

## E3G's Top Takeaways from the US Leaders Summit on Climate

by Tom Evans and Daniela Schulman

The **Leaders Summit on Climate** marked the return of the US to global climate action. As the first major leaders-level gathering on climate this year it was a crucial opportunity to set the tone and pace of climate ambition on the road to COP26.

E3G has been following the Summit on social media, with expert threads from **Byford Tsang** on China; **Jennifer Tollmann** on Europe; and **Johannes Schroeten**, **Iskander Erzini Vernoit** and **Dan Firger** on finance.

### What progress did Biden's Summit demonstrate?

- **In the 100-day hot seat, the Biden administration delivered on mitigation ambition and innovation.** The US announced a 50-52% by 2030 target (from 2005 levels), a necessary baseline of ambition to get others to step up. It also recommitted to partnering on Mission Innovation challenges and laid out bold new clean energy goals. The real challenge will be turning this rhetoric into real emission cuts. But for today, it's good to have the US back in action.
  - Embed tweet:  
<https://twitter.com/aldenmeyer/status/1385185681287299078?s=19>
- **Raising the pressure on major emitters.** The US and Japan have set reducing emissions 50% by 2030 as the benchmark for ambitious G7 climate action, against which Canada's new NDC is disappointing (merely 40-45% by 2030). Expectations are now rising for other major emitters to set their own credible near-term targets – particularly South Korea, Australia, China, and India. Crowding international finance into the new **US-India Climate and Clean Energy Agenda 2030 Partnership** will be critical to laying a path to higher ambition.
- **Accelerating the end of international coal finance.** The US **commitment** to “seek to end public finance to carbon-intensive fossil projects abroad” reinforces the terminal decline of international coal finance. Its end is irreversible in Asia too: South Korea's **decision** to cease international coal finance dramatically escalates pressure on China and Japan to follow suit.

### Where did the Summit fall short?

- **A missed opportunity to build solidarity between developed and developing countries.** There was little in the way of climate finance beyond the US commitment to **double climate finance** to \$5.7bn by 2024. For context, **Bangladesh** already spends about \$5 billion, or 2.5% of its GDP, every year coping with climate impacts. The total finance available globally for adaptation and resilience remains tiny. While

**Commented [ST1]:** There is an issue with the way this is currently structured that we are saying India should set a 50% reduction in emissions by 2030 NDC as that is the "benchmark" set by the US and Japan. This obviously runs into lots of CBDR and equity problems. I think we need to find a way to say that all G20 countries need to do more but I definitely wouldn't frame it as the G7 telling poorer middle income countries what to do

**Commented [ST2]:** I find the argument here difficult. For a non-expert audience the US doubling climate finance sounds massive, and if other countries also recently doubled why should they do it again? I think we need a way to express why this is small relative to the need

Kerry's listening sessions highlighted the urgency of adaptation and the US promised to triple adaptation finance, few major emitters gave adaptation significant attention. The Netherlands and Ireland were notable exceptions. In comparison to the **EU's adaptation strategy**, or the **UK's Climate & Development Ministerial**, the US relegated adaptation to a side-event focused on domestic activities rather than collective action. May's **Petersberg Dialogue** may bring more momentum to climate vulnerable challenges on the road to COP26.

- **China moved but is yet to truly walk the talk on its 2060 net zero plan.** Xi Jinping's **language** to "strictly control" coal leaves room for it to grow in the next five years, but the "gradual decrease of coal consumption" during 2026-2030 is new: for the first time, China signalled coal is on its way out. The national emissions peaking plan (due Q3-Q4) must now include plans on how to stop coal expansion.
- **The lack of announcements from Australia, Russia and Saudi Arabia left them isolated amongst major economies.** The US hoped by inviting these laggards into the fold they would feel pressure to shift. This tactic may have pushed Brazil to commit to a 2050 net zero target, though little said by **President Bolsonaro** gives credibility to the claim. If effective G7 diplomacy can shift major emitters like India and China to near-term action, perhaps Australia can come around. Then Russia and Saudi Arabia risk being the losers in the race for the zero-carbon markets of the future.

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[https://twitter.com/Energy\\_in\\_Asia/status/1385219422109974529?s=20](https://twitter.com/Energy_in_Asia/status/1385219422109974529?s=20)

- **A mixed bag on public and private finance reform.** Although the US (alongside Italy) pledged to use its Multilateral Development Bank (MDB) shareholdings to advance climate action, the **US International Climate Finance Plan** did not offer particular leadership on financing a sustainable recovery. A focus on de-risking investments rather than mobilising finance risks backlash from developing countries, whilst phasing out "carbon-intensive" fossil fuel support indicates fossil gas is the frontier of the global public finance debate. Although Italy put public banks and MDBs at the centre of the G20 agenda, European leaders were patchy in championing their own new **taxonomy** and risk disclosure rules.

- Embed tweet:

<https://twitter.com/AErziniVernoit/status/1385287266910699527>

#### Where does this leave us for the rest of the year?

- **Attention now moves to the UK-led G7 in June**, where they need to have a serious conversation about the scale of financing needs writ large. This includes the provision of financial firepower necessary for a global green recovery and a decisive shift away from fossil fuels. Two steppingstones on the path to unlocking greener

Commented [ST3]: Again is there a better way to phrase this rather than "big countries gang up on South Africa in the middle of pandemic"...

Commented [ST4]: I don't think "Morrison" is enough of a household name to be recognised by many people outside Australia. On a "style guide" setting I think we should add Prime Minister/President as appropriate rather than just casually dropping surnames

Commented [WY5]: could we delete this sentence too?

Commented [WY6R5]: given the limit is 800 words :)

Commented [TE7R5]: suggested wording to get both points in 1 short sentence – think they are both critical points!

Commented [WY8]: was this a summit announcement?

Commented [TE9R8]: On Italy? Not an announcement but key positioning re G20

and more resilient recovery abroad lie ahead: the French-Africa summit on May 18, and the G20 Venice Climate Summit in July.

- **Developing countries were clear about their 2021 priorities. Time to deliver on:**
  - **Financial and technical support** for the transition (as called for by Indonesia, Peru, and Bhutan) and **linking vulnerability to concessional finance** (as called for by Jamaica, Bangladesh, and Antigua and Barbuda)
  - **Comprehensive action to address debt and fiscal space** in developing countries including debt for climate swaps (as called for by Antigua and Barbuda, Gabon, Colombia and Argentina)
  - **A step change in adaptation finance** (as called for by Kenya, Fiji, the Marshall Islands, and the African Development Bank) and a **global disaster fund** (as called for by Jamaica)
  - **Fulfilment of the goal to provide \$100bn** in climate finance from developed to developing countries, including a balance between mitigation and adaptation finance and progress on loss and damage (as called for by Bangladesh)
  - And of course, stepping up efforts for **global equitable vaccine distribution** – for which May's G20 Global Health Summit will be a critical milestone.
- **President Biden must maintain global momentum and build rock solid transatlantic alliances** to secure a successful COP26. Tight US-Europe-UK alignment (cemented in part at June's **EU-US Summit**) can unlock transformational outcomes this year – including the end of coal finance, stronger green domestic COVID-19 recovery packages, and greater finance mobilised to support developing countries' recovery and climate transition.