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THE G7 ENTERS THE TRUMP ERA

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“Fragile - Handle with care”: this very well could be the imaginary bumper sticker for the topic of climate change when it arrives on the G7 table in Taormina. Usually, climate change issues do not lead to serious international frictions (even though they trigger harsh discussions during the annual climate talks under the UN-FCCC umbrella), but this time is different. The suspense is high and the actors involved should use all diplomatic means available to bring about some results without losing face.

On the one hand, the Trump administration has been procrastinating the decision on whether or not the U.S. will pull out of the Paris climate agreement for months. Staff meetings and announcements have been scheduled and rescheduled in the past few weeks. Previously planned ahead of the G7 meeting, a final decision has been postponed until after Trump returns from the summit.

This latest twist has given the leaders of the other six of the world's largest economies the chance to convince the new president of the United States, which under the Obama administration had assumed a leading role in

catalyzing global climate action, that staying in the pact and sticking to the commitments would be in the U.S.' best interest. It is not a piece of cake, however, considering the starting points.

During his presidential campaign, Donald Trump has repeatedly promised to dismantle most of the climate legislation put forth by Obama and to “cancel” the Paris Agreement, according to which the United States should reduce its emissions by 26-28 percent by 2025. In March, Trump signed an executive order keeping the first part of his promise but the administration has remained vague on which strategy to take in respect to the U.S. international climate pledges. The Paris deal is the U.N. framework adopted in 2015 to strengthen the international response to the threats of climate change. It represents a crucial step forward in respect to the previous conditions set by the Kyoto Protocol, and commits all countries to three major goals: limiting the increase in the global average temperature to well below 2 °C by the end of the century (with aspirational efforts to stay below 1.5 °C), increasing the ability to cope with the adverse impacts of climate change, and mobilizing consistent finance flows to achieve these objectives.

The deal has a hybrid architecture of legally binding elements and voluntary approach. It does not include binding emission targets, new binding financial commitments nor sanctions, but lets national governments decide about concrete actions to be implemented. To monitor progress, to assess national climate pledges, which at the present time are not enough to achieve the long-term 2°C target, and to increase the efforts by each Party, the Paris framework requires a set of processes and tools that are currently under development. The UNFCCC (United Nations Framework Convention on Climate Change) has promised to finalize the Paris “rulebook” by 2018. Currently over 140 countries, including the United States, have ratified the Paris Agreement.

Trump called climate change a “hoax” (even though he has softened his tone after becoming president) and nominated several climate change deniers and fossil industry representatives for key roles in his administration. He said the Paris Agreement is not “fair” because the U.S. will pay “billions of dollars while China, Russia and India have contributed and will contribute nothing”.

Essentially, there are three options on the table for a U.S. U-turn. The first is to withdraw from the Paris Agreement, but it will take four years to complete the process, which is the full period of Trump’s mandate. The second is to withdraw from the UNFCCC: a very radical decision that would make U.S. free from any climate obligation in just one year. Third, the United States may formally stay in the pact and simply ignore, or scale down, the commitments taken. Recently, many news media outlets have revealed that the White House is leaning toward exiting the pact, on the basis that sticking with the deal would pose legal hurdles to some domestic initiatives (such as promised pro-fossil and coal legislation, or massive cuts to federal government research on wind and solar energy).

Neither confirmed nor denied by Trump staff, the leak has immediately unleashed a wave of calls and attempts

pressing the White House to remain in the Paris pact. The CEOs of several companies, including Goldman Sachs, Unilever, Coca Cola Company and many others, wrote an open letter to Trump, urging him to keep the U.S. in as it was “best for their business interests, for U.S. trade, for job creation”. Also, many fossil energy companies, such as Shell, Exxon, Chevron and BP, have voiced their support for staying in the agreement. Hundreds of institutional investors, managing trillions of dollars in assets, urged the G7 heads of state to stand by their commitments to the Paris deal.

The Prime Minister of Fiji, the small island state due to lead UNFCCC climate talks this year at COP23, said that sea level rise also represents a threat for U.S. coastal cities and urged Trump to “stay in the canoe” alongside other nations to combat global warming.

Chinese leader Xi Jinping, who had built a close climate cooperation with the former U.S. President Obama and is progressively implementing clean energy and climate policies under China’s 13th Five-Year Plan, made clear statements in support of the Paris Agreement.

As for the leaders gathering at the summit in Taormina, it is worth considering that all G7 countries ratified the Paris Agreement. With the exceptions of Donald Trump, Paolo Gentiloni and Emmanuel Macron, all the G7 leaders were the heads of state or government at the time of the ratification. The newest entry Macron affirmed his commitment to climate cooperation in his first public speech and, reportedly, in his first phone call with Trump after the election victory. When Italy ratified the deal in November 2016, Gentiloni was Foreign Minister and warmly welcomed the result. At the recent G7 Energy Ministerial Meeting in Rome in April, Italian officials said that only the U.S. opposed language reaffirming the G7’s clear commitment to the Paris accord, making it impossible to reach a joint statement.

However, at the moment G7 leaders have not taken strong stances on the U.S. decision over the Paris deal. Probably they would prefer to make the best out of the upcoming, face to face occasion. According to reports,

Germany's environmental minister, Barbara Hendricks, sent a letter to EPA administrator Scott Pruitt stressing that a U.S. withdrawal from the Paris Agreement would cause "lasting damage" in U.S.-EU relations. The EU commissioner for Climate Action and Energy, Miguel Arias Cañete, called the Paris Agreement "irreversible and non-negotiable" and expressed hope that the U.S. would find a way "to chart its own path" within the global climate framework.

Quite interestingly, even Trump has not gone too far on the issue in the past few weeks. Considering his public "studs-up" stances on other delicate situations (the Syrian crisis, the U.S.-Mexico border wall, the "Muslim travel ban", the Russian links investigation, etc), this may be a sign that his decision process is carried out with more prudence than expected.

As for now, it is hard to foresee which way the U.S. administration will move and what the scenario will look like in either case. On the one hand, keeping his campaign promise and exiting the Paris deal might prove to be an unpopular choice for Trump (against the majority of U.S. business, against the international community and against the majority of public opinion in the U.S. too, according to recent surveys), in a moment when his political capital is shrinking. It would create a void in the Paris framework and it could trigger a "domino effect", leading other countries to downsize their commitments. But it may also push them and other actors to step up, to do more in order to fill the void. On the other hand, keeping the reluctant U.S. at the table for discussing the Paris "rules of the game" will surely strengthen the credibility of the process but it might also make negotiations longer, more contentious and uncertain.