

# EVENT REPORT

Konrad-Adenauer-Stiftung e.V.

MULTINATIONAL  
DEVELOPMENT POLICY  
DIALOGUE

JOHANNES HÜGEL

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## Implementing the Paris Agreement: What to expect from future US and Chinese climate policy?

In the worldwide acknowledgment of climate change and the general aspiration to combat it, the international community has made considerable progress in the last 18 years. Since the signing of the Kyoto protocol, which set internationally binding emission reduction targets, especially developed countries have recognized their responsibilities under the principle of “common, but differentiated responsibilities (CBDRs)” to determine their own “Nationally Determined Contributions” in the lead up of the Paris Agreement in 2015. The COP22 in Marrakech then (07.-18.11.2016) was the first UN-FCCC meeting after the entry into force of the aforementioned Paris Agreement. The conference of the parties was supposed to focus on the implementation of key elements of the PA. However, considering the election-campaign of president-elect Donald Trump and his multiple remarks about his disbelief in climate change, there has been great international doubt whether the recently achieved progress will be maintained. As a consequence, the international community is left wondering about Mr Trump's de facto intentions concerning the Paris Agreement and whether these will impact the greatest CO<sub>2</sub> emitter, that is to say China, in its climate policy.

In order to answer these questions, experts from European In-

stitutions, China, the US and Germany gathered on Tuesday, the 6<sup>th</sup> of December to discuss these issues during a dinner debate in Brussels. The event was hosted by Isaac Valero Ladrón, former EU spokesperson for climate change, expert on multilateral climate and energy negotiations and member of the cabinet of the Commissioner Miguel Arias Cañete. In his key-note Mr Valero pointed out that the Green Energy Revolution cannot be stopped anymore. However, he considered the US to be irreplaceable in this regard and argued that – despite the election's result – climate change is generally still an issue for Americans. He constituted his argument by indicating that 60% of the US population is worried about climate change, nowadays. He then recognized China as a leading partner for the EU in the Green Energy Revolution and prefigured the importance of the private sector to push forward.

This position could not be solemnly shared with the representative of the United States. The US-expert on Energy, Environment and Climate Change Nicolas Loris from the Heritage Foundation in Washington first of all underlined the unpredictability of Donald Trump and simultaneously advised not take all his announcements literally. But he still prepared the audience that the Trump administration endorses

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the retrieval of subsidies for green energy or any other financial support such as for the Green Climate Fund, in order to allow a free competitive market, again.

Dr Susanne Dröge, a Senior Fellow at the German Institute for International and Security Affairs in Berlin, as well as Adalbert Jahnz, a Policy Officer for External Relations and UNFCCC negotiations at the European Commission, both do not see the US as being essential for the Green Energy Revolution. Whereas Dr Dröge hopes that China will set a demonstrative example for the US by complying with the ratified Paris Agreement, Mr Jahnz underlines that there are not only elites involved that push for a change, but as well civil society worldwide that recognizes the importance of the issue.

Also the Chinese representative Xumin Zhang perceived the significance of the pursuit for a Green Energy Revolution and pledged it to be independent from the US climate policy. Being a Political Counsellor and former director of the Climate Change Office in the Ministry of Foreign Affairs in Beijing, Mr Xumin stated that the new turn in US climate policy would not be a threat for the Chinese climate policy and was convinced that China would comply with the rules decided on in the Paris Agreement. He furthermore expressed the three unchanged characteristics of the Chinese policy that are: to optimize the economic structure as well as to support the environment, to lower the CO<sub>2</sub> emissions by 60-65% below 2005 levels by 2030 and finally to push for a green finance sector.

A central point of the debate became the question of how to finance a Green Energy revolution. In this regard, Mr Loris pointed

out that he thinks renewable energy is not affordable and subsidizing it would damage the competitive market. He later declared however, that fossil fuels will still be subsidized in the future which is due to the energy regulations set up by the Obama administration. Those restraints forced companies to stop drilling as the costs they were facing were not affordable, anymore. Mr Jahnz, on the other hand, outlined that subsidies are a great tool to accelerate constructing a renewable energy friendly framework. Here, he gave the example of the success of petrol-dependent cars that derived from a governmentally subsidized construction of a road system. Dr Dröge additionally argued that the answer to an appropriate framework promoting renewable energy could lie in Trade Agreements that are already underway and which should entail Nationally Determined Contributions that are bound to its ratifications.

Also Mr Xumin outlined that there is an economic advantage coming with the renewables. Still he objected the carbon tax and proposed an environmental tax instead.

Overall the speakers agreed that there is a considerate linkage between Green Energy and trade which displayed that the success of a Green Energy Revolution positively correlates with the competitiveness of technologies related to it. This outcome can also be found in the recently conducted study published by KAS in 2016. The paper *"Emissionsreduzierung weltweit: Motivatoren, Hemmnisse und die Rolle Deutschlands"*<sup>1</sup> outlines the

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<sup>1</sup> The English version of this paper will be available by the end of January 2016.

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results of this study and gives an overview of the general motivations and constraints for emission reductions of the four greatest CO<sub>2</sub>-emmitters which are USA, China, Russia and India. For both, China and the US, the study showed that competitiveness as well as economic calculus were the major incentives in order to pursue emission reductions. Whereas the goodwill to aim for a more sustainable future and to improve the own national image revealed to be a less significant driver.

Still the Green Energy Revolution cannot be refrained, anymore and the EU will keep pushing forward in order to inclusively recognize China as new big player in climate action but at the same time will make sure to keep the US as a relevant partner.