

A FRAMEWORK FOR LEADERS SUMMIT ON CLIMATE: Recommendations for U.S.-led Global Climate Action

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The world is not on track to meet the United Nations' objectives of net-zero carbon emissions by 2050. The Leaders' Summit on Climate is a unique opportunity for the United States to revitalize global climate action and restore our national credibility in leading this necessary global effort. Specifically, the Paris Agreement must be revised to assure both greater reductions in carbon emissions and financial assistance to less developed countries. Building on its prior analysis and that of others, Greenleaf Communities offers the following Framework of Principles for U.S.-led Global Climate Action.

FRAMEWORK OF PRINCIPLES

I. Leadership by Example. The United States must lead by example and announce an ambitious 2030 emissions target as its new National Determined Contribution under the Paris Agreement with a clear, credible path to reach it. Only by doing so can the United States restore its prior credibility as a global climate leader. The U.S. climate action must be bold, effective and durable, designed for domestic equity and administrative feasibility as well as for carbon emission reductions and international accountability. The optimal policy meeting these standards is the adoption of a meaningful domestic price on carbon emissions. Returning the revenue from a carbon tax to all adult citizens through quarterly dividends would offset higher prices caused by this tax for 60 to 70% of citizens, especially low-income households.

II. An Effective Global Carbon Price. The U.S. should present a bold carbon-pricing plan that encourages all countries to sharply reduce carbon emissions by leading the creation of a coalition of nations within the Paris Agreement, together with China and the European Union. More than sixty jurisdictions around the world have already adopted a price on carbon, accounting for close to a quarter of global emissions. These nations should be persuaded to join the U.S. in establishing a Global Climate Compact committed to setting a common rising price on carbon within their borders. While guaranteeing major emission reductions, the Compact members would effectively determine, and increase as needed, the world carbon price.

III. The Global Climate Compact. To strengthen commitments and efforts to reduce emissions and to create incentives to join the Global Climate Compact carbon pricing regime, we concur with Professor William Nordhaus's analysis that a penalty for poor performance must be imposed. Professor Nordhaus recommends that an across-the-board tariff be levied on all imports from non-member countries as a penalty for choosing to sit out climate action. This provides incentives for non-member countries to join the Compact while also leveling the global playing field so that industries in Compact countries do not depart to countries with lower carbon fuel



costs. It would also provide compelling financial incentives to invest in carbon-free energy of all types around the world. We believe that the ability to retain and allocate domestic carbon tax revenues and avoid carbon tariffs on exported products will create a compelling incentive for nations to join the Compact. The Nobel Laureate’s analysis demonstrates that such an approach would galvanize sufficient participation to achieve the climate targets of 1.5-2°C.

IV. Fair transitions for developing countries. For a fair transition, less developed nations must receive assistance that was promised in the Paris Agreement to adapt and protect their populations from climate change and ensure their transition to low-emissions development pathways. As many of these countries seek to lift their populations out of poverty more fossil fuel infrastructure will be built if they do not have the means to transition to clean energy sources. To remedy this developmental inequity, Compact members could contribute a substantial share of their tariff revenues levied on imported goods from countries outside the Compact to provide an assured flow of transition assistance, for instance through the Green Climate Fund.

We submit that this Compact provides a viable path to meet emission reduction goals effectively and equitably. Adoption of these principles will produce hard-hitting reductions along with clear support and a sense of justice to both the Compact and the Non-Compact nations. If world leaders agree to these principles in Glasgow at COP 26, humanity may yet find a path to achieve the UN 2050 objectives for a more sustainable and just world. All eyes will be on U.S. leaders – let this be the moment we show that “America is back”.

This framework builds on previous research and analysis. Please see our climate policy report, [*Addressing Climate Change Using a Carbon Tax and Dividend Plan within a Global Compact*](#), and our latest policy brief, [*U.S. Climate Policy Driving Foreign Policy*](#), for more details.

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