



American leadership on climate

An agenda for the Biden Administration

Dr. Edward Cameron

Thursday, 24th March, 2021

Biography

Two decades working to reduce greenhouse gas emissions and build climate resilience.

Designing **climate strategies for business.**

Shaping **climate policies with governments.**

Advocating for **climate justice.**

Training the next generation of leaders.



Key Messages

We must not make assessments of the Biden Administration in relative terms. The analysis must understand the urgency of the moment.

It is not enough to “restore” American leadership. US leadership must be reimagined.

We must quickly move from cosmetic leadership to structural reform.

Our focus over the coming years must be on domestic leadership. We cannot become distracted by the international.



We start with a vision for 2030

As we decarbonize we must build resilience and a shared prosperity

Low-carbon:

- Hold global mean temperature rises to less than 1.5°C.
- GHG emissions reductions of 45% by 2030 with net zero emissions by 2050.
- Bold collective action by all, with the prosperous going further and faster.

Climate-resilient:

- Enhance our capacity to anticipate, avoid, absorb, and recover from climate risk.
- Invest in human, social, natural, physical, financial, and political capital.
- Focus on the most vulnerable populations



Inclusive:

- Strengthen civil and political rights to build an inclusive politics.
- Expand economic and social rights to create a shared prosperity.
- A just transition and equitable access to sustainable development for all communities.

The President's agenda

The background of the slide features the official seal of the President of the United States. The seal is circular and contains an eagle with its wings spread, holding an olive branch and arrows. A shield with vertical stripes is on the eagle's chest, and a banner above its head reads "E PLURIBUS UNUM". The outer ring of the seal contains the text "THE PRESIDENT OF THE UNITED STATES" and "1789".

Setting a compelling vision for the coming decade.

Choosing the right personnel to design and execute the President's agenda.

Advancing ambitious and creative policies including stimulus.

Returning America to climate diplomacy by going beyond the Paris Agreement.

Revitalizing American democracy because we cannot solve the climate crisis until we first fix our broken politics.

Vision

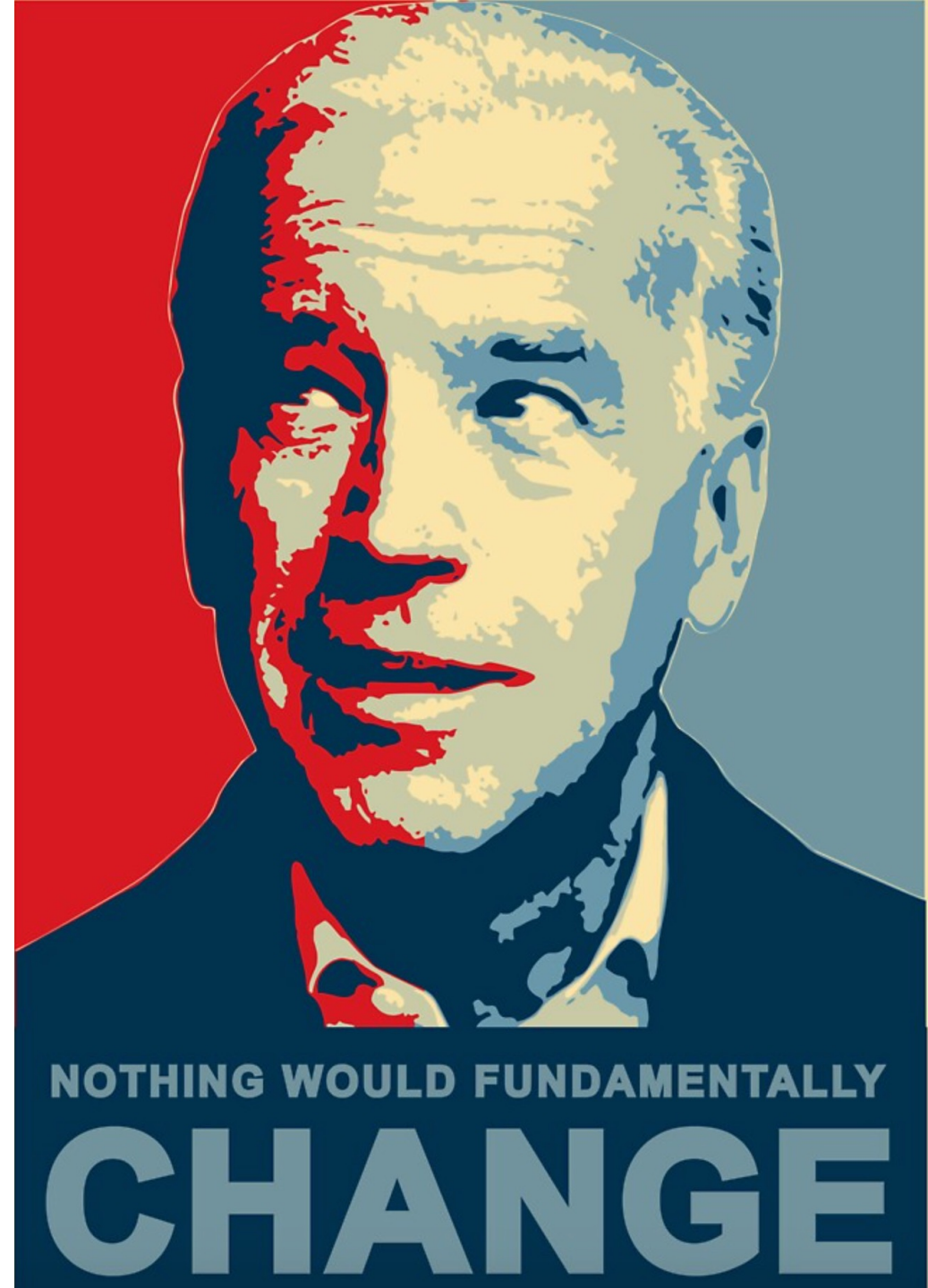
There is a commitment to economy-wide net-zero emissions by 2050.

A commitment to net-zero emissions in all new buildings by 2030; net-zero in the electricity sector by 2035; to make the US agricultural sector the first net-zero food sector in the world.

An emphasis on climate justice, impacts on minority populations, and a focus on job creation.

\$2 trillion over four years - the equivalent of 4.5% of Federal spending.

Comprehensive in its diagnosis and its response.



Personnel

Gina McCarthy to head a new White House Office of Climate Policy.

John Kerry as an international presidential envoy on climate change.

Deb Haaland to lead the Department of the Interior and **Michael Regan** to lead the Environmental Protection Agency.

Jennifer Granholm as Energy secretary and **Pete Buttigieg** as Transport Secretary.

Tom Vilsack as Secretary of Agriculture is a poor pick.

There will need to be **new and unusual centres of climate power**. Will **Janet Yellen** fight for green stimulus?

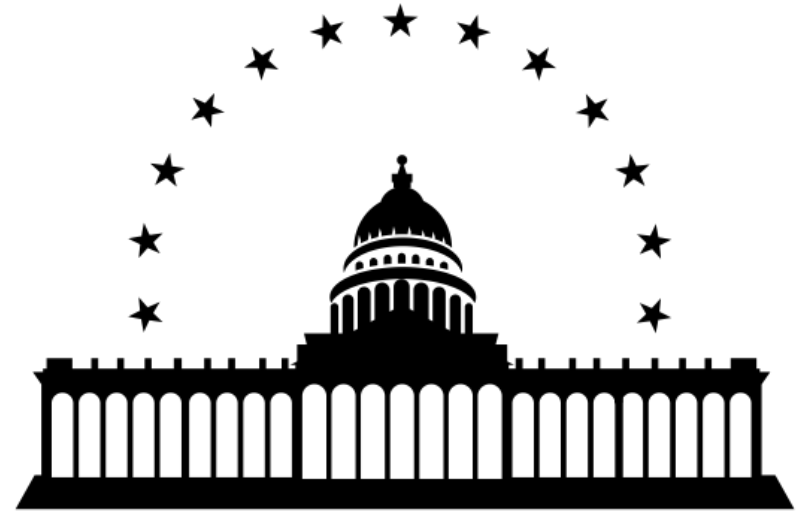
We need **transformation not restoration**.

Personnel: Congressional leadership

President Biden's path to climate ambition will ultimately need to go through the US Congress and this begins with **budget reconciliation**, a process that can be used to pass certain kinds of legislation by a simple majority.

Using budget reconciliation, there are at least five different ways the Senate could set a national standard for Mr. Biden's goal of 100 percent clean energy by 2035.

Senator Bernie Sanders, who chairs the Senate Budget Committee becomes pivotal.



Policies: Executive Orders



Policies: Executive Orders

The Biden-Sanders unity task force proposed **277 Executive Orders, including 54 climate ones:**

- Re-join the Paris Agreement.
- Rescind the construction permit for the Keystone XL oil pipeline.
- Halt and review new oil and gas leases on federal lands and waters.
- Reinstate the Clean Power Plan and CAFÉ standards.
- Reinstate the California waiver.
- Change all 3 million government vehicles to zero-emission vehicles.

Increase antitrust enforcement against Big Ag.

Require federal procurement to follow Buy American, Buy Clean, and Hire Local policies. In fiscal year 2019, the US Federal Government spent \$597bn on contracts. Federal, state and local contracts are together thought to be worth \$1.5 trillion.

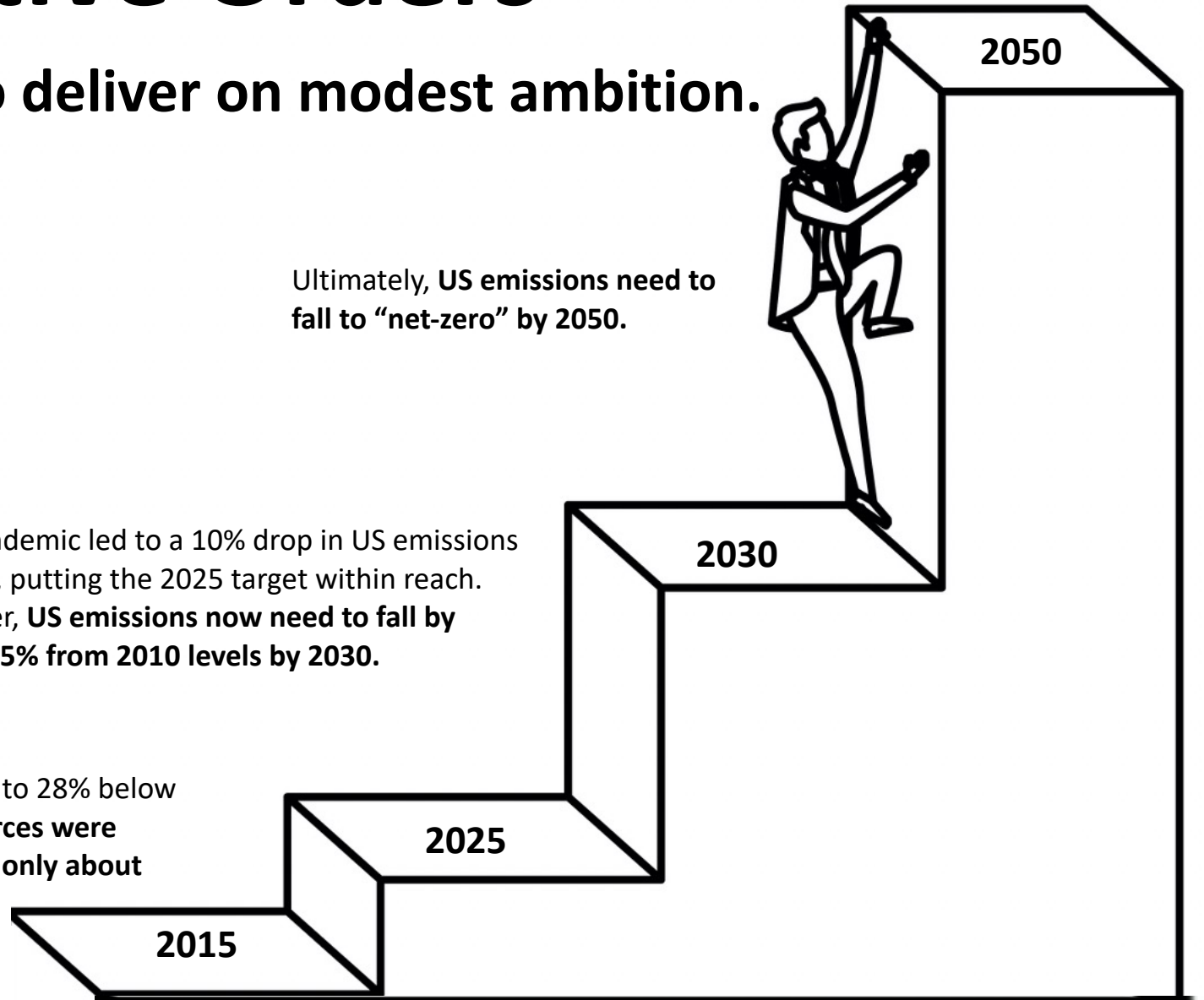
Policies: Executive Orders

The US was already failing to deliver on modest ambition.

Ultimately, US emissions need to fall to “net-zero” by 2050.

The pandemic led to a 10% drop in US emissions in 2020, putting the 2025 target within reach. However, US emissions now need to fall by about 45% from 2010 levels by 2030.

In Paris, the US committed to GHG reductions of 26% to 28% below 2005 levels by 2025. By 2019, policies and market forces were expected to reduce U.S. emissions by 17% by 2025 – only about 2/3 of the stated goal.



Policies: Stimulus

More than \$15tn has already been spent on stimulus. This includes the \$3tn HEROES Act from Spring, 2020.

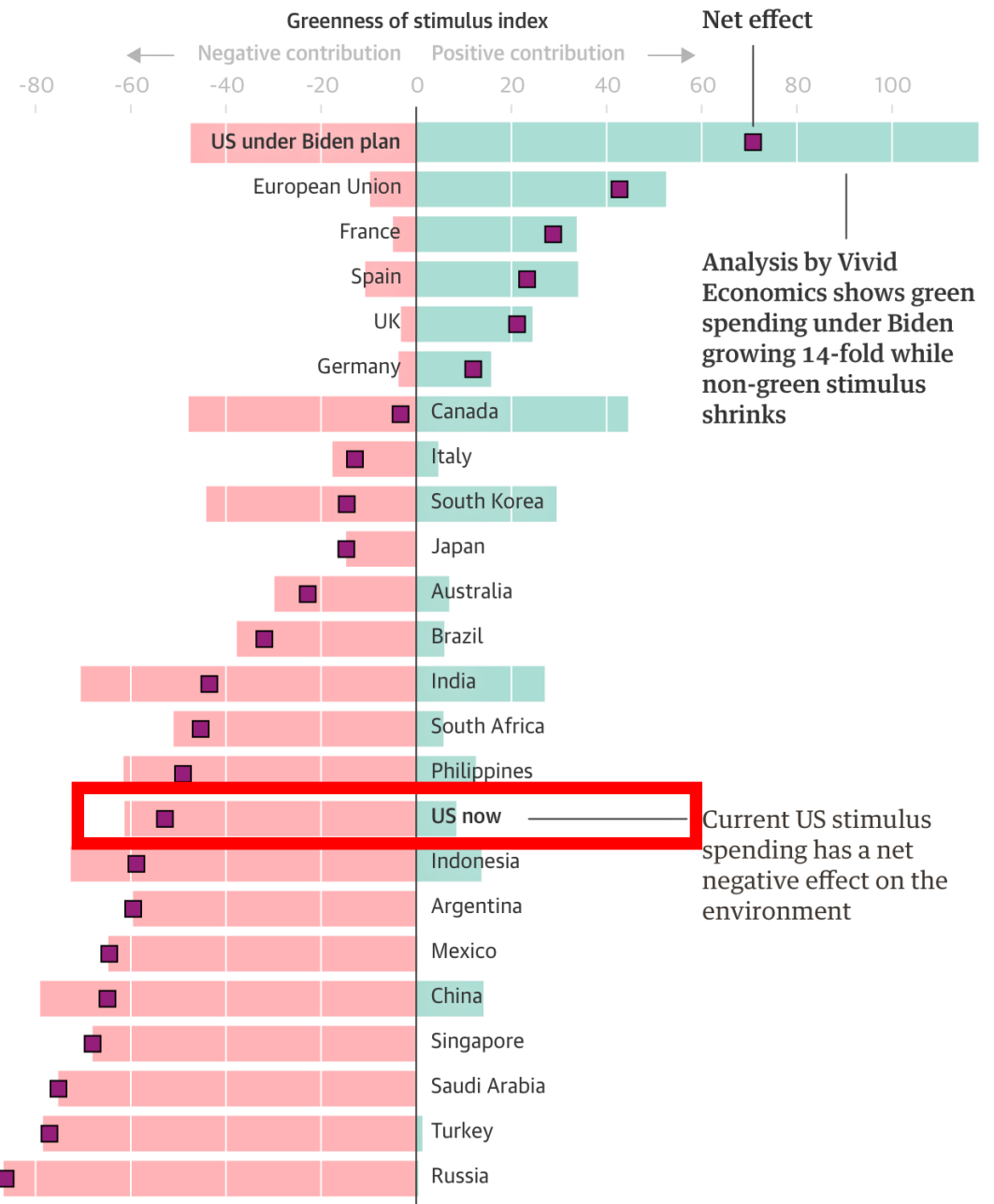
In at least 18 of the world's biggest economies, rescue packages are dominated by bailouts for oil or new high-carbon infrastructure.

The EU is the pacesetter, devoting 30% of its \$880bn Recovery Fund to green ends.

China is the worst offender, with only 0.3% of its package – about \$1.5bn – slated for green projects.

Biden has now signed a \$1.9tn stimulus, which will be followed by a \$3tn infrastructure push.

How green will that spending be?



Policies: Stimulus

There are many ideas on how we use stimulus / economic recovery packages to “build-back-better”. We should be implementing those ideas in future rounds of stimulus.

In Spring 2020, I proposed 4 strategic design principles and 15 practical recommendations that combine spending with revenue streams all with the common goal of building a low-carbon, resilient and inclusive economy.

Strategic Design Principle

Practical Recommendation

Moral Purpose

1. Stimulus should accelerate the transition to a net-zero greenhouse gas economy by 2050.
2. Stimulus should be focused on minimizing risk by building resilient and inclusive societies with an emphasis on vulnerable populations and a focus on gender equality.
3. Government should move to replace gross domestic product (GDP) – a metric that prizes growth above all else – with a metric that assesses our well-being.

Investments in a 21st Century Economy

4. Governments need to focus on jobs.
5. Governments and companies should work together to create viable social protection systems.
6. Governments must commit to research and development (R&D).
7. Governments should create green infrastructure banks and rural development banks.

Conditionality

8. Governments should require Financial Institutions (FIs) to invest in a just and sustainable economy.
9. Governments should require companies to pay their taxes and refrain from stock buybacks.
10. Governments should require companies receiving stimulus to adopt climate targets for both greenhouse gas emissions reductions and resilience.

Solidarity as well as Stimulus

11. The international community should create a global solidarity package.
12. Governments should repatriate money avoiding tax liabilities in tax havens.
13. Governments should phase out fossil fuel subsidies.
14. Carbon pricing should be expanded to reflect the ‘polluter pays’ principle.
15. The wealthiest in society ought to pay their fair share through an expanded estate tax.

Policies: Stimulus

The IMF estimates 6.5% of global GDP (\$5.2 trillion) was spent on fossil fuel subsidies (including negative externalities) in 2017.

The US provided \$649 billion in total with approximately \$20bn in direct subsidies to coal, oil and gas companies.

Fossil fuel companies received \$6bn from the US Paycheck Protection Program and the CARES Act at the start of the pandemic.

Reducing these subsidies would have lowered global carbon emissions by 28%; fossil fuel air pollution deaths by 46%; and increased government revenue by 3.8% of GDP.

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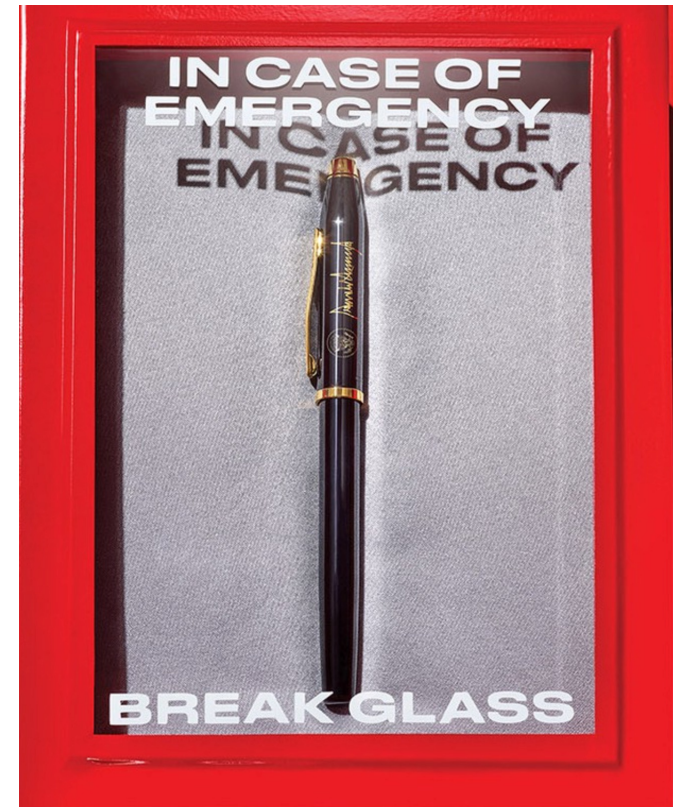
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Policies: National Emergency

The President has discretion to declare a “national emergency”. Once declared, more than 130 special provisions become available.

These provisions reach into areas including **public health**, defence spending, land management, the deployment of the national guard, the provision of loans and assets, **border tax adjustments**, and **construction projects**.

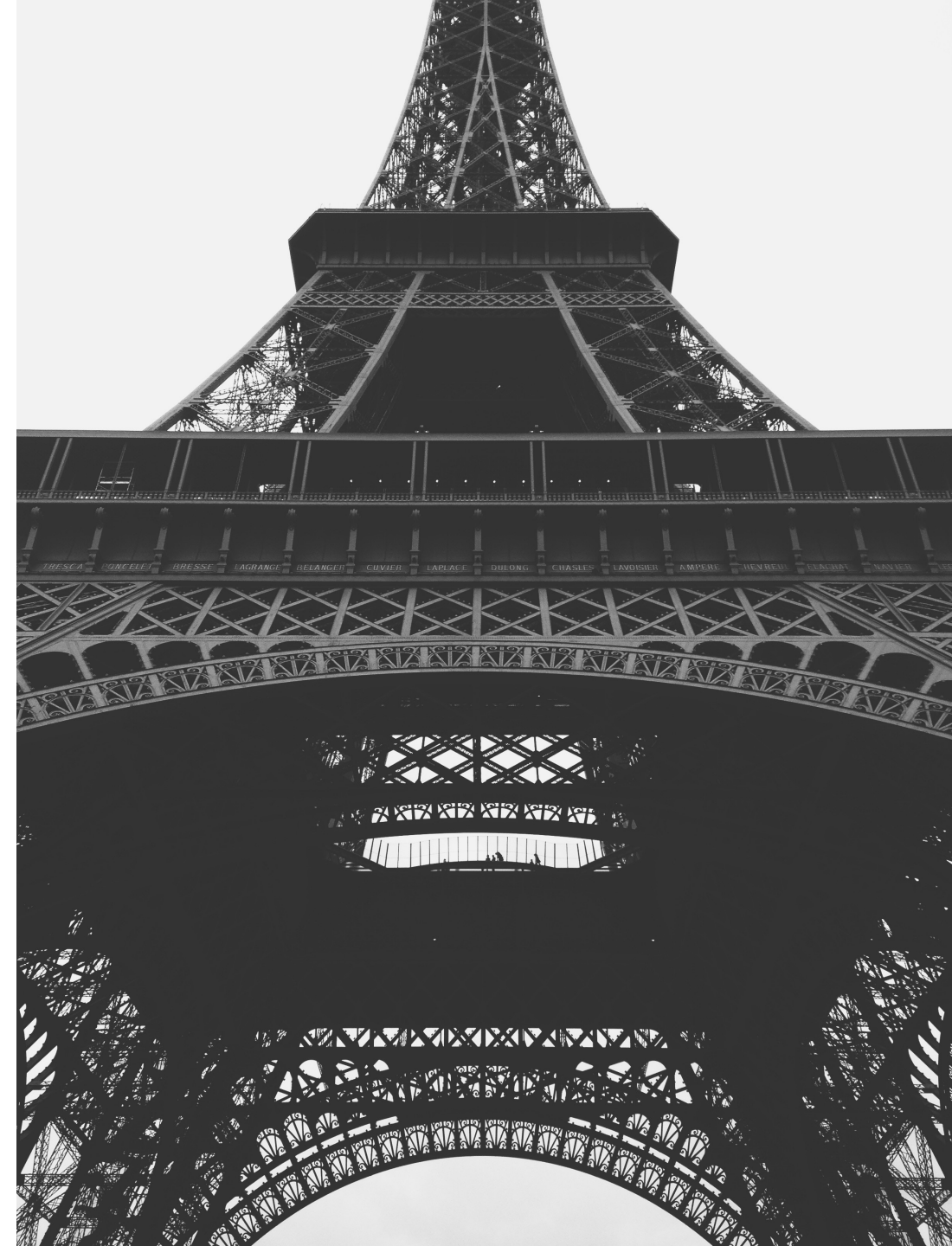
All but two of the thirty emergency declarations in effect were issued under the International Emergency Economic Powers Act of 1977. This allows the President “**to deal with any unusual and extraordinary threat**”—to national security, foreign policy, or the economy.”



Climate diplomacy

Rejoining the Paris Agreement is a beginning

- Update the US NDC
- Capitalize the Green Climate Fund
- Use US leadership to change spending in multi-lateral development banks
- Ratify the Kigali Amendment to the Montréal Protocol to reduce hydrofluorocarbons (HFCs) and work on other SLCPs.
- Lead in ICAO & IMO to reduce aviation and maritime emissions
- Trade policy - join the EU in looking at carbon border tax adjustments



American democracy

Environmentalism of every day life

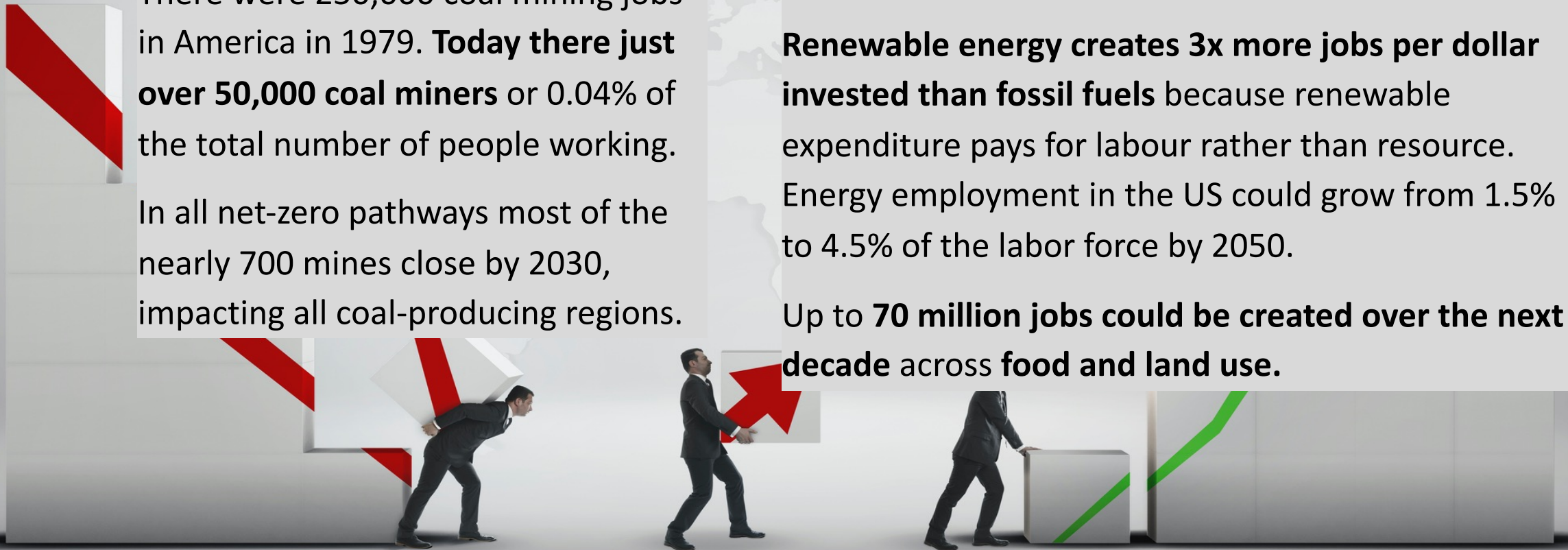
There were 250,000 coal mining jobs in America in 1979. **Today there just over 50,000 coal miners** or 0.04% of the total number of people working.

In all net-zero pathways most of the nearly 700 mines close by 2030, impacting all coal-producing regions.

Building net-zero economies could **add over 35 million net new jobs globally by 2030**, with growth in renewables and low-carbon buildings.

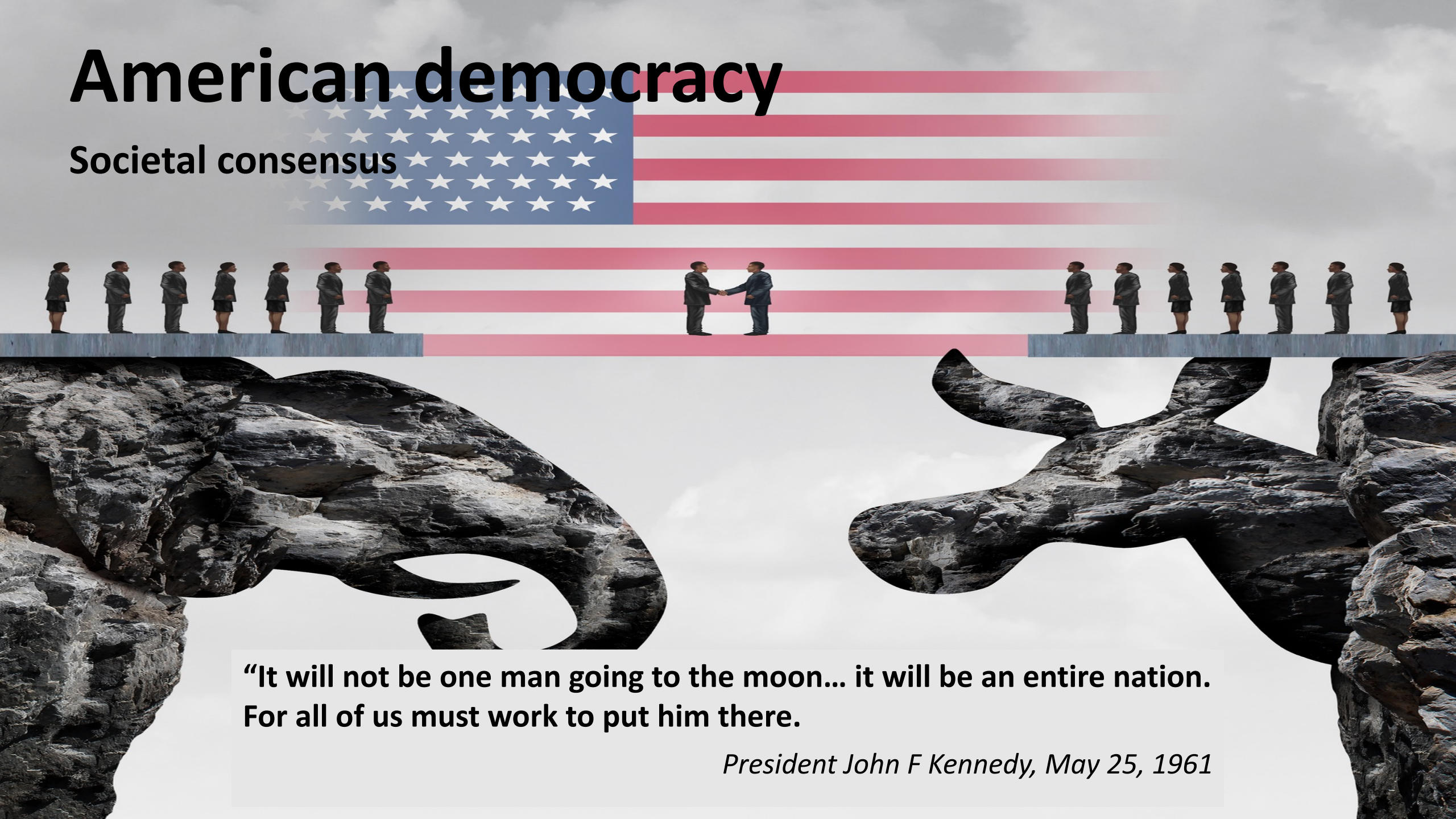
Renewable energy creates 3x more jobs per dollar invested than fossil fuels because renewable expenditure pays for labour rather than resource. Energy employment in the US could grow from 1.5% to 4.5% of the labor force by 2050.

Up to **70 million jobs could be created over the next decade** across food and land use.



American democracy

Societal consensus



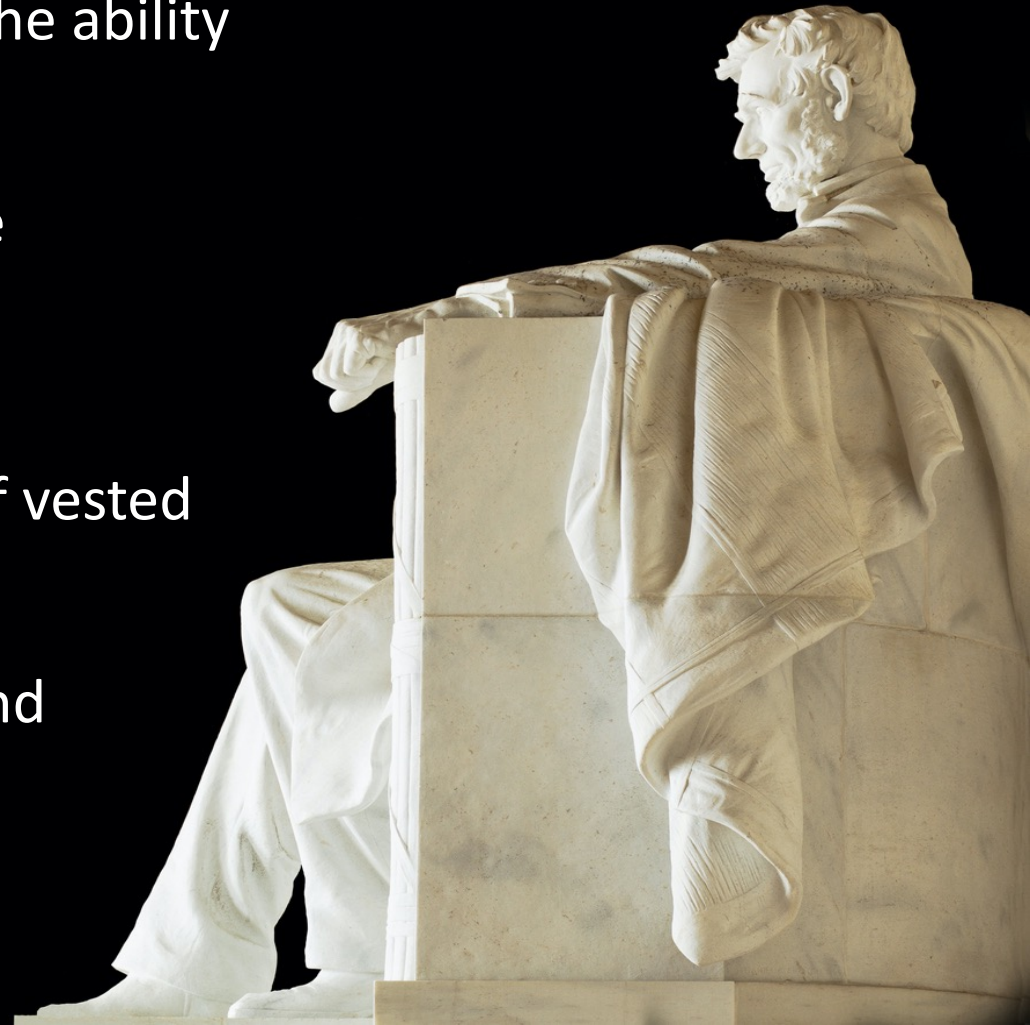
**“It will not be one man going to the moon... it will be an entire nation.
For all of us must work to put him there.**

President John F Kennedy, May 25, 1961

American democracy

Structural reform

- **Voting rights** reform to expand the franchise and the ability of citizens to participate.
- **Electoral reform** to make the political system more responsive to voters and more capable of reaching compromise.
- **Campaign finance** reform to diminish the power of vested interest groups.
- **Institutional reform** in the Congress, Presidency and Supreme Court.



**Questions and comments are
welcome!**

Thank you!

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