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United States Rejoins the Paris Agreement on Climate Change: Options for Congress

On January 20, 2020, President Joe Biden accepted, on behalf of the United States, the Paris Agreement (PA), an international accord to address climate change for decades to come. The acceptance takes effect on February 19, 2021—77 days after the United States’ withdrawal took effect under the Trump Administration, and exactly four years after the United States first became a Party to the PA under the Obama Administration.

Congress may consider implications of U.S. participation in the PA along several dimensions, including foreign policy, economic, environmental, and legal. Although the President holds constitutional authority for U.S. foreign policy, the Senate may provide advice and consent, should the President submit the PA to be a treaty under U.S. law. Congress, by virtue of its own constitutional authorities, has options for shaping, funding, and conducting oversight of strategies—international and domestic—associated with U.S. PA commitments. Congress may seek to consult with the Administration on climate change and foreign policy, among other objectives.

What Is the Paris Agreement?

The PA exists under the United Nations Framework Convention on Climate Change (UNFCCC). The United States ratified the UNFCCC in 1992 with the advice and consent of the Senate. In 2016, the United States accepted the PA without requesting the Senate’s advice and consent; the Department of State took the view that the PA was an executive agreement containing no substantive, legal obligations for the United States beyond those already required by the UNFCCC. Under President Trump, the United States withdrew from the PA, citing concerns about fairness, costs of participating, and sovereignty. U.S. private sector and bipartisan support subsequently has grown for the PA, though there is little consensus on targets or policies to meet them.

Under the UNFCCC, the United States and industrialized Parties listed in “Annex I” took on specific commitments for greenhouse gas (GHG) mitigation, financial resources, reporting, and review. The PA does not contain the bifurcation of commitments in the UNFCCC between Annex I and developing country Parties. It established a single, common set of obligations for all Parties (with flexibilities for the least capable). For example, China agreed in the PA to the same binding requirements as the United States.

A key requirement of the PA is that all Parties communicate “Nationally Determined Contributions” (NDC) every five years, though the content of an NDC is not binding. Once a Party, the United States must submit a new NDC; President Biden aims to do this before Earth Day 2021 (April 22).

A Party’s NDC must identify how the Party intends to abate its GHG emissions, with a current time horizon of 2030. (See text box.) Each Party decides its own pledge. All PA emissions targets are voluntary and nonbinding, although the PA contains provisions to encourage their achievement. The UNFCCC requires reporting and review of GHG emissions sources and sinks and other information, differentiated by types of Parties. The PA led to an enhanced transparency framework applicable to all Parties. The PA contains cooperative compliance mechanisms but not formal sanctions.

GHG Pledges in Selected NDCs

(with date of most recent NDC GHG target)

United States (2015, prior to withdrawal): Reduce GHG emissions to 26%-28% below 2005 levels in 2025.

China (2015): *Inter alia*, by 2030, to peak its carbon dioxide (CO₂) emissions; lower its CO₂ emissions per unit of gross domestic product (GDP) by 60%-65% below 2005 levels; and increase the non-fossil-fuel share of energy consumption to around 20%.

European Union (2020): A binding net domestic GHG emission reduction of at least 55% by 2030 compared with 1990.

India (2016): *Inter alia*, reduce GHG emissions per unit of GDP by 33%-35% by 2030 from the 2005 level and reach 40% of its cumulative installed electric capacity from non-fossil-fuel sources by 2030.

Mexico (2020): *Inter alia*, reduce GHG emissions by 22% and black carbon emissions by 51% by 2030 below a business-as-usual (BAU) scenario or reduce GHG emissions up to 36% and black carbon emissions up to 70% by 2030 below BAU by 2030, conditioned on financial, technical, and other support.

Countries have long negotiated over what would constitute a “fair” distribution of effort under the UNFCCC. The strength of one Party’s GHG target compared with those of other countries can be viewed from various perspectives of fairness and level of effort. To illustrate, under existing NDCs, China’s GHG emissions could grow to 2030, whereas the European Union’s (EU’s) GHG emissions would fall. Nonetheless, China’s GHG emissions per person would remain well below those of the EU (or the United States). China’s pledge would reduce its emissions per unit of GDP more than the United States would under its 2015 pledge.

Foreign Policy and Diplomacy

U.S. forceful negotiation, acceptance, withdrawal, and rejoining of the PA leaves legacies that are likely to shape future diplomacy. Some observers argue variously that the previous Administration’s withdrawal from the PA (1)

reduced U.S. standing in the world by making the United States an international outlier on climate change; (2) strengthened perceptions that the United States was withdrawing from its traditional position of leadership in support of a rules-based international order; (3) created space for China to increase its world leadership on climate change and influence in international organizations and processes; and (4) made the United States appear less reliable as a negotiating partner.

Some observers argue that any adverse implications of withdrawal were offset by benefits they perceive in avoided domestic costs, increased energy independence, dominance in global fossil fuel markets, and U.S. sovereignty.

As the United States rejoins the PA, it may benefit from the goodwill of those in the international community who welcome the policy change. President Biden plans to host a Climate Leaders Summit on Earth Day 2021 to promote greater GHG reduction pledges before the next Conference of the Parties in early November 2021. He also announced a host of further diplomatic and security initiatives.

Observers suggest U.S. withdrawal left a legacy that may challenge the United States to regain the confidence of others and credibility for its commitments. Various commenters indicate the Biden Administration may need to significantly increase U.S. ambition to reduce net GHG emissions; embody steps necessary to achieve U.S. GHG targets in durable regulations and new law; demonstrate performance in accord with its strategy; and be consistent in fulfilling unmet commitments on reporting and financing.

Environmental Considerations

The PA contains a collective commitment to achieve approximately net zero GHG emissions in the second half of this century. The President has called for “net-zero global emissions by mid-century or before.” The purpose in the PA is to hold the GHG-induced increase in global average temperature to well below 2° Celsius and to try to limit it to 1.5°C. The pledges made in NDCs to 2030 are intended as near-term steps in a multi-decadal process to avoid adverse impacts on people, economies, and the environmental systems on which societies depend.

Many actions to reduce GHG emissions bring co-benefits—positive effects beyond the intended climate change benefits. An example is reduced health care costs and mortality associated with air pollution. In many instances, adopted GHG policies have been estimated to achieve co-benefits that themselves exceed the costs of the GHG reductions, without counting direct climate change benefits. The degree of co-benefits depends on policy design and depth of GHG reductions, as well as on the affected sectors.

Economy and Trade Implications

Parties intended the PA to lay a path to long-term transition of the world’s economies toward “deep decarbonization”—sustaining economic growth while delinking it from emissions of CO₂ and other GHGs. Such a transition is generally expected to impose near- to medium-term costs, with the magnitude and distribution (e.g., across sectors or populations) depending on policy timing and design as well as private investment. Some economists estimate the costs of deep decarbonization would be less than the costs

climate change would impose on people—costs of adapting to climate change plus residual losses where anticipatory action does not fully avoid adverse impacts.

Trade could be affected by differences in Parties’ policies. China, South Korea, and European and other countries pursue investment toward low-GHG-emitting technologies in advanced energy, materials, electronics, vehicles, and others they expect to provide future trade advantages. Several governments and the EU have discussed imposing border adjustments (i.e., tariffs) on producers that do not make similarly ambitious efforts to reduce GHG emissions.

Financial Assistance

In the UNFCCC, higher-income Parties committed to provide financial assistance to lower-income Parties to help them meet their obligations and GHG targets. The decision accompanying the PA to implement it extends to 2025 a nonlegal goal from the 2009 Copenhagen Accord to mobilize jointly \$100 billion per year to address the climate finance needs of developing countries. The funds “may come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources.” The U.S. federal government has not provided public funds since FY2016 appropriations, though private sources have contributed billions to climate-related finance. President Biden has charged the Secretaries of State and the Treasury to lead development of a climate finance plan.

Potential Options for Congress

U.S. participation in the PA raises a number of options that Congress may consider, including

- consultation with the Department of State and/or the White House regarding new U.S. pledges under the UNFCCC and PA, and fulfilling currently unmet commitments on reporting and finance;
- oversight of Administration uses of existing statutory authorities to meet U.S. pledges, and whether there may be benefits in a more comprehensive legislated strategy, to address efficiency and distributional impacts;
- provision of public funds, or incentives for private financing, to assist low-income countries or particularly impacted populations; and/or
- requests for assessments from the Administration of the ambitions, relative levels of effort, and performance of other Parties’ GHG mitigation, adaptation, technology, and financing associated with the PA.

See also CRS Report R44609, *Climate Change: Frequently Asked Questions About the 2015 Paris Agreement*, by Jane A. Leggett and Richard K. Lattanzio; CRS In Focus IF10397, *International Climate Change Assistance: Budget Authority, FY2009-FY2019*, by Richard K. Lattanzio.

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