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One Hundred Eighteenth Congress U.S. House of Representatives Committee on Foreign Affairs

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June 27, 2023

President Joseph R. Biden The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear President Biden,

It is with increasing concern that we write regarding the Biden administration's April 20, 2023, announcement that it is "pledging \$1 billion in taxpayer money" to the United Nations Green Climate Fund (the "Fund"), a known funding conduit to the People's Republic of China (PRC). The Fund, which has already pledged the disbursement of \$100 million in taxpayer money to the PRC's Shandong Green Development Fund, possesses no oversight mechanism and fails to provide any articulable reports reflecting the results of such climate efforts. To date, this Fund has disbursed \$28 million to its partner fund in Shandong, with tens of millions of dollars yet to be distributed through 2042. This opaque transfer of "climate initiative" funds abroad to the PRC, a country that has knowingly and repeatedly shown an unwillingness to take tangible steps on climate initiatives, including carbon emissions, is unsound for many reasons.

The PRC's eligibility to receive UN financial assistance (the vast majority of which is U.S.-funded) rests on the outdated premise that the PRC is a "developing country." As of 2023, the PRC has the world's second largest GDP,⁵ the world's largest military,⁶ and has spent hundreds of billions of dollars on official development

¹ Zachary Faria, *Biden promises to funnel more money to Chinese communists for climate change*, WASH. EXAM'R (Apr. 23, 2023, 6:00 AM), https://www.washingtonexaminer.com/opinion/biden-promises-to-funnel-more-money-to-chinese-communists-for-climate-change.

² FP082: Catalyzing Climate Finance (Shandong Green Development Fund), GREEN CLIMATE FUND, https://www.greenclimate.fund/project/fp082#impact (last visited June 21, 2023); Collin Anderson, Biden Pledges \$1 Billion to UN Climate Fund That Funnels Millions to China, WASH. FREE BEACON (Apr. 20, 2023), https://freebeacon.com/biden-administration/biden-pledges-1-billion-to-un-climate-fund-that-funnels-millions-to-china/.

³ Id.

⁴ Anderson, *supra* note 2.

⁵ GDP (current US\$) - China, WORLD BANK, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=CN (last visited June 21, 2023).

⁶ 2022 Report on Military and Security Developments Involving the People's Republic of China, U.S. DEP'T OF DEFENSE 45 (Nov. 29, 2022), https://media.defense.gov/2022/Nov/29/2003122279/-1/-1/1/2022-MILITARY-AND-SECURITY-DEVELOPMENTS-INVOLVING-THE-PEOPLES-REPUBLIC-OF-CHINA.PDF.

assistance⁷ since the year 2000 and nearly a trillion dollars via its Belt and Road Initiative.⁸ To put this in perspective - the PRC is the world's largest emitter of greenhouse gases,⁹ showing no signs of relenting in its emissions.¹⁰ In 2019, the country's greenhouse gas emissions "exceeded those of the U.S. and other developed nations combined."¹¹ Further, in April 2021, even after pledging to show "the highest possible ambition" to "address climate change,"¹² the PRC continues to stand as the "world's largest coal producer and largest source of methane emissions from coal mines"¹³ – with a record increase in emissions in 2021, even being characterized as a "coal binge" and "coal spree."¹⁴

In reflection of that, the House of Representatives accordingly passed the "PRC Is Not a Developing Country Act—(H.R. 1107)," by unanimous vote, 415-0, on March 27, 2023.¹⁵

Taken in totality, these facts stand in stark contrast to the claim that such investment is appropriately disseminated to the PRC in the manner proscribed by the Fund; quite plainly - it is simply not credible that the Fund's goals of "accelerat[ing] clean energy transitions, build[ing] resilience in the most vulnerable countries, and catalyz[ing] private investment," comport with a global economic and military power with a staggering record of increases in carbon emissions.

These facts hardly support the case for the payment, by the United States, of so-called "climate reparations" to the PRC in the name of "climate justice." Subsidizing such flagrant climate-adverse conduct by the PRC is not only a failure of the Major Economies Forum on Energy and Climate, of which the PRC is a member, but also the Fund's stated project goals and mandate. ¹⁹

⁷ Tom Murphy, *Find Out Some (But Not All) The Secrets Of China's Foreign Aid*, NPR (Oct. 31, 2017, 12:27 PM), https://www.npr.org/sections/goatsandsoda/2017/10/31/560278615/find-out-some-but-not-all-the-secrets-of-chinas-foreign-aid.

⁸ Lingling Wei, *China Reins In Its Belt and Road Program, \$1 Trillion Later*, WALL St. J. (Sep. 26, 2022, 10:10 AM), https://www.wsj.com/articles/china-belt-road-debt-11663961638.

⁹ Anderson, *supra* note 2.

¹⁰ *Id*

¹¹ Kate Larsen et al., China's Greenhouse Gas Emissions Exceeded the Developed World for the First Time in 2019, RHODIUM GROUP (May 6, 2021), https://rhg.com/research/chinas-emissions-surpass-developed-countries/.

¹² Vice Foreign Minister Ma Zhaoxu, China's Goal of Carbon Peaking and Carbon Neutrality Manifest the Requirement of the "Highest Possible Ambition" in the Paris Agreement and China's Utmost Determination to Address Climate Change, P.R.C. MINISTRY FOREIGN AFFAIRS (Apr. 23, 2021),

https://www.fmprc.gov.cn/eng/wjb_663304/zygy_663314/gyhd_663338/202104/t20210423_9168376.html.

¹³ Coalbed Methane Outreach Program, ENV'T PROT. AGENCY (June 2020), https://www.epa.gov/cmop/emissions-coal-mining-china.

¹⁴ Michael Standaert, *Despite Pledges to Cut Emissions, China Goes on a Coal Spree*, YALE SCH. ENVIRONMENT (Mar. 24, 2021), https://e360.yale.edu/features/despite-pledges-to-cut-emissions-china-goes-on-a-coal-spree.

¹⁵ H.R. 1107, 118th Cong. (2023) (as passed by House, Mar. 28, 2023); Press Release, Young Kim, House of Representatives, Rep. Young Kim's Push to Hold PRC Accountable Passes House (Mar. 27, 2023), https://youngkim.house.gov/media/press-releases/rep-young-kims-push-hold-prc-accountable-passes-house.

¹⁶ Press Release, Exec. Off. of the President, Fact Sheet: President Biden to Catalyze Global Climate Action through the Major Economies Forum on Energy and Climate (Apr. 20, 2023), https://www.whitehouse.gov/briefing-room/statements-releases/2023/04/20/fact-sheet-president-biden-to-catalyze-global-climate-action-through-the-major-economies-forum-on-energy-and-climate/.

¹⁷ Faria, *supra* note 1.

¹⁸ Anderson, *supra* note 2.

¹⁹ See Exec. Off. of the President, *supra* note 15 ("The GCF has a specific mandate to support countries particularly vulnerable to the impacts of climate change, including least developed countries, small island developing states, and African nations.").

We strongly urge you to stop funding global climate programs. Finally, we encourage you to take all steps with our allies to remedy the PRC's "developing country" designation.

Sincerely,

MICHAEL T. McCAUL

Chairman

House Foreign Affairs Committee

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Chairman

Subcommittee on Oversight and Accountability

Cc:

Rep. Gregory W. Meeks, Ranking Member House Foreign Affairs Committee

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