At a glance

June 2017



Paris Agreement: United States withdrawal

On 1 June 2017, US President Donald Trump announced that the United States would withdraw from the Paris Agreement on climate change and try to negotiate a deal that is more favourable to the USA. The withdrawal could come into effect in November 2020 at the earliest, coinciding with the next presidential elections in the USA. Global reactions to the announcement were mostly negative.

President Trump's announcement

With his <u>announcement</u> that the US would withdraw from the <u>Paris Agreement</u>, President Trump follows up on a promise he made during his election campaign. Trump stated that the USA would cease all implementation immediately, including payments to the Green Climate Fund. Only Nicaragua and Syria are currently not parties to the Paris Agreement. It appears from the announcement that the USA intends to leave the Paris Agreement, but not the overarching United Nations Framework Convention on Climate Change (<u>UNFCCC</u>). Trump announced the intention to negotiate 'a deal that's fair' to the United States.

In his speech, Trump claimed that the Paris Agreement 'disadvantages the United States to the exclusive benefit of other countries'; imposes 'draconian financial and economic burdens' and 'massive future legal liability' on the USA; handicaps the US economy; restricts US sovereignty and 'prevents the country from conducting its domestic economic affairs'; obliges the USA to pay 'potentially tens of billions of dollars' into the Green Climate Fund; hinders the USA from developing its energy reserves and 'blocks the development of clean coal'; 'while imposing no meaningful obligations on the world's leading polluters'. Trump explicitly named China, India and Europe as regions that are allowed to expand their use of coal.

US involvement in international climate change agreements

The USA is a party to the UNFCCC, but did not ratify the <u>Kyoto Protocol</u> that commits developed countries to reducing greenhouse gas emissions in the period 2005-2020. The Republican-dominated US Congress is opposed to any international agreement that has one-sided commitments or has economic disadvantages for the USA. In 2009, the USA <u>pledged</u> emission reductions in the range of 17 % below 2005 levels by 2020.

In November 2014, the US and China jointly <u>announced</u> their intentions to address climate change by reducing emissions and cooperating on clean energy. This announcement, which overcame the long-standing division between developed and developing countries, was considered an important element in enabling the conclusion of the Paris Agreement. The architecture of the Paris Agreement is generally <u>regarded</u> as accommodating the US position, as it allows parties to set their own nationally determined contributions and lacks enforcement mechanisms. As a consequence, President Obama was able to sign it as an <u>executive</u> <u>agreement</u> without the need for Congressional approval. The USA pledged US\$3 billion to the Green Climate Fund, of which US\$1 billion was paid during Obama's term of office.

After the inauguration of President Trump, US involvement in the UNFCCC process has weakened. During the multilateral assessment of pre-2020 climate action at the May 2017 UNFCCC meeting, the USA sent a delegation of seven people, versus 44 in 2016. The <u>US submissions</u> say that the priority for the USA are 'jobs, economic growth and energy independence', but include no analysis of the impact of recent policy changes.

US domestic climate policy

<u>Climate change policy</u> in the USA is made at the federal level by Congress and the President, but also to a large extent at the level of the states. The Obama administration put a number of measures in place intended to achieve its 2020 target and the target of a 26-28 % reduction in greenhouse gas emissions by 2025, set out in the <u>US Nationally Determined Contribution</u> (NDC). The principal instruments are the 2013 <u>Climate Action Plan</u> and the <u>Clean Power Plan</u>, which the US Environmental Protection Agency (EPA) released in August 2015.



During his <u>first months in office</u>, President Trump took a number of actions to weaken US climate policies. He appointed Scott Pruitt, a Republican lawyer who opposed environmental regulations, as head of the EPA, proposed a 31% reduction in the EPA's budget, and stopped payments to the Green Climate Fund. On 28 March 2017, he signed an <u>executive order</u> to annul President Barack Obama's climate change efforts.

Procedure and timeline for withdrawing from the Paris Agreement

The <u>legal options</u> for leaving the Paris Agreement are set out in its <u>Article 28</u>. A party may give written notification of its withdrawal when three years have elapsed from the date on which it joined the agreement. The withdrawal will be effective one year after notification. In case of the USA, the withdrawal could be notified on 4 November 2019 (three years after entry into force of the Paris Agreement), and become effective one year later, on 4 November 2020. This would coincide with the next US presidential elections. Withdrawal from the Paris Agreement would not need the approval of the US Congress, as the US President signed and accepted it under his executive authority without first seeking Congressional approval.

Another option would be for a party to change its commitments by adjusting its nationally determined contribution (NDC) according to Article 4.11, although this should be 'with a view to enhancing its level of ambition'. Alternatively, a party can withdraw from the Paris Agreement by leaving the UNFCCC, Article 25.1 of which allows parties to withdraw by giving one year's notice.

Consequences of the US withdrawal

Environmental impacts of the US withdrawal can result from the USA abandoning the domestic implementation of its NDC and its international leadership role, from ending support to other parties of the agreement, and from the reactions of other parties to the US decision. The changes in climate policy under the Trump administration could result in around 0.2°C to 0.3°C additional warming, according to <u>CarbonBrief</u>. Other <u>studies</u> estimate that the revised policies could lead to an extra half to one billion tonnes of greenhouse gases in the atmosphere by 2025.

As regards the economic impacts of the Paris Agreement on the United States, Trump cited numbers from a 2017 <u>study</u> by National Economic Research Associates (NERA), including 2.7 million jobs lost by 2025 and US\$3 trillion in lost GDP by 2040. However, NERA <u>clarified</u> that the study is not a cost-benefit analysis of the Paris Agreement, but an estimate of the cost of alternative approaches for meeting deep US emissions targets.

Reactions to the US announcement

The announcement led to numerous reactions and commentaries worldwide, including in the USA. Among the 192 global reactions collected by CarbonBrief, the vast majority (163) were negative, 16 were positive and 13 neutral. The positive reactions came for the most part from politicians, press and think tanks based in the USA and the United Kingdom.

European Parliament's President Antonio Tajani <u>declared</u> that 'the Paris agreement is alive and we will take it forward with or without the US administration'. Miguel Arias Cañete, Commissioner for climate action and energy <u>stated</u> that the EU deeply regrets the Trump administration decision and confirmed that the world can continue to count on Europe, for global leadership in the fight against climate change, for ambitious climate policies, and for continued support to the poor and vulnerable. Cañete told reporters that the Paris Agreement is fit for purpose and will not be renegotiated. At the 19th EU-China Summit on 2 June 2017, EU and Chinese leaders <u>reaffirmed</u> their commitment to the Paris Agreement and highlighted the importance of cooperating in energy policies. The European Union and the African Union <u>reaffirmed</u> their strong commitment to full implementation of the Paris agreement.

Internationally, a number of countries regret the US decision and reaffirm their intention to implement the Paris Agreement. France, Germany and Italy issued a <u>joint statement</u> expressing regret and rejecting the idea that the Paris Agreement could be renegotiated. Indian Prime Minister Narendra Modi reaffirmed his support for the Paris Agreement in a <u>joint statement</u> with French President Emmanuel Macron.

In the USA, a coalition of 9 states, 159 cities and counties, as well as businesses and universities published an <u>open letter</u> declaring their continued support for climate action to meet the Paris Agreement. According to a <u>public opinion poll</u>, 59 % of Americans oppose the US withdrawal from the Paris Agreement.

Analysts are concerned that the exit from the Paris Agreement may <u>damage</u> US international relations and US leadership, and have <u>negative impacts</u> beyond climate change on the broader project of multilateralism.

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