asia and Pacific region, on July 10 and 11, 2013 Secretary Kerry hosted the Fifth Round of the U.S.-China Strategic and Economic Dialogue (S&ED). This year there was a strong focus on climate change, with the recognition that both countries need to do more given that together the United States and China are responsible for the lion's share of global emissions. Secretary Kerry elevated climate change in the U.S.-China relationship in April on his first trip to Beijing as Secretary of State, where he issued a Joint Statement creating a Climate Change Working Group tasked with developing large-scale cooperative action and presenting its recommendations at the S&ED. Essentially, the Working Group developed a set of new initiatives to help address major sources of emissions in the United States and China. The Working Group also emphasized the need to work together in fora like the UN climate negotiations, the Montreal Protocol, and the Major Economies Forum.

The Working Group Report highlighted the agreement announced by President Obama and President Xi in June on the goal of phasing down hydrofluorocarbons. Given the enormous climate benefits of acting quickly on hydrofluorocarbons, this can only be seen as China stepping forward and helping lead the global effort on climate change. Building on existing bilateral cooperation, the Working Group and the S&ED have put U.S.-China relations on climate change on even firmer footing.

Indonesia:

Indonesia is a leader in REDD+, with President Yudhoyono having committed to significant reductions in greenhouse gas emissions, largely from the land sector. To achieve this, Indonesia is creating a series of REDD+ institutions to help implement a national REDD+ strategy. The second Indonesia Tropical Forest Conservation Act program is supporting the reduction of emissions from two heavily forested districts in East Kalimantan, developing new strategies for development on lower emissions trajectories. The United States supports additional work on REDD+ in Indonesia in areas such as forest mapping and monitoring; peatland emissions and fires; low emissions rural development options; and measuring, reporting, and verifying emissions. We have provided support to launch the Indonesia Climate Change Center, and are working with Indonesia on LEDS.

Korea:

Korea has stepped up its international efforts to address climate change. It has housed the Secretariat of the Asia-Pacific Economic Cooperation (APEC) Climate Center since the organization's establishment in 2005. In 2012, the board of the UNFCCC's Green Climate Fund (GCF) voted to locate the Fund's headquarters in Songdo, Korea. The Republic of Korea (ROK) is now focused on implementing the GCF's mandate, which is to provide assistance to developing countries to help them limit their greenhouse gas emissions and to adapt to the impacts of climate change. The ROK also cooperates with the United States and other

governments and organizations in the CCAC working to reduce short-lived climate pollutants such as methane, black carbon, and many hydrofluorocarbons.

### **Forest Initiatives and Partnerships:**

As the United States works to assist the Asia-Pacific region in meeting its growing energy, infrastructure, and agricultural needs in a climate-smart way, we are also working to prevent or minimize impacts on ecosystems, and particularly natural habitats such as biodiverse tropical forests. We work regionally to promote conservation and to address forest issues through the Responsible Asian Forestry and Trade (RAFT) initiative, the Forest Legality Alliance (FLA), the APEC Experts Group on Illegal Logging and Associated Trade, and the International Tropical Timber Organization.

Illegal logging is one such forest issue that poses a significant challenge in the region. It robs countries, impoverishes forest communities, and puts money in the pockets of criminals. It undermines sustainable forest management, destroying forests, watersheds and habitat. And it unfairly competes with legal production and trade, and has even been used to fuel conflict and purchase arms. The United States supports efforts to combat illegal logging and associated trade, and to promote trade in legally harvested forest products through a multi-faceted approach in partnership with other governments, such as China and Indonesia, the private sector, civil society, and international organizations.

We also work to implement the Lacey Act, a wildlife protection statute first enacted in 1900 and amended by Congress in 2008 to expand protections to plants and plant products.

Multilaterally, we work to address illegal logging in cooperation with other governments and stakeholders through the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the International Tropical Timber Organization, the United Nations Forum on Forests, the Food and Agriculture Organization, and the UN Office of Drugs and Crime.

Regionally in Asia, we participate in three key initiatives:

- The APEC Forum Experts Group on Illegal Logging and Associated Trade, which we worked with the government of Indonesia and others to establish in 2011. The group includes representatives of trade, forestry, and other ministries to combat illegal logging and associated trade, promote trade in legally harvested forest products, and support capacity building activities.
- The FLA, a public-private partnership to reduce demand for illegally harvested forest products and increase industry capacity to supply legally harvested forest products.
- The RAFT Program, which has assisted in the development of timber legality assurance and chain of custody systems and has helped to bring 1.2 million hectares of tropical forest under Forest Stewardship Council certification.

#### China:

The United States works bilaterally with China under a formal Memorandum of Understanding (MOU) to Combat Illegal Logging and Associated Trade. The United States and China have achieved a more open and constructive dialogue and relationship on illegal logging

since the signing of the MOU in May, 2008. Discussions about the importance of private sector and civil society engagement under the MOU have also progressed significantly as there is mutual recognition that in the forest sector, civil society and industry are key players. China is actively promoting voluntary best practices guidelines for its private forestry firms operating overseas and making progress on its wood legality verification initiative.

*The Philippines:*

We have recently signed agreements for a second Tropical Forest Conservation Act debt for nature deal with the Philippines, which will primarily focus on forest conservation and REDD+ activities. These agreements, along with other U.S. efforts, will support the Philippine national government's efforts to reduce emissions from forest loss. Together these efforts are providing significant assistance to conserve, maintain, and restore tropical forests in the Philippines.

*Burma:*

Burma holds the Association of Southeast Asian Nations (ASEAN) chairmanship in 2014 and the government has stated it plans to focus on the environment. Sustainable development and good management of Burma's rich natural resources will be critical for its stability and success, and will provide opportunities to encourage Burmese civil society and government officials to implement best practices and promote sound environmental stewardship in conjunction with economic growth and increased investment. We are supporting NGO efforts to reform the timber production sector and combat illegal logging in Burma.

**Water Initiatives and Partnerships:**

Collectively, the Asia-Pacific region has already met the 2015 Millennium Development Goal to halve the proportion of people unable to reach or afford access to safe water. That said, 65 percent of the population lacks access to piped water supplies and over 1.7 billion people in the Asia-Pacific region lack access to sanitation. The lack of access to safe drinking water and basic sanitation continue to be a major source of illness within the region.

As Secretary Kerry said during his Chairmanship of the July 1, 2013 Lower Mekong Initiative and Friends of the Lower Mekong Ministerial Meetings in Brunei, "[the Mekong] is a special river. It sustains the lives of over 70 million people. And it is a powerful economic engine that connects the peoples of these countries." The countries of the Mekong Basin are increasingly considering hydropower as a solution to their growing energy needs. However, construction of dams on the Mekong River poses immediate and long-term threats to food security and livelihoods.

Major infrastructure projects, like dams, are ultimately sovereign decisions that the countries themselves need to make. We are, however, conscious of both the potential negative impacts these projects can have and the opportunities they hold to promote cooperation and regional integration. In the case of the Mekong, we believe greater U.S. diplomatic and technical engagement could help strengthen existing regional institutions (like the Mekong River Commission) and drive the region toward better decision making around large-scale infrastructure. With plans drafted, and construction already underway, the region has a narrow

window of time to get this right. Smart, sustainable development is the key; deliberative, transparent, scientifically based decision making benefits all.

*The Lower Mekong Initiative (LMI):*

Launched by former Secretary Clinton in 2009 to foster cooperation and capacity building among the lower Mekong countries—Burma, Cambodia, Laos, Thailand and Vietnam—the Lower Mekong Initiative (LMI) has become a meaningful platform for engaging these countries on important transnational challenges such as shared water resource management. LMI's Environment and Water Pillar, chaired by Vietnam, works to advance economic growth and sustainable development through transnational policy dialogues and programs to improve the management of water and natural resources. The Environment and Water pillar works through three key themes: Disaster Risk Reduction, Water Security, and Natural Resource Conservation and Management.

**Conservation Initiatives and Partnerships:**

*Wildlife Trafficking:*

Wildlife trafficking continues to drive protected and endangered species to the brink of extinction. The illegal trade, estimated to be between US\$7-10 billion annually (excluding timber and fish), undermines conservation efforts, robs local communities that depend on natural resources of their economic resource base, contributes to the emergence and spread of disease, and threatens the rule of law. Asian countries are range, transit, and consumer states, linked by multiple transportation routes, methods, and facilitators. In recent years, demand for ivory and rhino horn has skyrocketed. The scale of the illegal wildlife trade in Asia indicates serious corruption at various levels of government, including wildlife authorities and customs officials themselves, throughout the smuggling chain. Officially launched in 2005, the Association of Southeast Asian Nations Wildlife Enforcement Network (ASEAN-WEN), comprising law enforcement agencies of the 10 ASEAN countries (Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Vietnam and Thailand), helps countries share information and facilitate the exchange of regional best practices in combating wildlife crimes.

In 2012, the APEC Leaders and Foreign and Environment Ministers condemned wildlife trafficking and urged members to cooperate to counter this crime. We are seeking continued strong statements in the 2013 outcome documents and have proposed specific workshop activities. This past July 1, President Obama signed an Executive Order to combat wildlife trafficking, putting in motion a process to marshal new efforts and to better coordinate our existing efforts against wildlife crime. A special session on wildlife trafficking was held recently during the 2013 U.S.-China Strategic and Economic Dialogue. Experts from multiple agencies met to review our efforts to combat the global illegal trade in wildlife and identify areas for increased cooperative efforts. The United States is committed to working with China to address this global challenge.

*The Coral Triangle Initiative (CTI):*

The Coral Triangle Initiative (CTI) highlights the importance of a regional approach to issues that transcend the national borders of Indonesia, Philippines, Malaysia, Papua New Guinea, Solomon Islands and Timor-Leste: coral reef and marine conservation, food security and

adaptation to climate change. Goals include establishing sustainable ecosystem-based fisheries management for food security and livelihoods, strengthening resilience and adaptation to climate change, designating and effectively managing priority seascapes, establishing networks of marine protected areas, and conserving threatened marine species. The United States Government was the first financial supporter and partner to the CTI. The U.S. team providing support to the CTI involves the State Department, USAID, NOAA, a consortium of NGOs, and a contractor which functions as the Program Integrator. Altogether, U.S. government support totals more than \$60 million.

### **Marine Environment and Fisheries:**

In the Pacific, as elsewhere, the United States has been at the forefront of efforts to protect vulnerable marine ecosystems, assess if certain fishing practices may significantly harm these ecosystems, and develop effective conservation and management measures for these fisheries to prevent such harm or halt fishing in these areas. To promote these objectives, and to provide opportunities for U.S. fishing vessels to participate in certain high seas fisheries, we have successfully negotiated two new fisheries agreements that are now pending before the Senate, one for the North Pacific Ocean and one for the South Pacific Ocean. We urge the Senate to consider these two treaties and two other fisheries treaties that are also before the Senate, with a view to providing advice and consent to their ratification this session.

The Multilateral Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States (aka the South Pacific Tuna Treaty) remains a cornerstone of our economic and political relationship with the 16 states of the Pacific Island Forum. The Economic Assistance Agreement associated with the Treaty remains a primary source of economic development funds for the Pacific Island States. Recently, we reached agreement on an interim arrangement to extend the operation of the Treaty for 18 months, through December 2014, while negotiations for a longer-term extension continue.

### **Trade**

#### **Trans-Pacific Partnership (TPP):**

The United States views the Trans-Pacific Partnership (TPP), a regional trade agreement that it is negotiating with Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, Mexico, Canada, and Japan, as a unique opportunity to tackle trade-related environmental challenges, including harmful illegal wildlife and wild plant trade, in the Asia-Pacific region.

The United States has proposed a TPP environment chapter that includes, among other things:

- An obligation to maintain measures against trading across TPP borders in products harvested or exported in violation of national laws that seek to protect wildlife, forest or living marine resources. Such provisions would reflect and enhance recent trends in a number of countries to restrict trade in products that have been illegally obtained.
- Mechanisms for cooperation among TPP regulatory and law enforcement authorities in implementing anti-trafficking obligations, including participation in and establishment of regional law enforcement networks.



- Commitments to develop and strengthen mechanisms for cooperating and consulting with interested non-governmental entities in order to enhance implementation of measures to combat trade in illegally taken wild fauna and flora, including with respect to voluntary forest certification mechanisms.

Republic of Korea:

The United States and the ROK signed an Environmental Cooperation Agreement (ECA) on January 23, 2012 pursuant to provisions in the environment chapter of the U.S.-Korea Free Trade Agreement. The ECA established the U.S.-Korea Environmental Cooperation Commission (ECC), which held its first meeting in February this year. The Environmental Cooperation Work Program approved by the ECC identifies priorities for cooperative activities in areas such as strengthening environmental protection; promoting public awareness of environmental and resource conservation issues; protecting wildlife and sustainably managing ecosystems and natural resources; sustainably managing ports and maritime vessels; and promoting environmentally sustainable cities and the use of cleaner energy sources.

Singapore:

The United States and Singapore have a Memorandum of Intent on Environmental Cooperation, which was negotiated in 2003 in parallel with the Free Trade Agreement. We are actively engaged with Singapore in environmental cooperation activities, including exchanging best practices in water management, climate change adaptation strategies, enforcement of environmental laws, and energy efficiency, among others. On June 27, 2013, Singapore's national water agency, the Public Utilities Board (PUB) and the United States' Environmental Protection Agency signed a Memorandum of Understanding (MOU) on Sustainable Urban Water Management. Through this MOU, both countries will strengthen their cooperation on water management issues by working together on safe drinking water research, watershed management, research and development for innovative water and wastewater treatment, water reuse, and other areas of mutual interest.

**Conclusion**

In conclusion, it is becoming more and more important for the United States to demonstrate our firm commitment to the Asia-Pacific through engagement on a full range of issues important to countries in the region, including the environmental issues I have mentioned today. Achieving a sustainable environment in the Asia-Pacific region requires the cooperation and commitment of all countries. The United States continues to forge this cooperation and these commitments through a variety of global, regional, and bilateral approaches.

I thank the Chairman, the Ranking Member, and the subcommittee's distinguished Members, for the opportunity to testify, and I welcome your questions.