



Trump's Paris Exit

A blow to climate politics, but a boon to regional climate policy?

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The withdrawal of the United States from the Paris Agreement represents a setback for global climate action. But the damage will be felt more in political and diplomatic terms than in terms of climate policy or reductions in greenhouse gas (GHG) emissions, which depend at least in the near term on domestic climate policies.

The election of Donald Trump and the strong Republican majorities in both Houses of Congress that accompanied his election immediately dispelled any hope that the US would implement or maintain ambitious climate policies. Indeed, in the first months of his Presidency, Trump signed an executive order to review (and thus likely roll back) President Obama's landmark climate policy – the Clean Power Plan. The latter initiative aimed to reduce power-sector emissions by 32% by 2030 through federal legislation.

Other US climate policies, such as vehicle standards and methane regulations, are also destined for the axe. Taken collectively, these measures will make it very difficult for the country to meet its Paris pledge of reducing GHG emissions by 26-28% by 2025 compared to 2005, even if another personality occupies the White House by 2021.¹ Improving fundamentals for renewable energy may still allow the US to reach its 2020 target of a 17% reduction in emissions compared to 2005. But the difference between this target and the formal pledge made by the US in Paris is roughly equal to the annual emissions of the entire transport sector in the EU.

Thus, the US withdrawal from the Paris Agreement as such reflects first and foremost a rejection of the multilateral climate policy process, which is led by the UNFCCC, the UN body that has been responsible for international climate policy since its inception in 1992. The

¹ As graphically depicted in David Roberts, "How Trump policy will affect US carbon emissions, in one graph: America's progress on carbon is set to stall", Vox.com, 31 May 2017.



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manner of withdrawal also affects the impact (and outlook) for the multilateral climate process. President Trump signalled that he would stick to the process as stipulated by the Paris Agreement, which allows signatories to issue an official withdrawal notification three years after the entry into force of the Agreement.

After notification, withdrawal takes one year to be completed. Notably and not coincidentally, this means that the US withdrawal could be completed exactly on the day after the next US Presidential election on 3 November 2020. While the incumbent would remain in power for several weeks after the 2020 election, nothing would prevent a potentially different President-elect to reverse course on her first day in office.

The decision to stick to the official withdrawal process of the Paris Agreement also means that the US remains a party to the UNFCCC. What does this imply for the US 'seat at the table'? President Trump indicated that the US would stick to the formal 3+1 withdrawal method, which means that nothing will change in a legal sense until 4 November 2019. The US will remain a Party to the Paris Agreement and as such could in principle partake in the negotiation sessions (the so-called APA meetings), which should lead to a completed 'Paris rulebook' by the end of 2018. It is uncertain, however, how negotiation demands issued by a Party that has stated its intention to withdraw will be received by the other signatories.

While there may be a desire – and a justified one at that – to prevent the US from attempting to derail further UNFCCC negotiations, the rigid processes of the UNFCCC may make it hard to freeze the US out.

In political terms, the US withdrawal has immediate consequences, as evidenced by the slew of retorts from countries and non-state actors around the world. Domestically, the CEO of Tesla, Elon Musk, resigned from Trump's Economic Advisory Board and also from his Manufacturing Jobs Initiative Council, while the most senior American diplomat at the US embassy in China, David Rank, resigned over Trump's decision. Yet, the fact that the process takes at least four years to complete means that Trump will be able to portray the withdrawal from the agreement to his core electoral base in the next campaign as a 'win' and a fulfilment of a campaign promise without necessarily altering the actual status of the US within the UNFCCC.

In terms of climate policy, the intended dismantling of the Clean Power Plan is far more consequential than the decision to abandon the Paris Agreement. At the same time, many US states and cities have announced that they remain fully committed to the Paris Agreement. Immediately following Trump's declaration, the governors of California, New York and Washington joined together to form the United States Climate Alliance, which explicitly refers to the US climate commitment under the Paris Agreement. Many other states and cities have since joined the Alliance or expressed support for the Paris Agreement in other ways, with the result that regional governments responsible for more than \$6.5 trillion in GDP (over 30% of total US GDP) have now broken with the US federal government on climate policy. California went even further by signing an agreement with China to further enhance cooperation on

climate policy.² The increased assertiveness of regional bodies in the US may also open other avenues of cooperation for regional governments elsewhere in the world, which would be a boon for regional and bottom-up climate action.

Together with the constantly improving economics for renewable energy this may well mean that emissions in the US will continue to drop, even if weaker (or absent) federal policies won't help.

Nevertheless, climate action by regional authorities in the US will be more challenging with a federal government set on a different course. Some US states and cities may find themselves more closely aligned with the federal government on climate policy and will therefore not adopt (ambitious) policies of their own. This may raise competitiveness concerns in those regions that want to push ahead, leading them to insert safeguards into their policies which may limit the ambition or efficiency of those local policies.

There is a similar risk that competitiveness concerns may dominate climate policy discussions at the global level. Under the Paris Agreement, all Parties are asked to submit new targets every five years, which in principle should raise global ambitions over time. In the run-up to Trump's decision, there was much discussion³ about whether the Paris Agreement legally obliged Parties to increase their ambition every five years, or whether it was legally possible to submit the same or even lower targets. Senior negotiators from many (if not all) major parties agreed that it is perfectly legal for any country to submit a new Nationally Determined Contribution (NDC) at any time, even one with a lower ambition.

It was hoped that such flexibility would convince Trump to remain part of the agreement, but he was not persuaded. And now, other countries that in the future feel that their current NDC is too demanding will have legal cover to submit a less ambitious one. Even if the fulfilment of NDCs was never legally binding, this new situation makes it all the more difficult to speak of a 'ratchet mechanism' in which ambition can only increase over time, especially as there will now likely be a major emitter without an NDC in place.

Thus, the real damage inflicted by Trump's decision to abandon Paris may come in 2023, when the first global stocktaking of the Paris Agreement takes place. Even if Trump has left office by then, other countries may point to the US withdrawal as a justification to moderate their own ambitions.

In a related vein, many developing countries made their commitments contingent on receiving climate finance, which primarily comes from the Green Climate Fund (GCF). One of President Obama's last acts in office, in fact, was to transfer a second tranche of \$500 million to the Fund (thereby bringing the US payment to the GCF to date to \$1 billion, out of a pledged \$3 billion). But President Trump has used the US pledge as a key argument for withdrawing from the Paris

² See "China and California sign deal to work on climate change without Trump", *The Guardian*, 7 June 2017.

³ See Jonathan Church, "Can the US legally weaken its Paris Agreement climate pledge?", Guest Post, Carbon Brief, 8 May 2017.

Agreement. In the absence of receiving what they regard as appropriate levels of financial support through the GCF, developing countries may again be reluctant to adopt higher levels of ambition.

Ultimately, it was the unmatched 'convening power' and diplomatic clout of the US that made the Paris Agreement possible. Without its participation, international climate politics will become more contentious, and climate policy across the globe may not be as ambitious in the long run as it would have been had the US been on-board, nor indeed as ambitious as will ultimately be required.