

The Biden Administration's Climate Crisis Policy as Seen at the Leaders Summit on Climate

| Summary |

- Starting from his election campaign, U.S. President Joseph Biden has shown a proactive stance on responding to climate change and pledged to establish American leadership on the issue through the hosting of a Leaders Summit on Climate.
 - On his first day in office, he had the U.S. rejoin the Paris Agreement on climate change. On January 27, he signed an executive order on responding to the climate crisis and had his administration host the Leaders Summit on Climate from April 22 to 23. The president also issued an executive order on making responding to climate change central to U.S. foreign policy and national security and announced a “whole-of-government” strategy for economic growth and job creation to achieve carbon neutrality.
- During the summit, heads of state affirmed their commitments to responding to climate change and shared ideas on cooperative action, including setting higher targets for greenhouse gas reductions and expanding the emissions trading system.
 - Advanced economies pledged to raise their CO2 reduction targets, while their developing counterparts promised to cooperate in ways tailored to each state's situation, rather than setting concrete reduction targets.
 - Korea pledged to additionally increase its CO2 reduction quotas this year and suspend fiscal assistance for the construction of new coal power plants abroad.
- At the summit the U.S. indicated its firm commitment to assuming leadership in response toward climate change, while alluding to changes to its relationship with China vis-à-vis the issue.
 - Washington also announced ambitious reduction targets and plans to support efforts to address climate change in developing countries.
 - It also made clear its intent to boost cooperation with China as a key partner in responding to the climate crisis.
- Korea must transform its economic and industrial structure to actively respond to climate change while pursuing a full-scale green recovery from the COVID-19 pandemic.
 - This entails revamping Seoul's government-centralized management approach toward responding to the crisis, while laying the basis to promote voluntary participation by all of society.
 - A green transition in industry is a key element of Korea's drive to achieve carbon neutrality, a campaign that requires not only the diversification of clean energy sources but an all-encompassing transition in the country's energy systems.
 - With Korea freezing fiscal support for overseas coal-fired power plants, the nation must identify sectors that can adopt clean energy, support the development of related technologies, and find ways to compensate for the loss of coal plant-related exports.
 - Even as Korea offers official development assistance (ODA) through the Green New Deal swiftly reflecting shifts in domestic and overseas circumstances, it also needs to utilize the response to climate change as an opportunity for global growth.

1. Biden Administration's Hosting of Leaders Summit on Climate

- Since a successful presidential election campaign, Biden has emphasized his intent to proactively respond to climate change.
 - He had the U.S. rejoin the Paris Agreement on climate change on his first day in office and signed an executive order on January 27, 2021 on a related issue.
 - His other actions are in clear contrast to those of predecessor Donald J. Trump, including creating the post of Special Presidential Envoy for Climate (filled by former Secretary of State John Kerry), devising guidelines for government agencies to take measures to respond to the climate crisis, and adding numerous climate experts to the State Department.
- President Biden took a major step toward boosting Washington's role in global climate diplomacy by hosting the Leaders Summit on Climate.
 - During the presidential campaign, Biden pledged to hold a climate summit within his first 100 days in office. On March 26, he kept his promise by inviting the leaders of 40 countries to the summit to be held on the occasion of Earth Day (April 22).
 - This event was considered a halfway point on the road to the 26th United Nations Climate Change Conference (UNFCCC) in Glasgow, slated for November 2021.
- The summit emphasized the economic ripple effects of action toward climate change and the importance of nature-based solutions for that purpose in the post-pandemic era.
 - Discussions focused on concrete ideas on roles in climate change responses, with an emphasis on the urgency of such action and potential gains in job creation and technological innovation.
 - In recognition of the ecosystem's crucial role in resolving climate change, the selection of nature-based solutions was stressed.
- The U.S. announced plans to share new nationally determined contributions (NDCs) with ambitious targets for reducing emissions, while urging other countries to set their own proactive goals.
 - Signed in 2015, the Paris Agreement asks its signatories to present NDCs every five years.
 - A review of NDCs received by the UN found that reduction efforts based on

existing contributions are inadequate to achieve the Paris Agreement's long-term goals.

- During the Leaders Summit, the U.S. announced ambitious NDCs consistent with achieving carbon neutrality by 2050. The event itself served as an important intermediate step toward implementation as participating countries reaffirmed their commitments to submitting or updating NDCs before the 26th UNFCCC.

Major U.S. agenda for Leaders Summit on Climate (April 22 to 23, 2021)

- ① Redoubling efforts to reduce CO₂ emissions by major economies to keep average rise in global temperatures to within 1.5°C
- ② Encouraging the transition toward carbon neutrality and securing resources to support vulnerable countries
- ③ Maximizing the economic effects of the climate change response to create jobs and benefits for all
- ④ Promoting technological development to create economic opportunities and simultaneously help foster future industries and respond to climate change
- ⑤ Highlighting benchmark case studies of local governments and NGOs closely cooperating with central governments to achieve a fair and green recovery and reduced CO₂ emissions
- ⑥ Emphasizing nature-based solutions in achieving carbon neutrality, responding to the global security threat posed by climate change, and bolstering capacities to protect life and ecosystems from climate change

2. Biden Administration's Executive Order on Climate Crisis Response: Major Components and their Implications

■ A "Whole-of-government" U.S. strategy for achieving carbon neutrality through economic growth and job creation

- Stressing the importance of a whole-of-government approach (WGA) toward the climate crisis in the Executive Order on Tackling the Climate Crisis at Home and Abroad, signed on January 27, 2021, President Biden reaffirmed his position at the Leaders Summit on Climate.
 - The order sought to allow the President to take full advantage of executive

authority to begin related work early before Congress approved climate crisis response tasks. This shows that the administration views climate change as one of the most urgent issues.

- The order emphasized a WGA to create jobs, build sustainable infrastructure, and achieve climate justice through climate crisis response.
 - A National Climate Task Force was formed to ensure a well-functioning WGA, with the national climate adviser as chair and 21 federal agencies and organizations participating.
 - The task force organizes and implements the WGA responding to the climate crisis, prioritizing policymaking at agencies and organizations, allocating budgets, administering procurement, and performing stakeholder consultations.
- The Biden administration has sought a full-scale response to the climate crisis based on a WGA and participation by stakeholders from various sectors.
- ① **To ensure a consistent direction in its support for climate action, Washington will lead by example in its use of purchasing power and its management of public lands and water and financial programs.**
 - President Biden's focus is on clean energy-related job creation in a way consistent with his "Build Back Better" campaign pledge for rebuilding economic infrastructure.
 - In addition to promoting low-carbon electricity and the public procurement of electric vehicles, he underscored the importance of using American-made items in the process.
 - He also reaffirmed the suspension of national land and water rentals for new exploration of crude oil and natural gas, the close assessment of federal land leases and approval related to fossil fuel exploration, and a doubling of marine wind power generation by 2030.
 - The president devised plans to eliminate federal subsidies for fossil fuels and promote the climate change resiliency of infrastructure.
 - ② **The Biden administration is seeking to create jobs for a sustainable economy.**
 - Jobs are being created through infrastructure repair, environmental preservation, agricultural development, and reforestation.
 - ③ **Washington is supporting the transition of local economies away from traditional energy.**

- The Biden administration's approach includes respecting fossil fuels' contributions to economic development in local communities, while minimizing the environmental damage they cause, promoting public health and safety, and boosting investment and support for those communities' eventual emergence as new hubs of economic growth.
 - A joint working group comprising officials from relevant agencies recommends projects for reducing emissions and toxic discharge from idle infrastructure and preventing environmental damage that threatens public health and safety.
- ④ **Another task is to ensure environmental justice and maximizing economic opportunities for the socially vulnerable.**
- The Biden administration is assessing and monitoring the impact of climate change on public health, the environment, and the economy, as the crisis is disproportionately affecting the socially vulnerable.
 - The development of whole-of-government programs and policy is aimed at achieving environmental justice.
- **Making climate change response central to U.S. diplomacy and national security**
- Through his executive order, President Biden showed his commitment to making tackling the climate crisis central to economic growth, foreign policy and national security.
 - The order seeks to allow the president to take full advantage of his authority as chief executive to begin work on the issue without having to wait for Congress to act. This is evidence that his administration considers the crisis one a most urgent issue.
 - The order signifies that the climate change response goes beyond reducing CO2 emissions and is instead central to policies toward jobs, economic growth, industry, and even foreign affairs.
 - Some suggest that the Biden administration's drive to make climate change response a priority in U.S. foreign policy is similar to the Carter administration's emphasis on human rights in the 1970s.

〈Table 1〉 Comparison of Core Elements in U.S. Policies toward Diplomacy and Trade

	Climate crisis response	Competition for technological supremacy
Nature	Global challenge	U.S.-China rivalry for dominance
Objective	Lead and pioneer global agenda to maintain hegemony	Keep China’s tech pursuit in check, and expand on the U.S. lead in key techs
Method of response	<ul style="list-style-type: none"> ▪ Making climate crisis central to policy toward foreign affairs and national security ▪ Restoring multilateralism 	<ul style="list-style-type: none"> ▪ Strengthening trade policy (defensive trade/investment) ▪ Boosting industrial policy ▪ Reinforcing alliances in connection with technology and supply chains
Comparison	<ul style="list-style-type: none"> ▪ 1970s (Carter admin.): Human rights made key element of U.S. policies toward diplomacy and national security ▪ 1990s–present: Trade liberalization and human rights crucial in foreign affairs and national security 	<ul style="list-style-type: none"> ▪ Expanding vertical division of labor as exemplified by global value chain amid neoliberal global order

Source: Drafted by author

- If responding to climate change emerges alongside human rights as a crucial target of U.S. diplomacy, this holds major implications for U.S.-China relations.
 - Because human rights are directly connected to political regime issues, the U.S. and China have little room for compromise or cooperation if human rights are considered central to American diplomacy.
 - In contrast, a central U.S. role in the climate crisis is expected to create considerable room for Sino-American cooperation since the problem is a global challenge not directly related to differences in political systems.
 - The joint statement and pledge issued on April 18, 2021, by U.S. special envoy John Kerry during his China visit can be understood in this context, with their announcement (albeit in purely general terms) of plans for bilateral cooperation in responding to climate change.
 - The Biden administration appears likely to adopt a two-pronged approach toward foreign and trade policies. It seeks to promote multilateralism based on climate diplomacy on one hand and pursue technological dominance and efforts to decouple from China on the other.
 - Climate diplomacy is expected to provide an official framework for working with

likeminded countries to reorganize the global economic order around an international response to climate change.

- The U.S. has also shown a clear commitment to hastening its decoupling from China through the formation of a supply chain alliance amid a battle with China for global technological supremacy.

3. Major Agenda at Leaders Summit on Climate

- The Leaders Summit on Climate, held via real-time videoconference in Washington from April 22 to 23, 2021, saw heads of state share commitments and ideas for cooperation in responding to climate change, including higher targets for emissions reductions, support for carbon pricing, and expansion of the emissions trading system.

■ Differences in advanced and developing economies' attitudes toward higher targets for emission cuts

- Advanced economies including the U.S., the EU, and Japan committed to proactively raise CO2 reduction targets at the summit.
 - President Biden announced his aim of reducing emissions 50 to 52 percent by 2030 from 2005 levels.
 - The EU increased its reduction target from 40 to 55 percent of 1990 levels by 2030.
 - Japanese Prime Minister Yoshihide Suga expressed strong solidarity with President Biden while sharing Japan's ambitious target of reducing emissions 46 percent from 2013 levels by 2030 (up from the previous target of 26 percent).
 - Canadian Prime Minister Justin Trudeau announced plans to reduce emissions 40 to 45 percent of 2005 levels by 2030 (up from the previous target of 30 percent).
 - Leading developing economies reaffirmed pledges made before but remained lukewarm over raising reduction targets.
 - China reaffirmed its targets of reaching peak CO2 emissions by 2030 and achieving carbon neutrality by 2060.

- Indian Prime Minister Narendra Modi reasserted his country’s previous pledge of 450GW in renewable energy by 2030, but added no new reduction targets.
- Russian President Vladimir Putin merely made a vague pledge to “substantially” reduce net cumulative emissions by 2050.

<Table 2> Pledges by Major Nations/Regions at Leaders Summit on Climate (April 22–23, 2021)

	Pledges to reduce CO2 emissions by 2030 or other major announcements by country
U.S.	50-52% of 2005 levels
EU	At least 55% of 1990 levels
Japan	46-50% of 2013 levels
Canada	40-45% of 2005 levels
China	Reiterated previous targets Peak of emissions by 2030, carbon neutrality by 2060 Regulations on non-CO2 greenhouse gases
India	Reiterated previous targets 450GW of renewable energy by 2030
Russia	“Substantial” reduction in net cumulative emissions by 2050 Emphasis on importance of carbon capture and storage and mgmt. of methane as powerful greenhouse gas
Brazil	Carbon neutrality by 2050 Halting illegal deforestation by 2030 and doubling funds for deforestation regulation
Korea	Pledge to hike in NDCs in 2021 Suspending fiscal support for construction of new carbon-emitting power plants abroad

Source: Drafted by author based on summit results and leaders’ speeches

- The previously uncooperative Brazilian President Jair Bolsonaro showed a more cooperative stance by pledging to crack down on illegal deforestation by 2030 and achieve carbon neutrality by 2050, or ten years earlier than the initially announced 2060.
- China, India, and Russia, all three of which account for a large portion of emissions among developing economies, reaffirmed the UNFCCC principle of “common but differentiated responsibilities.” They stressed the need for advanced economies to

support the climate change response of developing economies.

■ Sino-Russian suspicion of U.S.-centered cooperation in global response to climate change

- China and Russia signaled their intent to actively participate in global efforts to respond to climate change, but preferred a multilateral approach.
 - Beijing shared no concrete targets for emission reductions during the summit, and China and Russia both stressed pan-global coordination to respond to climate change through multilateral systems such as the UN.

■ Korea's two pledges to achieve carbon neutrality by 2050

- Korea additionally pledged to raise its emission reduction targets.
 - In late 2020, Seoul announced NDCs with amended targets: a 24.4 percent reduction from 2017 levels by 2030 based on absolute volume, compared to its emission projection standards used in its first NDCs.
 - It also pledged higher reduction targets this year to show its ambitious commitment to achieving carbon neutrality by 2050.
- Korea further pledged to suspend fiscal support for the construction of new coal power plants overseas.
 - Its pledge to halt all public assistance for such plants is part of efforts to achieve carbon neutrality at the global level.
 - Korea also stressed the need for suitable support to alleviate difficulties facing developing countries, which tend to be heavily reliant on coal power, and suggested domestic measures to compensate for ensuing losses to industry, companies, and jobs.

4. Implications of Leaders Summit on Climate

■ Launch of concrete global cooperation efforts in climate change response and green recovery

- The Leaders Summit on Climate was an important starting point and test of President Biden's efforts to promote U.S. leadership in climate change, affirming participating countries' commitments to raising reduction targets and pursuing a green recovery.
- The summit's key achievements included: a statement on 2030 reduction targets in line with Washington's ambitious targets and carbon neutrality pledges from major economies, a statement of consensus among participating countries on the need to expand support to developing economies and cease backing for coal power plants, and an agreement on making a green recovery central to economic recovery programs worldwide in the post-COVID-19 era.
 - The summit's achievements must now be linked to the Partnering for Green Growth and the Global Goals (P4G) 2030 summit in Seoul held from May 30 to 31. The Leaders Summit raised the P4G's stature as an intermediate stage for global climate discussions ahead of the 26th UNFCCC in Glasgow.
- 2021, the first year of the Paris Agreement's implementation, offers an opportunity for governments, companies, and civil society around the world to proactively respond to climate change through revamping the economic and industrial structure and pursuing a full-scale green recovery from the pandemic.
 - Finalized in 2015, the agreement formalized global efforts to reduce emissions through the designation of clear and concrete targets on the path toward new growth models.
 - In 2019, the EU announced the European Green Deal to lay the foundation for legislating and fiscally supporting a green transition across the economy and industry.
 - This trend has further accelerated in the wake of the pandemic's outbreak last year, necessitating a proactive response as the Paris Agreement enters its first year of implementation.
- U.S. pledge to assume global leadership in climate change
 - The U.S. is striving to assume a leading role in global discussions responding to climate change, which was previously led by the EU.
 - Washington signaled its commitment to aggressive action in areas where the U.S. has not played a prominent global role, including taking the lead in setting

emissions reduction targets, supporting developing economies in responding to climate change, and building systems to identify climate finance projects.

- During the Leaders Summit on Climate, the Biden administration announced the U.S. International Climate Finance Plan to support climate response efforts in developing economies per the related executive order .
 - The plan is Washington's first for fiscally supporting climate change responses by developing economies.
 - This hints at a new U.S. approach toward developmental cooperation, as Washington had previously shown a lukewarm attitude toward backing efforts to respond to climate change in developing countries in comparison with sectors such as public health, sanitation, and national security.
 - Through 2024, the U.S. will double its fiscal support for climate response in the developing world from the annual average during the second Obama administration (2013 to 16), while tripling its support for climate change adaptation efforts.
 - Washington will also withdraw fiscal support for fossil fuel-based energy projects overseas.

■ **New spotlight on U.S.–China relations vis-à-vis climate change**

- Making responding to the climate crisis a key part of its plan to assume leadership and reestablish the global order, the U.S. has pledged to cooperate with China as a key partner.
 - While the Sino-U.S. conflict over advanced technology has seen decoupling in the supply chain and separation into two economic spheres, their relationship vis-à-vis the climate change response is highly likely to lead to a moderate-level partnership.
 - The two sides could opt to distinguish key mutual interests, combining cooperation with competition tailored to specific areas such as national security, strategic competition and cooperation.
 - The Biden administration recognizes that if the U.S. is to spearhead an initiative on climate change, China needs to be included rather than excluded.
- How receptive China is to U.S. proposals to cooperate on climate change is unclear.

- Beijing's response to Washington's bid to lead the response to climate change has focused more on the potential for conditional cooperation rather than active support.
- Emphasizing the importance of a global response to the climate crisis focused on multilateral systems, China plans to announce higher targets for emissions reductions at multilateral talks other than the Leaders Summit on Climate.
- This was shown during a visit to China by U.S. Special Presidential Envoy for Climate John Kerry. Chinese President Xi Jinping on held a summit on climate change response via videoconference with French President Emmanuel Macron and German Chancellor Angela Merkel on April 16, 2021, during Kerry's visit.

5. Korea's Response Plan

- **Laying the groundwork to fully reconfigure government management of the climate change response while promoting voluntary civic participation**
- The response to the climate crisis must be recognized and actively approached as a shift in the model of economic growth and a transformation in the global industrial and economic order.
 - Countries must also recognize the danger of falling behind in global industry and failing to shift their growth paradigm if they remain too passive and defensive in responding to the climate crisis, a phenomenon that has passed its critical point and is poised to accelerate further.
 - Depending on what climate policies are implemented, another industrial revolution could see certain industries suffer contracting production and employment while others enjoy growing output and more jobs.
 - Effectively pursuing such a revolution requires changes in institutions and policymaking to help ensure a smooth transition with innovative and positive effects.
- The U.S. has a WGA national task force on climate that will play a leading role, using joint analysis by relevant agencies to find the most effective methods to take advantage of the opportunities a unified climate change response provides in setting emissions reduction targets.

- Korea must carefully examine and prepare for the Biden administration's climate response plan, which entails devising policy approaches for foreign affairs, national security, economic growth and employment.
 - As President Biden consistently said in his election campaign and executive order on responding to climate change, the U.S. will focus on boosting its economy, creating jobs, ensuring economic competitiveness, and achieving environmental justice through lowering emissions.
 - Since Washington has made a climate change response central to its diplomatic and national security policies, Seoul must react nimbly to how the U.S. responds to the carbon border adjustment system being pursued by Europe amid growing cooperation between the U.S. and the EU. It must also monitor Washington's efforts to seek "competitive coexistence" with Beijing on climate change that separates their rivalry over technological dominance.

■ Green transition in industry key to Korea's carbon neutrality goal

- Achieving carbon neutrality is a difficult challenge for Korea, whose industrial structure is heavily based on manufacturing and with leading industries such as steel and petrochemicals generating a large volume of CO₂ emissions.
 - Even compared with other major CO₂ emitters, Korea differs from advanced economies in showing the same sustained increase in emissions seen in developing economies, which tend to see higher emissions while achieving rapid growth.
 - Achieving a "clean transition" from processes in mainstay manufacturing while supporting efforts to bolster carbon capture initiatives requires careful consideration.
- A sustainable green transition must be pursued to the fullest possible extent, with the expansion of clean energy being not only a matter of cost competitiveness but one of multiple shifts in all energy systems.
 - Korea lags considerably behind China in boosting electrical power generation from renewable energy sources. China has greatly expanded power generation from clean energy and drastically cut its fossil fuel-based emissions since the 2010s.
 - Infrastructure, people, and financing are key elements of the transition, and support for shifting traditional energy industries and their workers toward

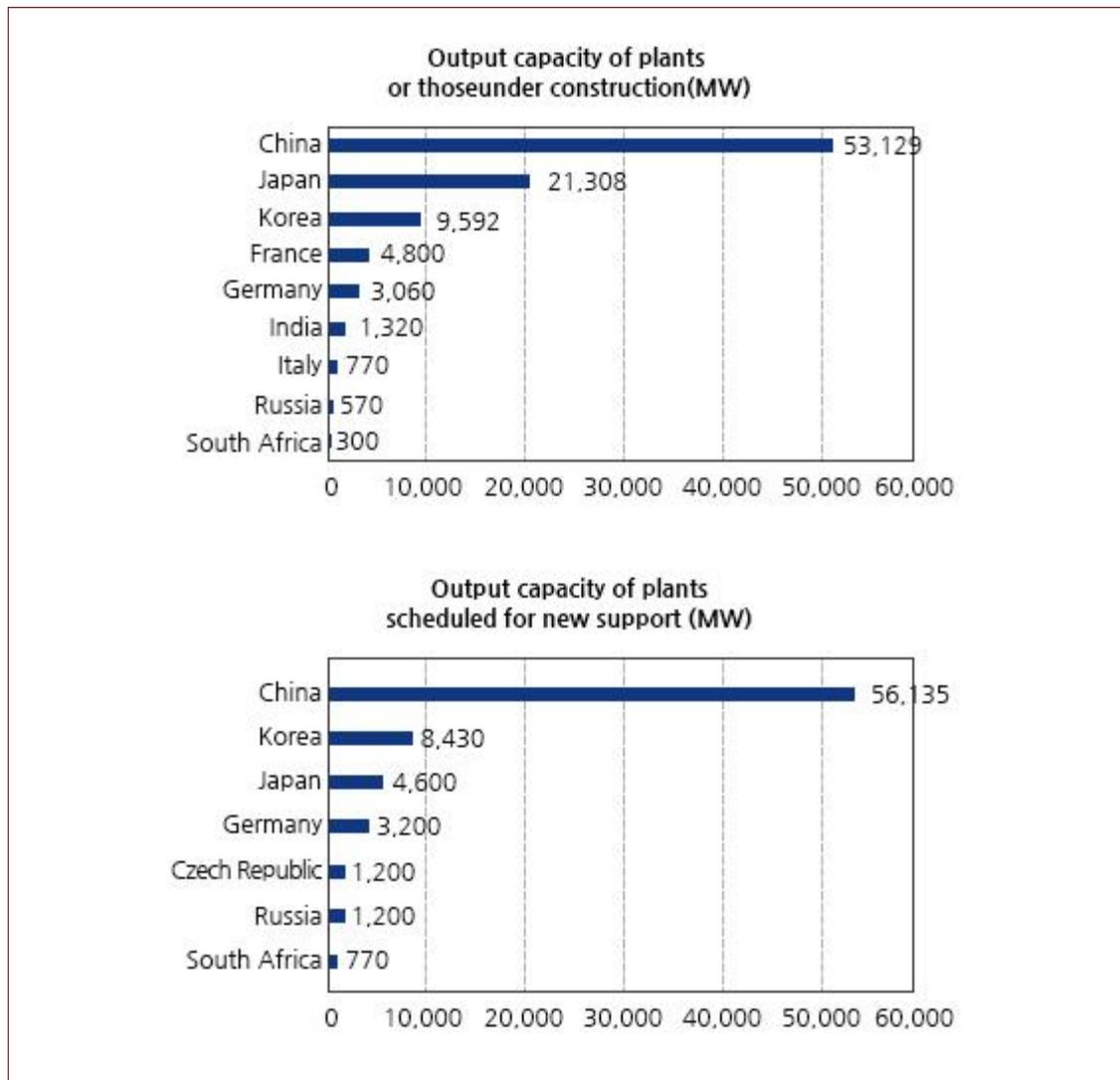
sustainable business models is as important as subsidies for renewable energy infrastructure.

■ **Suspension of fiscal support for coal power plants overseas**

- Korean President Moon Jae-in at the Leaders Summit on Climate announced the withdrawal of Korea's fiscal support for coal power plants overseas, proposing new opportunities while minimizing the damage to his nation.
 - Korea is the world's No. 3 exporter of such plants after China and Japan, third in providing funding for such plants, and second to China in scheduled support projects (see Figure 1).
 - This support and investment trend is inconsistent with the global response to the climate crisis and the emphasis on minimizing carbon at financial institutions, in step with global investment standards. Along with dealing a major blow to Korean businesses, coal power also incurs the severe risk of underperforming investment due to the stranded asset threat.*
- * Stranded asset: asset endangered due to unforeseen depreciation, devaluation, or the conversion to a liability
- China is the world's top exporter of coal power plants to the developing world and the No. 1 manufacturer of renewable energy equipment. This has cemented the country's global influence over climate change response even as it exacerbates environmental risks in the developing world.
- Japan, Korea, and China (in that order) plan to restrict or suspend investments in coal power plants overseas. Seoul made its stance official both at home and abroad at the Leaders Summit on Climate.
- Sectors where energy from fossil fuels can be replaced with cleaner alternatives need to be identified, with support for the technological development of clean energy to help alleviate the replacement of coal power plant exports.
 - As the clean energy transition intensifies, areas for potential transformation need to be found within industries whose energy sources emit large volumes of greenhouse gases. Support for related R&D is also a must.
 - As a global resource power, Korea must upgrade its coal plant technology to global standards in response to domestic demand, leveraging its experience as one of the world's top three exporters of such plants. This will allow the nation to

assume a leading role in the technological development and production of clean energy and secure an early advantage in developing markets.

〈Figure 1〉 Major Countries' Investments in Coal Power Plants Overseas



Source: Drafted by author with data from <https://endcoal.org/finance-tracker/>

■ **Green New ODA reflects timely response to domestic and global changes**

- During the Leaders Summit on Climate, the Biden administration pledged more support for the climate change response through official development assistance (ODA), including through an unprecedented climate finance plan.
- To implement Green New Deal ODA, which is in the planning stage, the Korean

government needs a unique related identity, taking advantage of the development opportunity in the response to climate change response rather than simply supporting such a response in developing economies.

- Because many developing economies remain heavily reliant on fossil fuels, new areas for cooperation are needed to support not only an energy transition but also green recovery efforts for traditional energy industries and their workers.
- By monitoring the support plans and content of major economies of the developing world for climate crisis response and providing aid, advanced economies can ensure consistency with global efforts and promote international harmony.
- In an executive order, President Biden announced plans to support the climate crisis response in the developing world by cooperating with organizations such as the U.S. Agency for International Development, the U.S. Development Finance Corporation, and the World Bank.
- In implementing its Green New Deal ODA, Korea must understand the significance and ripple effects of the U.S. climate finance plan and ensure coordination among domestic agencies and organizations.

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