Environment Alert

U.S. Reinserts Itself on Global Climate Stage, Rejoining Paris Agreement on Day One

January 21, 2021

Key Points:

- President Biden signed an Executive Order to rejoin the Paris Agreement on Day One of his administration.
- This action underscores that climate change is one of President Biden's highest priorities and reasserts U.S. leadership in the global community by demonstrating the country's commitment to honor the deal the United States made in Paris with over 190 nations in 2015 to limit temperature rise to "well below" 2°C above preindustrial levels.
- The next big step will be for the United States to develop and announce its renewed NDC, which will reestablish emission reduction goals for the country and provide President Biden's roadmap for achieving those aspirations.

Just hours after his inauguration, President Joseph R. Biden signed a far-reaching **Executive Order** to rejoin the Paris Agreement (the "Agreement"), the quintessential international greenhouse gas reduction accord. The two-sentence Executive Order fully commits the United States to the Paris Agreement once again. The U.S. had withdrawn from the Agreement under President Trump, effective November 4, 2020. President Biden made rejoining the Paris Agreement one of his most repeated campaign promises, and his actions on Day One of his administration underscore the centrality of climate change in the policies he plans to pursue during his tenure.

What is the Paris Agreement?

The Paris Agreement is an international accord among 189 countries that have voluntarily pledged to meet emissions reductions goals that become stricter over time. Its goal is to limit global temperature rise to "well below" 2°C above pre-industrial levels. Most countries signed the Agreement in December 2015, and it came into force November 4, 2016.

The Agreement calls for countries to embark on an "economic and social transformation" through a five-year cycle of increasingly ambitious climate action. This process begins with the submission of climate action plans known as "Nationally Determined Contributions," or "NDCs," through which countries communicate their

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mjennison@akingump.com Washington, D.C. +1 202.887.4194 emissions reduction goals. The Agreement also allows countries to formulate "longterm low greenhouse gas emission development strategies" intended to guide future efforts to combat climate change.

Importantly, the Agreement puts a greater share of the onus for responding to climate change on already-developed countries, as opposed to countries with less-developed economies. Developed countries commit to providing financial assistance to spur investments in climate mitigation and adaptation measures, produce and accelerate the deployment of climate-resilient and greenhouse gas-reducing technologies, and build climate-related "capacity" to deal with the challenges of climate change.

What is the Effect of Rejoining the Paris Agreement?

The November 2020 withdrawal did not permanently remove the United States from the Paris Agreement's parent organization, the United Nations Framework Convention on Climate Change (UNFCCC). As a result, President Biden's January 20, 2021, Executive Order sets into motion the necessary steps for the country to rejoin the Agreement, which will become official 30 days later on February 19, 2021.

From there, the new administration faces a heavier lift. All countries must submit emissions reductions goals to the UNFCCC and must report on progress toward those goals in order to remain in good standing under the Agreement. Although the Agreement is a hybrid of legally binding and nonbinding provisions, it significantly functions as a "name-and-shame" system by requiring countries to report their progress toward meeting their pledges. With virtually the entire world committing to emissions reduction targets, the Agreement's drafters intended for public pressure to induce greater efforts from countries that fall short.

In 2015, upon signing the accord, President Obama pledged that the United States would reduce its emissions by 26 to 28 percent below 2005 levels by 2025, while making "best efforts" to reduce emissions by 28 percent. Given his goal to eventually achieve a 100 percent "clean energy economy" with net-zero emissions, President Biden will be expected to submit a new NDC that goes beyond Obama's original pledge and matches—or exceeds—the ambitious goals pledged by other developed countries. By comparison, the European Union has pledged to reduce its emissions 55 percent below 1990 levels by 2030. We anticipate all signatories will begin announcing their new NDCs at and around the next UNFCCC convention of parties (COP-26) in Glasgow this November.

Looking Ahead

Moving forward, we can expect the U.S. to double down on its commitments and to get back on the emissions reduction trajectory presented in the Obama-era NDC. The U.S. also has to make up for lost time due to lack of a national greenhouse gas reduction strategy over the past four years. Progress toward the original Obama-era goal has been almost nonexistent during those four years, making it even harder to deliver on a more ambitious one. But delivering on a new pledge is exactly what Biden needs to do in order to regain footing internationally, at least in the climate change world. This is not the first time the U.S. has reneged on a major climate deal, let alone one it helped craft. Biden needs to come blazing back into the Paris Agreement with ambitious reduction goals coupled with strategic and deliverable actions to achieve them. He will need to employ a panoply of methods, including short-term moves in his first 100 days and longer-term, longer-lasting regulatory and legislative moves after that.

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