CLIMATE DIPLOMACY AFTER PARIS

Opportunities for U.S. Leadership

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CLIMATE ADVISERS

Executive Summary

This December's global summit in Paris will represent a big step forward for climate diplomacy. UN Secretary General Ban Ki-moon has said that the expected Paris agreement will provide a compelling vision of a world free of extreme poverty, through the opportunities created by the transformation to a low carbon and climate resilient future.[1]

Paris may be remembered as a turning point – the moment when governments sent a clear signal that this complex global transformation is inevitable, beneficial and already underway.

U.S. policy makers, from President Obama and Secretary of State Kerry on down, have played a critical role in delivering this progress. They have led through unprecedented domestic climate action (which other nations are now matching), as well as through bilateral summits with heads of government from India, China and Brazil. Thanks in part to U.S. leadership, virtually all nations are doing more than ever before to combat climate change, and the institutional architecture underpinning global climate diplomacy is about to receive a major upgrade, with big improvements in transparency and accountability. Paris will be a major foreign policy victory.

Yet, the action expected in Paris will be only the beginning of what is needed. Coming out of Paris, attention should turn from what countries can do to reduce emissions on their own, as it has been this year, to what they can do together. It is unsurprising that the sum of the combined pledges is not sufficient to keep temperature rise below 2° C (3.5° F), as scientists and nations have agreed is essential. At best, the unconditional pledges nations have made in advance of Paris will deliver just over 40 percent of needed climate action now.[2] The Paris agreement will slow the rate of growth in global emissions by about a third—but emissions will continue rising.[3] Without a front-burner diplomatic process coming out of Paris to build on existing pledges in the near term, we could unleash potentially catastrophic and unmanageable climate impacts that our country and the world cannot risk.

Fortunately, many developing nations are keen to do even more to address the climate crisis. They stand ready to end tropical deforestation, dramatically expand renewable energy production, phase-down HFCs and do the other things necessary to narrow the emissions mitigation gap. But these nations need our help. They desire partnerships with the United States and other donor nations that would create meaningful economic incentives for ambitious climate action, while also providing the technical support necessary to help them deliver.

After Paris, the next big foreign policy opportunity and challenge for the United States, therefore, is to figure out how it can forge bold climate partnerships with developing nations and convince other donor nations to do the same. These partnerships are needed to help developing nations deliver on their Paris pledges and also to support them, where possible, in their efforts to do even more for the global good; to deliver more than their fair share of climate action.

To establish these partnerships, the United States has many policy levers from which to choose. The Obama administration and its successor need to use executive branch

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[1] UN Secretary General's summary of climate change dialogue among world leaders on September 23, 2014 hosted by France and the United Nations in New York City.

[2] Wolosin M. and Belenky M., 2015. Gap Analysis With Paris Pledges - November 2015 Update. Climate Advisers.

[3] United Nations Framework Convention on Climate Change. "Synthesis Report on the Aggregate Effect of Intended Nationally Determined Contributions (INDCs)." 30 October 2015. Available at: http://unfccc.int/files/focus/indc_portal/application/pdf/synthesis_report_-_brief_overview.pdf.

authorities assertively to promote climate action abroad, just as the President is currently doing at home. This authority is derived from the U.S. Constitution and domestic statutes approved by Congress.

Some actions will require Congress to continue supporting international climate programs. Others may require new Congressional approval down the road, but potentially not for years; and, at that point, they could be presented to Congress as economic initiatives independent of any climate impact, making them more politically viable. Moving ahead now would allow time for a future Congress to become more supportive of climate action, as seems inevitable.

President Obama should use the upcoming Paris climate meeting and his final year in office to launch a new era of high-impact international climate cooperation. This should be centered not just on what nations can do at home (as is the case with the Paris pledges), but on what countries can achieve together through enhanced international trade, investment, research and technical assistance.

- **Outside of the formal Paris agreement, willing world leaders should pledge in December to develop international partnerships in 2016 and beyond to deliver on the Paris pledges and go further – with a view to meeting ambitious, new global goals, such as reducing the carbon intensity of the global economy, or cutting by half the global emissions mitigation gap by 2030.**
- **For its part, the United States should pledge to support at least 1 billion tons of emissions mitigation per year in the developing world by 2020, rising to 1.5 billion by 2025.**

These political pledges would move climate diplomacy beyond arguments over process and financing, which are the inputs to the system – and instead focus on measuring what matters more: climate outcomes. After Paris we should focus not just on ensuring that nations deliver on what they have promised this year, but also on raising global climate ambition through collaborative actions.

Outlining an ambitious, urgent and achievable post-Paris climate agenda would cement President Obama's place in history as an unrivaled global climate leader. Already he is the first U.S. president to reduce U.S. climate pollution and convince developing nations to take action too. The President has the opportunity to become the first world leader who has the vision and a concrete plan to move global climate action in line with scientific realities and avert a global climate catastrophe by actually meeting the 2° C goal. His administration has been very good on climate, but he has a chance to be truly great. He should take it.

Introduction

In December, nations will gather in Paris to conclude a new global agreement to combat climate change. The agreement will require all nations to put forward progressively more stringent climate goals and action every five years, and to report transparently on progress made toward those commitments.

Each country's climate goals and plans will be nationally determined – i.e. set unilaterally based on unique national circumstances – and not negotiated internationally as was the case with the 1997 Kyoto Protocol, which was rejected by the United States and contained no obligations for China, India and other developing nations.

The Paris process – which began formally two years ago but whose roots stretch back many years – has already triggered massive new attention to climate action. In advance of Paris, every developed nation and major emerging economy (including China and India), as well as more than 100 other developing nations, has come forward with new climate action plans. Collectively, these plans show a remarkable increase in climate ambition. Virtually every nation is doing and planning more than ever before. In this sense, the Paris process is already a success, regardless of what happens in December during the final, inevitably chaotic negotiating session.

Despite this progress, when added together the Paris pledges will not be enough to stave off unacceptable climate impacts. Even if every nation does what it has now promised over the next ten to fifteen years, an enormous gap will remain between what nations achieve and what science requires. As President Obama has said, Paris is a beginning, not an end.[4] While Paris will be remembered as a turning point, the challenge of further ratcheting up global climate ambition lies ahead.

What will climate diplomacy look like after Paris? And what can the United States do in Paris, if anything, to make sure the years that follow trigger as much climate progress as the past few years? This essay explores these questions. Section I looks at what Paris will achieve and the global emissions gap. Section II identifies opportunities to spur climate action and potentially narrow the gap through international partnerships between developed and developing nations. Section III explores opportunities for the United States in December to help define the post-Paris international climate agenda around these partnerships, with specific recommendations for the Obama administration.

[4] Goodell J. "Obama Takes on Climate Change: The Rolling Stone Interview." *Rolling Stone.* 23 September 2015. Available at: http://www.rollingstone.com/politics/news/obama-takes-on-climate-change-the-rolling-stone-interview-20150923.

Where Are We?

Paris is a Big Step Forward

The Paris agreement will improve on prior international climate agreements in two major respects. First, the Paris agreement will strengthen enormously the architecture underpinning international climate cooperation. Second, the Paris process, as noted above, has already triggered a whole new wave of climate pledges and action. Each point is examined below.

International climate diplomacy has moved forward in fits and starts over the past three decades. International negotiations began in the late 1980's under President George H. W. Bush. In 1992, nations concluded the first global climate agreement – the United Nations Framework Convention on Climate Change (the Convention or UNFCCC). Nearly 200 nations have ratified the Convention, including the United States (with bipartisan support from the Senate). The Convention created a forum and secretariat for international negotiations, and elaborated principles for future global cooperation. The Convention did not contain country-specific emissions reduction targets and, not surprisingly, after 1992 climate pollution continued to grow around the world.

> The Paris agreement will correct many of the flaws in these prior agreements.

In 1997, countries concluded the Kyoto Protocol, an agreement under the Convention that was designed to strengthen global climate action and begin reducing emissions in at least some nations. Kyoto contained legally binding emissions reduction targets and timetables for developed nations, but it included no new commitments applicable to developing nations, which collectively represented at that time nearly 50 percent of global emissions. Kyoto's emissions reduction targets were also negotiated internationally before they were agreed domestically in developed country capitals. As a consequence of this top-down approach and the absence of meaningful participation by developing nations, the United States declined to ratify the Protocol, further reducing the effectiveness of that agreement. In the end, it covered roughly a quarter of global emissions and required modest reductions over an initial four-year period, which was extended once.

The Paris agreement will correct many of the flaws in these prior agreements. It will contain detailed national (or for the European Union, regional) emissions mitigation targets and timetables. Unlike Kyoto, the Paris agreement will apply to all countries and each nation will determine its own level of climate ambition, consistent with its unique national circumstances. The Paris agreement will also include a variety of additional elements designed to enhance the effectiveness of the global climate regime. Nations may agree in Paris on a long-term climate goal, such as a date by which emissions should peak, and/or an agreement for the first time on the need to decarbonize the global economy some time before 2100. Nations will also agree to make their national goals and plans progressively stronger every five years. The Paris agreement is likely to establish the norm that nations should develop low carbon economic growth plans that establish nationally determined, non-binding emissions reduction goals and benchmarks for the decades ahead, such as in the case of the United States reducing emissions 80 percent by 2050 or 50 percent by 2040. Nations will beef-up obligations that countries have to share information about their climate plans and to

report periodically on progress, thereby creating better transparency.

All these innovations are important for stabilizing the climate and tackling global poverty. Greater transparency and specificity about national action will increase political accountability at the local, regional and global level, while also giving nations confidence that the system as a whole is equitable and effective. With these features, the Paris agreement may signal to the private sector more strongly than ever before the inevitability of the low carbon future, and thus help shift trillions of dollars of future investment in the global economy toward more climate-friendly choices. If these expectations prove correct, the Paris negotiations will be truly historic.

Much More is Needed

Thanks to the Paris process, virtually all nations are doing more than ever before. This is fantastic progress. Yet, looking at these pledges together, it is clear that there will be a large gap between what nations collectively pledge and what science requires to limit global warming to less than 2°C above pre-industrial levels.

A Climate Advisers analysis of the pledges nations have made in advance of Paris that are not conditioned on some external factor, which we call "unconditional pledges," finds that in sum they are likely to deliver just over 40 percent of the emission reductions needed to reach the two-degree path (Figure 1). The United Nations has similar estimates and has concluded that the Paris pledges will slow the rate of growth in global emissions by one third. By 2030, the world will have emitted 75% of the climate pollution allowable for the rest of the century if we hope to limit warming to 2°C.[5]

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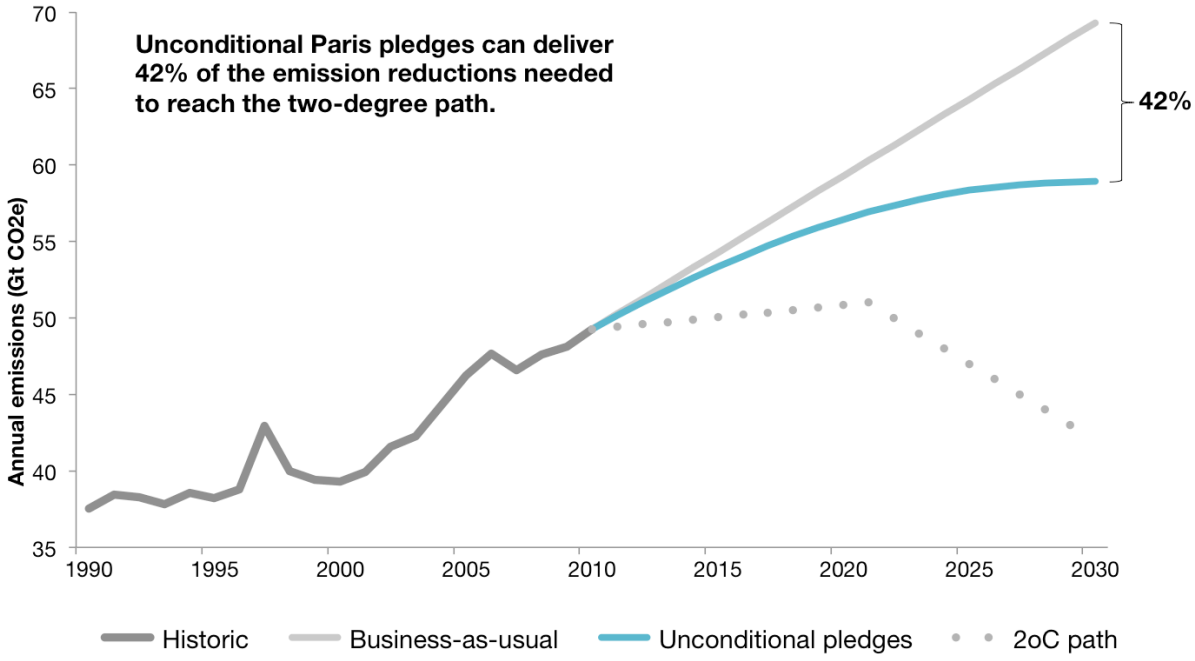
The existence of a global emissions mitigation gap is not news. Nations were not doing enough to combat the climate crisis before the Paris process began. What is news, however, is that the emissions mitigation gap will actually grow. In 2020, the gap will represent about 45 percent of needed action, whereas the Paris pledges if fully implemented would leave a gap of 58 percent in 2030. While nations are doing more than ever before, they are not keeping up with the pace needed get on a realistic pathway to limit warming to 2° C. It's as though we are running down the railway track trying to catch a departing train. We keep speeding up but the train accelerates away faster, so we fall farther and farther behind. It will be very difficult, potentially impossible, to stay under 2° C unless a solution is found soon.

As noted above, the Paris agreement is on track to create a system whereby nations will revisit their climate pledges every five years, with a view to making them progressively stronger. Over time, countries are likely to discover that climate action is easier and cheaper than feared, leading them to strengthen their Paris commitments: this has been the pattern in recent years for both nations and companies that have shown climate leadership. Actual experience with climate action builds confidence and ambition.

[5] United Nations Framework Convention on Climate Change. "Synthesis Report on the Aggregate Effect of Intended Nationally Determined Contributions (INDCs)." 30 October 2015. Available at: http://unfccc.int/files/focus/indc_portal/application/pdf/synthesis_report_-_brief_overview.pdf.

A system that ratchets national pledges is absolutely needed. But it is not sufficient. Like a married couple that has put off saving for the future for too long, at some point it becomes nearly impossible to retire comfortably. Given where global emissions are today and the urgency of reducing emissions, we just don't have time for a system that gradually increases climate ambition every five years—the numbers simply don't work. We also need to find some way to do more in this political moment.

Figure 1. Potential Impact of Paris Pledges



The Post-Paris Climate Agenda

Some parts of the post-Paris climate agenda are abundantly clear to climate advocates and policymakers. After Paris, the first priority for all nations must be to actually deliver on their Paris pledges to cut climate pollution.

These pledges have dramatically changed the strategic environment of climate diplomacy, but they cannot be taken for granted. It will take real work and political will for nations to achieve what they have promised. Elections, economic conditions and the speed of innovation will make a huge difference in potentially unpredictable ways. Implementation will occur at the local and national level, not in the realm of diplomacy.

A second priority will be fleshing-out the terms and mechanics of the Paris agreement at the global level to ensure we can measure and monitor progress. Looking at previous climate agreements, nations may need a few years after Paris to elaborate precisely how the Paris agreement will work in practice. Though the Kyoto Protocol was negotiated in 1997, the rules for the agreement were not adopted for another five years. This time, for example, nations may need to elaborate various procedures, terms and standards in the Paris agreement concerning transparency, reporting and overall implementation. Reaching consensus among some 200 countries can be exceptionally difficult even on seemingly modest proposals and it seems likely that climate diplomacy after Paris will include tying up loose ends.

> To make quick progress in narrowing the emissions mitigation gap, the world needs to target plentiful, affordable and impactful solutions.

While essential, this work shouldn't be allowed to become the primary focus of climate diplomacy after Paris. Instead, nations should turn the spotlight – at least politically, at the head of government and ministerial level – on the bigger and more worthy challenge of how to raise climate ambition now, without needing to wait for the next five-year pledging cycle.

Scaling Action Through Partnerships

One obvious avenue for narrowing the emissions mitigation gap would be for all major economies to commit to do more – to revise their Paris pledges before the ink is even dry. Politically, that is unrealistic. Many major economies are not willing to revise their targets. Europe's commitment to reduce emissions 40 percent by 2030 involved a hard-fought political compromise. Though some member states like Germany and the UK have called for the EU to do more, it is very unlikely that the EU as a whole will change its number at this time given differing climate positions and other pressing political challenges. Similarly, the Obama administration will not revise the U.S. pledge for Paris, a 26-28 percent emissions reduction by 2025. The administration considers it quite ambitious already, and conservative members of Congress and presidential candidates are already vowing to walk away from the existing pledge.

Not only are most developed countries unable or unwilling to do more right now, but also even if they were, they could only be part of the solution. Today, 60 percent of global emissions come from developing nations and that share is growing rapidly. In fact, virtually 100 percent of the growth in emissions will come from developing nations through 2030 and beyond. Also, the lion's share of low-cost emissions

reduction opportunities is in the developing world. That's because the extra cost of making a new factory or city green is lower than making an existing city or factory climate-friendly.

To make quick progress in narrowing the emissions mitigation gap, the world needs to target plentiful, affordable and impactful solutions. That means looking to developing nations – from Colombia to India and Indonesia. Since 2005, for example, Brazil alone has cut more carbon pollution than the entire European Union by reducing deforestation in the Amazon: one developing nation has achieved more in one sector (land-use) than the greenest developed countries have economy-wide combined.

Importantly, many of the ways to reduce emissions in emerging economies are profoundly aligned with local development goals in these countries. One might even say that reducing emissions is a byproduct of doing something else that the countries value more, such as fighting poverty or strengthening local governance. This means there is potential for strong local buy-in for innovative strategies that would grow the economy and reduce climate pollution simultaneously. Pro-growth, cost-effective climate solutions in the developing world are the single best and fastest way to narrow the emissions gap.

Developing Nations Desire Partnerships

Developing countries understand that the world needs them to do more – to take on more than their fair share of the climate solution – and many are willing to do so if we lend a helping hand. Over 90 developing countries have conditioned some portion of their Paris pledges on international financial and technical support. These conditional offers put substantial additional emissions reductions on the table (and were not included in the emissions gap estimates shown above).

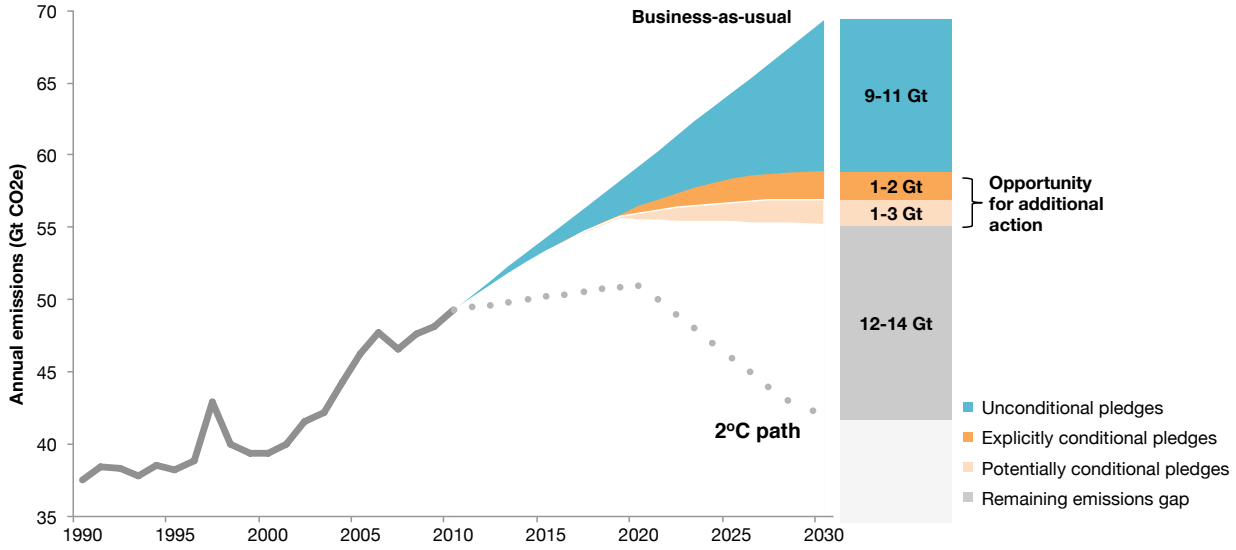
Colombia, Indonesia and Mexico – each of which are strategic allies of the United States – are three of the largest emitters to include explicit conditional targets in their Paris pledges. If America and the international community were to partner with these countries to help meet their conditional commitments, these countries could reduce emissions by an additional 10 percent, 12 percent, and 14 percent below business-as-usual by 2030, respectively. This means that through just these three international partnerships that are already on offer in Paris the global community could avoid an additional half a gigaton (500 billion tons) of CO_2-equivalent emissions (CO_2e) in 2030.[6] That's equal to eliminating the emissions from the United Kingdom.

Fully meeting the Paris emissions reduction targets that are explicitly conditioned on international support would close up to 7 percent of the global emissions mitigation gap. Furthermore, several other countries indicated that meeting their pledges would require new investments, but did not clarify what portion, if any, depends on the international community. Achieving these "potentially conditional" pledges would close up to another 11 percent of the emissions gap. (The combined opportunity for additional action from conditional pledges is summarized in Figure 2.) Fully implementing everything on the table in Paris – unconditional pledges, explicitly conditional pledges, and potentially conditional pledges – would achieve between 11 and 16 gigatons of emissions reductions, enough to close half the emissions gap.[7] That's significant but, more importantly, just the beginning of what could be achieved through international partnerships with developing nations if we truly made it worth their while.

[6] Colombia ~34 million tonnes of CO_2e; Indonesia ~346 million tonnes of CO_2e; Mexico ~136 million tonnes of CO_2e

[7] These figures, however, may overstate the strength of international pledges because many nations made optimistic assumptions.

Figure 2. Paris Pledges (Conditional and Unconditional)



The Lima Challenge

The willingness of developing nations to do more with international support is perhaps clearest in the forest sector. In September 2014, the United States and dozens of other nations (developed and developing) endorsed the goal of ending natural forest loss globally by 2030, having first cut it by 50 percent in 2020. In December 2014, through a joint ministerial announcement by 14 countries called the "Lima Challenge," a critical mass of tropical forest countries challenged developed countries to join them in achieving deeper emission reductions by ending deforestation through international collaboration. The countries highlighted their commitment to taking action on their own by "doing their fair share" to reduce emissions without international support, but also noted that they stand ready to do even more in the context of economic incentives from the international community. To maximize global ambition they pledged to quantify not only how much they will do on their own, but also how much more they can do in partnership with international financial support.

What the conditional pledges and Lima Challenge[8] show is that developing nations are ready to take action – to do things like end deforestation for the global good – provided the international community lends a hand. The Paris process, in other words, has highlighted the opportunity the United States and other donor countries have through collaborative action.

Going Beyond Conditional Pledges

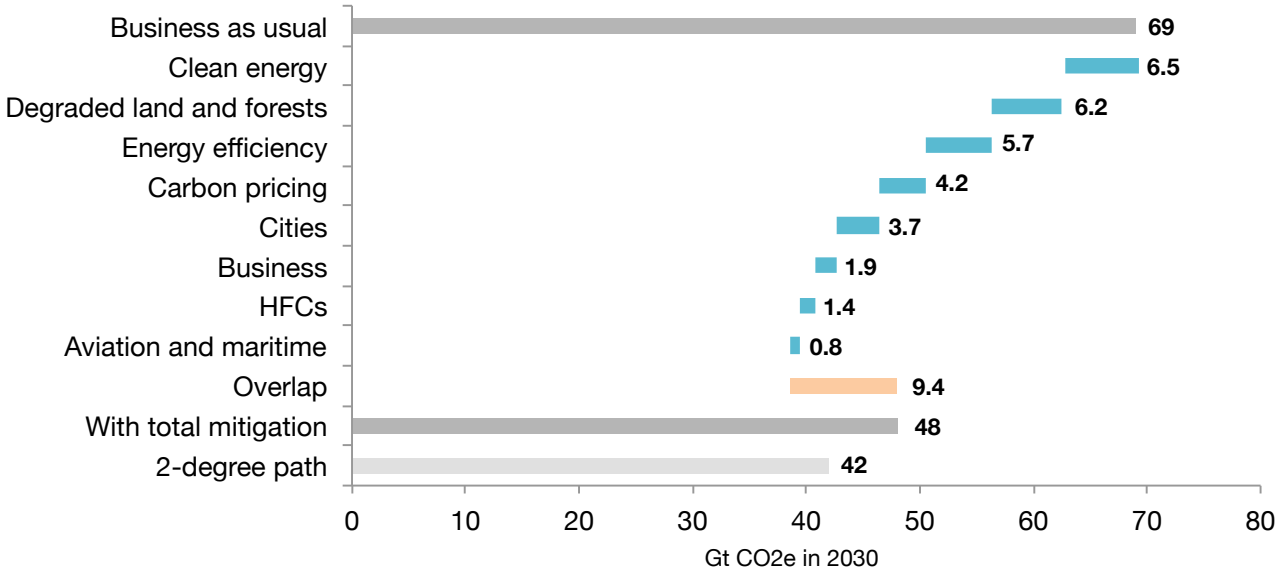
Conditional pledges, though important, are just the tip of the iceberg. The Global Commission on the New Climate Economy, a blue ribbon panel of prominent economists led by former President of Mexico Felipe Calderón, has concluded that international climate partnerships hold the potential to bring climate action in line with climate science.

Just ten major new international partnerships with the developing world could both *accelerate* economic growth and place the world on the

[8] Full text of the Lima Challenge available at: http://www.un.org/climatechange/wp-content/uploads/2015/05/LIMA-CHALLENGE.pdf.

trajectory to limit global warming to 2°C. For example, scaling up renewable energy and energy efficiency through additional public and private investment can not only achieve 6.5 gigatons in annual emissions reductions by 2030, but also help connect over 1 billion people to electricity. Ending deforestation and ramping up restoration of degraded tropical forests — for instance, by expanding financing for REDD+ — can avoid an additional 6.2 gigatons of GHG emissions per year while protecting indigenous peoples and other forest-dependent communities. Meanwhile, collectively phasing down the use of hydrofluorocarbons (HFCs), super pollutants primarily found in equipment such as refrigerators and air conditioners, through an amendment to the Montreal Protocol can further lower annual emissions by 1.4 gigatons.[9] Together, the suite of economically positive actions would avoid the release of 21 gigatons of CO_2e into the atmosphere annually by 2030 (see Figure 3).

Figure 3. Scale of Opportunities to Reduce Emissions in 2030



Source: New Climate Economy 2015

[9] New Climate Economy, 2015. Available at: http://2015.newclimateeconomy.report/wp-content/uploads/2014/08/NCE-2015_Seizing-the-Global-Opportunity_web.pdf.

Opportunity for U.S. Leadership

Spearheading the effort to scale-up international climate partnerships is a global leadership opportunity for the United States. This section explores what a U.S.-driven effort after Paris might look like. It quantifies what the U.S. share of a global effort might be and examines several of the policy tools available to the United States to promote emissions reductions in the developing world.

The world needs a blueprint for how to close the emissions mitigation gap. Like all good plans, it should begin with a clear goal. There are at least three ways of thinking about how the United States could define a global effort to increase climate ambition beyond the initial unconditional Paris pledges – at least three ways the Obama administration could craft a meaningful post-Paris climate agenda with a blueprint for additional action *now*.

The world needs a blueprint for how to close the emissions mitigation gap.

Set a new global carbon intensity goal: First, the United States could lead an international effort to articulate affirmative collective goals, the achievement of which would depend on going further than merely implementing the Paris pledges. One such goal could be to increase the decarbonization rate of the global economy by 2030. Average carbon intensity — the GHG emissions released per dollar of economic output — has been falling around the world, but not nearly fast enough to limit temperature rise to 2° C by the end of this century.[10] Paris pledges will likely double the current rate of decarbonization, a positive step, but we can go even further. The United States should rally the international community to agree to a tripling of the current decarbonization rate by 2030, an ambitious but achievable goal. Reaching agreement on a global goal to more quickly decouple GHG emissions from economic growth would be difficult but not impossible if America and other donor nations made it clear that they intend to provide new economic incentives for developing nations to take action.

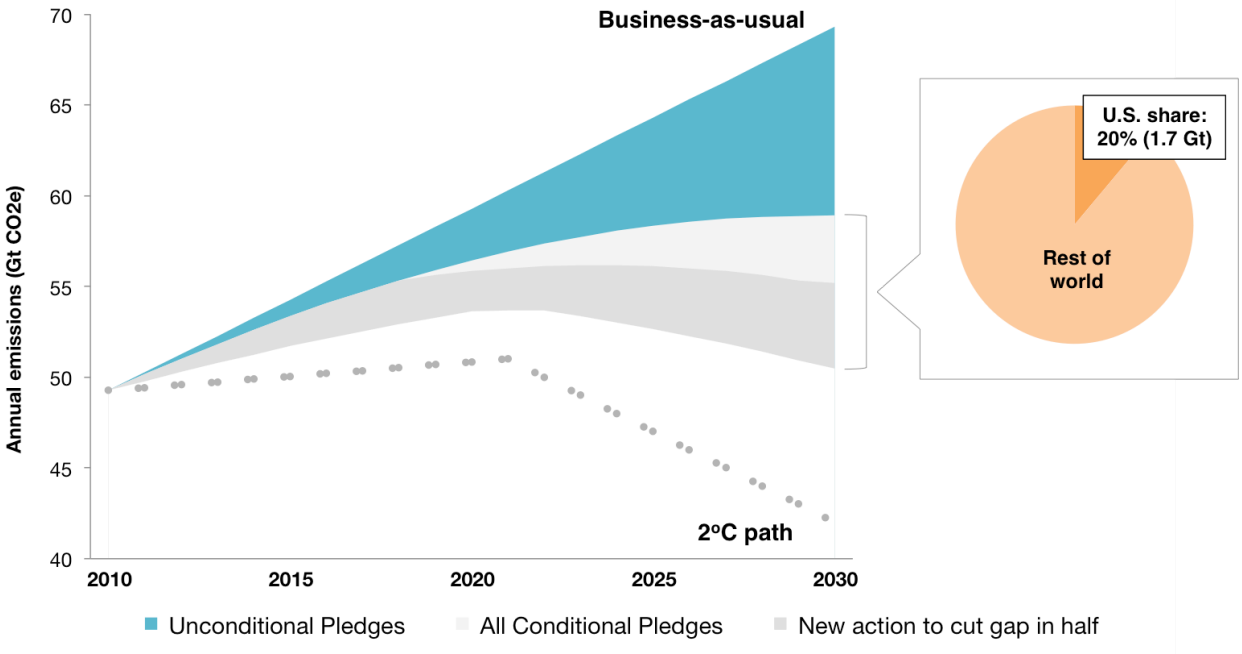
Agree to reduce the global emissions mitigation gap by half: Second, the United States could build international support for embracing a collective goal to reduce the global emissions mitigation gap by half by 2030 through pro-growth international partnerships. This would represent a significant down payment toward preserving the 2° C target. Currently, the United States provides close to 20 percent of international support for climate action in the developing world. That's roughly equivalent to the average share that the United States sponsors for multilateral action generally. The global emissions mitigation gap in 2030, based on the Paris unconditional pledges only, will be 16.5 billion tons. To close half of this gap, the United States might be expected to help facilitate 20 percent, or 1.7 billion tons (see Figure 4).

Endorse developing nations' conditional pledges: Third, and perhaps as a starting point, the United States could set out to help developing nations achieve the additional emissions reductions they have offered in their conditional pledges. Under this approach, the United States might be expected to assist developing nations to avoid 700 million tons of GHG emissions in 2030, 20 percent of the total conditional tons on the table in Paris.

[10] PwC, 2015. Conscious uncoupling? Low Carbon Economy Index 2015. October 2015. Available at: http://www.pwc.co.uk/services/sustainability-climate-change/insights/low-carbon-economy-index-2015-download-section.html.

Any of these three outcomes would provide Paris with the unexpected and urgently needed boost in ambition, while also defining a powerful vision for international climate diplomacy beyond Paris. The next section of this paper explores how the United States could deliver on its share of such an effort.

Figure 4. U.S. Share of Action Needed to Cut the Gap by Half



Delivering International Partnerships

The U.S. share of a global effort to take a big chunk out of the remaining emissions mitigation gap is relatively easy to define. But how can the United States get this done? Climate partnerships already play an important role in U.S. diplomacy, and there are several options for delivering U.S. support.

Partnerships Are Consistent with US Climate Diplomacy

The idea of partnering with developing nations to move them toward low carbon growth has been a big part of the Obama administration's diplomatic strategy for some time. A cornerstone of the President's Climate Action Plan is working with major emerging economies. The U.S. government has built working relationships with the governments of China, India, Brazil and Indonesia to advance joint clean energy and climate objectives. The world's two largest greenhouse gas emitters, the U.S. and China, have agreed to cooperate on phasing down highly polluting HFCs and a slew of other initiatives. The joint announcement of the U.S. and China's climate pledges to the UN climate process underscores the cooperation necessary for tackling global climate change by all developed and developing major emitting economies.

These programs are delivering impressive results.

In addition to making climate change a top tier priority in bilateral diplomacy, the Obama administration has also built multi-country alliances to address specific aspects of the climate problem. As Secretary of State, Hillary Clinton launched the Climate and Clean Air Coalition (CCAC) to address potent pollutants like methane, black carbon and HFCs. The CCAC includes 28 developing country partners and 20 developed country partners as well as non-state partners. Secretary of State Kerry made climate change the top priority during his chairmanship of the Arctic Council, an alliance of nations with interests in Arctic affairs.

Through these and more traditional initiatives, the United States has provided significant funding to developing countries to reduce the global threat of climate change. In 2007, under the Bush administration, the United States joined a commitment in Bali at the UNFCCC that developed countries would increase support for climate action in developing nations.[11] During the 2009 UN climate talks in Copenhagen, the United States and other developed countries agreed to mobilize $100 billion in public and private finance annually by 2020. Developed countries also agreed to provide $30 billion in public funding between 2009-2012 and to establish a Green Climate Fund to support climate investments in the developing world. The Obama administration has pledged several billion dollars to that fund already, as have other developed nations. Since 2009 the United States has mobilized $13 billion in climate-related international development assistance and investment.

Model Partnerships Are Already Cutting Pollution Today

Model climate partnerships are delivering impressive results. Climate Advisers estimates, using U.S. government data, that these U.S. international climate finance programs – which include grants, loans, insurance and guarantees – will contribute to reducing 290-420 million metric tons of CO_2e emissions annually in developing countries over the lifetime of the programs and technologies financed (Figure

[11] UNFCCC, 2007. Report of the Conference of the Parties on its thirteenth session, held in Bali from 3 to 15 December 2007. Section 1e.

5).[12] This is equivalent to taking between 61-88.4 million cars off the road each year.

On average, every $5-$7 of U.S. investment in developing nations supports a ton of emissions reductions, substantially lower than the U.S. government estimates of the cost of reducing domestic emissions, and the United States' social cost of climate pollution.[13]

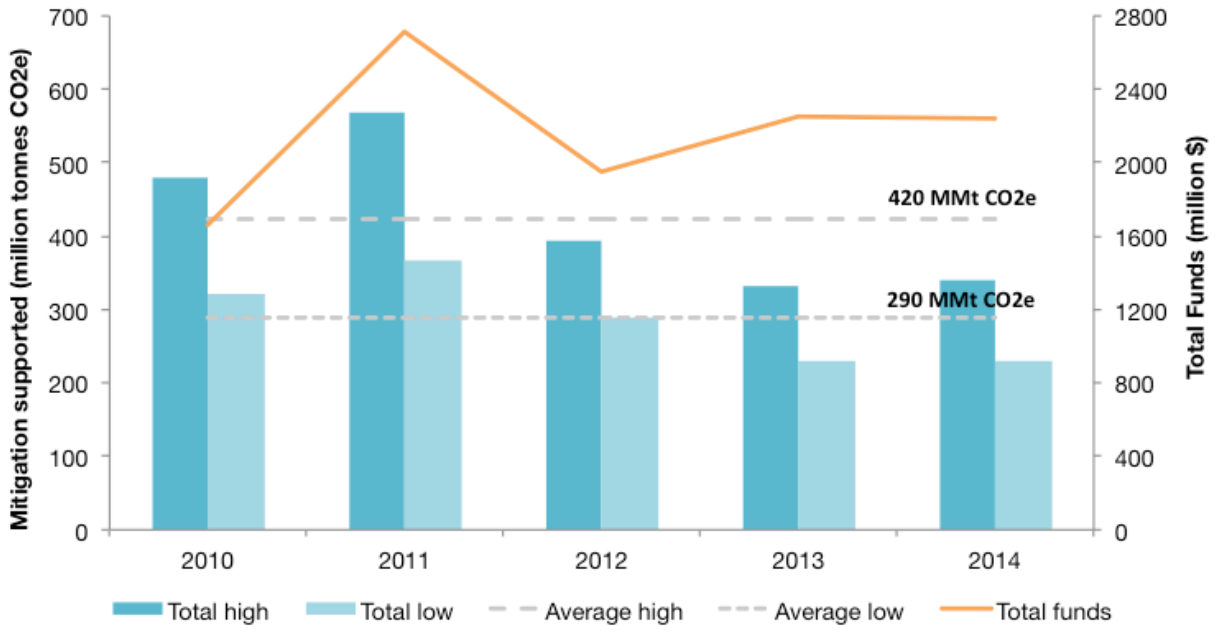
While significant measurement and accounting challenges are yet to be addressed, this analysis demonstrates that developed countries can assist developing nations in reducing their GHG emissions beyond what they would be able to achieve alone, and do so cost-effectively.

Partnerships with Strategic Allies can Raise Ambition

By partnering with our strategic allies in the developing world the United States can help unlock climate mitigation opportunities that pay environmental, development and strategic dividends. Consider a few examples.

In **Indonesia**, nearly two-thirds of GHG emissions come from agriculture and forestry. The United States can help cut an estimated half a billion tons of climate pollution every year by reducing the impact of deforestation and forest degradation.[14] The U.S.

Figure 5. U.S.-Supported International Mitigation, By Year



Note: For additional information on the methodology used to estimate the high and low figure for U.S.-supported mitigation, please see "From Investment to Impact: Quantifying the Emissions Reduction Benefits of U.S. International Climate" Programs, available on www.climateadvisers.com.

[12] Belenky M., 2015. From Investment to Impact: Quantifying the Emissions Reduction Benefits of U.S. International Climate. Climate Advisers. October 2015.

[13] The social cost of carbon is an estimate of the indirect cost of carbon dioxide emissions, including impact on human health, agricultural productivity, energy demand, and others.

[14] Dewan Nasional Perubahan Iklim, 2010. Indonesia's Greenhouse Gas Abatement Cost Curve. Available at: http://www.mmechanisms.org/document/country/IDN/Indonesia_ghg_cost_curve_english.pdf.

can help address concerns that efforts to end deforestation have been difficult on small-scale and family farms, perhaps by focusing on boosting the agricultural productivity of smallholder farms and increasing access to markets for sustainable goods, while putting in place incentives that reward conservation of standing forests.

In **India**, the opportunity to extend electricity access and reduce climate emissions on a massive scale provides a compelling case for increased support for renewable energy. The country has announced one of the world's most ambitious renewable energy targets – to add 175 GW of renewable energy capacity by 2022 – while it continues to seek cost-effective ways to reduce energy poverty. Solely by scaling up clean power, India can avoid 500 to 900 million tons of GHG emissions in 2030.[15] Through a strategic partnership, perhaps modeled after the Power Africa initiative, the United States can help mobilize funds and technical know-how across institutions, achieving greater impact through enhanced inter-agency coordination and global visibility. Most importantly, it can deliver proof that developing countries can leapfrog dirty and less efficient technologies and meet development goals at the same time.

The power sector also offers an important emissions reduction opportunity in **Mexico**, where implementing a suite of clean energy strategies can reduce emissions by nearly 130 million tons in 2030.[16] The country has already demonstrated a commitment to greening its

electricity generation: as part of its unconditional national climate pledge, Mexico aims to raise the share of clean energy in its electricity mix to 43 percent by 2030. This represents more than a seven-fold increase over current levels and can achieve about half of the sector's total mitigation potential.[17] Mexico's conditional climate pledge is a concrete opportunity for the United States to help increase climate action, potentially through closer integration of the countries' power and carbon markets. Working together on climate action can lead to faster adoption of renewable technology, greater cost savings through economies of scale and deeper emissions cuts in both countries.

> By partnering with our strategic allies in the developing world the United States can help unlock climate mitigation opportunities that pay environmental, development and strategic dividends.

Using Executive Authorities

Despite the opportunity for U.S. leadership and the good fit with historical U.S. approaches, the current U.S. political environment makes it likely that President Obama, or his successor, will have a hard time securing significant increases

[15] Kumar S. and Madlener R. A Least-Cost Assessment of the CO_2 Mitigation Potential Using Renewable Energies in the Indian Electricity Supply Sector. Working Paper. November 2014. Available at: https://www.rwth-aachen.de/global/show_document.asp?id=aaaaaaaaaalewqc; McKinsey & Company, 2009. Environmental and Energy Sustainability: An Approach for India. August 2009.

[16] USAID, 2014. Update of Mexico's Emissions Baselines and Mitigation Portfolio 2009-2030. May 2013.

[17] SEMARNAT, 2015. Intended Nationally Determined Contribution, Mexico. Presentation in Cartagena, Colombia on 14 July 2015. Available at: http://mitigationpartnership.net/sites/default/files/u2055/4.monica_echegoyen-semarnat-mexico.pdf.

in congressional appropriations for climate change programs in developing countries.

That's regrettable but not the end of the story. Just as President Obama has demonstrated his willingness to use executive authority to reduce climate pollution at home, he and his successor should continue to extend that strategy to the international realm as well. The Presidency has several tools to forge large-scale international climate partnerships without having to secure increased appropriations or statutory authorities from Congress at this time.

Just as President Obama has demonstrated his willingness to use executive authority to reduce climate pollution at home, he and his successor should continue to extend that strategy to the international realm as well.

To start, the Obama administration should optimize existing **foreign aid** – allocating existing funds where they can have the most effective development and climate impact. Focusing more clearly on the mitigation impact of various programs would help. The United States should allocate a much larger percentage of its climate aid to results-based programs that reward nations for achieving emission reduction goals, just as the Center for Global Development, Climate Advisers and others have long recommended. The United States should further accelerate efforts to ensure that U.S. and multilateral economic assistance to developing nations supports low carbon growth, including by not supporting fossil fuel use (something the Obama administration is doing well) and energy inefficient infrastructure (an area where there is still plenty of room for improvement).

In addition, the President has authority over several programs that are self-financed through fees paid by companies seeking government incentives, including most notably U.S. **export credit** agencies such as the Export-Import Bank and the Overseas Private Investment Corporation (OPIC). These programs create American jobs by exporting clean energy technologies to emerging economies. Because they are self-funded, they can theoretically be ramped up significantly without new funding from Congress. Congress does need to authorize the continuation of these institutions and Congress has provided that authorization in the recent budget deal.

The President could also initiate bilateral **trade** negotiations with strategically important countries that are leading on climate change. Doing so would create powerful economic incentives for climate action all over the world. This might trigger a race to the top with other developing nations increasing their climate action to secure a chance to trade more with the United States. When done right, trade liberalization grows the U.S. economy and does not require public funding. While Congress would need to approve those trade agreements by passing Trade Promotion Authority at some point, that legislation would not be needed now. Congress has a strong history of supporting trade agreements with nations regardless of why those countries were chosen by the President.

This list is not exhaustive; it merely illustrates the potential of the Executive Branch to lead a broad effort to reduce emissions abroad, despite current congressional opposition or indifference.

A Durable Approach

International partnerships to reduce climate pollution in developing countries would likely attract more bipartisan political support than

other parts of the President's climate agenda. Any Democratic successor in the White House would likely embrace an Obama-era commitment to international climate partnerships. That commitment would be supported not only by progressives at home but also by key allies abroad and would be in line with the Democratic Party's support for climate action.

But perhaps surprisingly, a new Republican president in 2017 might also have political reasons to support an Obama administration pledge to help developing nations accelerate climate action. All Republican candidates for President have said that, if elected, they would undo the Obama administration's climate regulations, especially those on existing power plants. Weakening domestic climate measures would provoke major criticism, and would be viewed by other countries as backtracking from U.S. pledges in Paris. One way a conservative administration might choose to moderate this pushback would be to stand by the parts of the Obama administration's climate plan that are most helpful to other nations, including pledges for international partnerships that reduce emissions and promote economic growth in poor nations. Compared to domestic U.S. climate regulations, these international programs would be low cost and supported by U.S. companies.

Exactly this dynamic unfolded during the George W. Bush administration. In his second term, President Bush sought to moderate ongoing international criticism of his climate policies by increasing U.S. foreign aid for climate and clean energy partnerships. In fact, his last budget was a gift to President Obama, who was able to inherit a major increase in funding for climate action in poor nations. President Bush also led several multilateral efforts to spur climate action in the developing world, including by amending a U.S. law to ban imports of goods derived from illegal logging (a big source of climate pollution) and forging an international consensus to accelerate the phase down of some super polluting refrigerants under the Montreal Protocol. While these measures in no way justified the Bush administration's refusal to reduce U.S. domestic emissions, the fact remains that U.S. support for climate action in the developing world actually increased during his administration. Republican primary-season rhetoric notwithstanding, a similar pattern could emerge in 2017 and beyond under a new Republican administration that is looking for ways to maintain U.S. international influence.

> International partnerships to reduce climate pollution in developing countries would likely attract more bipartisan political support than other parts of the President's climate agenda.

Conclusion

Paris will be a big step forward. It will deliver important new climate action in nations around the world and strengthen the multilateral system underpinning climate diplomacy. But that alone will not be enough.

A system to require nations to submit progressively stronger climate pledges every five years and to report transparently about progress made is essential, but not sufficient. The world doesn't have time to sit back and allow this system to work over several decades. Addressing the climate crisis requires additional urgent action now.

President Obama should use his time with other world leaders in Paris to forge a new international consensus on the need to create a blueprint for increasing climate action *now* through win-win international partnerships. This blueprint for climate diplomacy beyond Paris could be framed in any number of ways – around achieving by 2030 a new carbon intensity goal (such as tripling the rate of improvement in the global economy), cutting the global emissions gap in half by a certain date, or taking developing nations up on their offer to do more through their conditional Paris pledges. If the United States cannot create a full global consensus on at least one such approach in Paris, it should organize a coalition of nations willing to lead in this manner.

Collective global goals to define the post-Paris diplomatic agenda are essential but United States also needs to lead through action. To demonstrate a real commitment to a global effort to move the world closer to the 2° C path, the United States should clarify in Paris the contribution it will make to implementing a new global blueprint centered on partnerships with the developing world. This will be essential to convince developing nations to go along with a collective vision of how to increase climate ambition beyond Paris. Otherwise developing nations will assume that developed nations expect them to do more on their own, and that simply won't fly. To show its willingness to lead, the United States should pledge to help developing nations reduce 1 billion tons of

- The United States should forge a new international consensus to center international climate diplomacy after Paris not just on the idea of implementing the Paris pledges, but also on increasing climate action through international partnerships with developing nations.
- Collectively these partnerships should be designed to advance a new blueprint for international climate cooperation organized around a compelling, ambitious and achievable objective for 2030, such as tripling the rate of improvement in global carbon intensity, cutting the global emissions gap in half, or helping developing nations deliver on their conditional emissions reduction goals.
- If the United States cannot create a full global consensus on at least one such approach, it should organize a coalition of nations willing to lead in this manner.
- For its part, the United Sates should pledge to help developing nations reduce 1 billion tons of emissions per year by 2020, rising to 1.5 billion tons by 2025.

emissions per year by 2020, rising to 1.5 billion tons by 2025. This amount would represent a significant down payment toward the U.S. share of a global effort to go beyond the Paris unconditional pledges. Finally, President Obama should make clear that he intends to start delivering on this U.S. contribution to emissions reduction in the developing world by relying on executive action, not Congress, just as he is doing on climate change domestically.

These pledges would move climate diplomacy beyond arguments over process and financing, which are the inputs to the system – and instead focus on measuring what matters more: climate outcomes. Paris must be the beginning, not the end, of climate diplomacy. Climate diplomacy after Paris should focus not just on ensuring that nations deliver on what they have promised this year, but also on raising global climate ambition through collaborative actions.

Outlining an ambitious, urgent and achievable post-Paris climate agenda would cement President Obama's place in history as an unrivaled global climate leader. Already he is the first U.S. president to reduce U.S. climate pollution and convince developing nations to take action too. President Obama has the opportunity to become the first world leader who has the vision and a concrete plan to move global climate action in line with scientific realities and avert a global climate catastrophe by actually meeting the 2° C goal. His administration has been very good, but he has a chance to be truly great. He should take it.

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