

**U.S. Assistance to the Russian
Natural Gas Industry:
Prospects for Reducing
Greenhouse Gas Emissions**

by
Sarah E. Lloyd

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ABSTRACT

This thesis attempts to identify and evaluate the motivations that lie beneath the United States assistance to the natural gas industry in Russia. The ultimate goal of the analysis is an attempt to assess the potential for reducing greenhouse gas emissions by efficiency and conservation improvements and the promotion of natural gas as a clean fuel option for Russia. Russia is a leading contributor to the problem of global warming. Current trends within the natural gas industry specifically, as well as the Russian energy sector as a whole make gas a strong political and economic force with the potential to expand its share further in the Russian energy sector.

It is concluded that the U.S. is acting on political, economic, and environmental motivations. These three motives present a series of problems and challenges for the successful reduction of greenhouse gas emissions through reform in the natural gas industry. The assistance which is being offered with all three underlying motivations, does give promise for significant reduction in greenhouse gas emissions from Russia through efficiency and conservation improvements. However, natural gas is not promoted by the U.S. over other fuel choices. A program of "integrated resource management" is recommended. And the notion of an international system which would credit U.S. assistance dollars working to reduce Russian greenhouse gas emissions towards U.S. commitments to reduce its own emissions is presented. Political and economic motivations hold the potential to be short-sighted and ineffective due to the current power which gas holds in Russia, the method in which assistance is given, and skepticism that has arisen in both Russia and the United States over the rationality of U.S. assistance. Environmental motivations have only recently entered the consciousness of U.S. assistance policy but offer the capability of driving strong positive environmental change as long as they are not pushed out of the picture by political and economic considerations.