

## Public and Private Sector Commitments and Announcements from President Biden's Leaders Summit on Climate

26 April 2021

On April 22 and 23, President Joe Biden convened world leaders in a Leaders Summit on Climate, announcing on behalf of the U.S. a goal to reduce U.S. emissions by at least 50% from 2005 levels by 2030. In connection with the two-day event, dozens of other countries announced new climate initiatives – from reducing emissions to limiting coal consumption – and private sector leaders from world's largest asset managers, banks and corporations formed coalitions to support climate finance and emissions reductions.

President Biden invited 40 world leaders to take part in a virtual Leaders Summit on Climate on April 22 and 23. Attendees included President Xi Jinping of China, President Vladimir Putin of Russia, Chancellor Angela Merkel of Germany, Pope Francis, as well as the heads of countries that are particularly vulnerable to climate impacts, such as President David Kabua of the Republic of the Marshall Islands. The event reconvened the U.S.-led Major Economies Forum on Energy and Climate, which includes 17 countries responsible for approximately 80% of global GDP and greenhouse gas emissions.

The Summit was designed to promote global cooperation and spur commitments from government and industry leaders ahead of the UN Climate Change Conference (COP26), which will take place in Glasgow this November.

Through President Biden's statements and White House press releases issued over the course of the Summit, the U.S. announced new steps to strengthen its climate policy:

### U.S. Commitments and Announcements

- **Nationally Determined Contribution under the Paris Agreement.** President Biden [announced a new target](#) for the U.S. to achieve a 50%–52% reduction from 2005 levels in economy-wide net greenhouse gas pollution by 2030. This commitment represents the nation’s new Nationally Determined Contribution (NDC) under the Paris Agreement, and was developed by the National Climate Task Force after consultation with unions, scientists, governmental and tribal leaders, businesses, educational institutions and specialized researchers. The new NDC supports President Biden’s [existing goals](#) to create a carbon pollution-free power sector by 2035 and net-zero emissions economy by no later than 2050. The target also aligns with demands from 408 businesses and investors who published an [open letter](#) to President Biden ahead of the Summit indicating their support for stronger climate action and setting a federal climate target to reduce emissions. Although the NDC is non-binding, the establishment of the target is intended to signal to the world the Biden administration’s commitment to climate policy.

In meeting the new NDC, the Biden administration’s [stated priorities](#) include supporting good-paying, union jobs in clean energy and infrastructure, strengthening working communities, protecting public health, advancing environmental justice and ensuring the country’s economic competitiveness. The White House also [outlined policies](#) that would support the NDC including (i) deploying carbon pollution-free electricity generating resources, transmission and energy storage and leveraging the carbon pollution-free energy potential of power plants retrofitted with carbon capture and existing nuclear; (ii) supporting efficiency upgrades and electrification in buildings; (iii) reducing carbon pollution from the transportation sector; (iv) supporting carbon capture as well as new sources of hydrogen to address carbon pollution from industrial processes; and (v) reducing non-CO<sub>2</sub> greenhouse gases emissions, such as methane and hydrofluorocarbons.

Nations such as Japan, South Korea, Canada and Brazil announced notable new commitments. While most observers hoped for improved net-zero emissions targets from China and India, neither announced any new emissions reductions commitments. President Xi Jinping of China, however, remarked that China would “strictly limit increasing coal consumption” in the next five years and phase it down in the following five years. On Friday, Prime Minister Benjamin Netanyahu of Israel also announced that his country would end the use of coal domestically by 2025.

- **U.S. International Climate Finance Plan.** On Thursday, the White House published a [U.S. International Climate Finance Plan](#) focused on mobilizing financial resources to assist developing countries with climate mitigation and adaptation. Under the

plan, the U.S. will double its climate financing to developing countries by 2024 relative to the second half of the Obama administration (FY2013–2016) and triple its adaptation funds in the same timeframe. The plan lays out steps that federal agencies will take to: (i) scale up climate finance and enhance its impact; (ii) mobilize private sector finance; (iii) end international official financing for carbon-intensive fossil fuel-based energy; (iv) make capital flows consistent with low-emissions, climate-resilient pathways; and (v) define, measure and report U.S. public climate finance.

- **Advancing Electric Vehicle Charging Infrastructure.** On Thursday, the White House [announced new actions by federal agencies](#) to support President Biden’s goal to accelerate the deployment of electric vehicles and build a national network of 500,000 charging stations. The actions include:
  - Newly designated alternative fuel corridors by the Department of Transportation;
  - New research funding opportunities on three electric vehicle charging related topics by the Department of Energy; and
  - Progress on the Executive Order directing the federal government to transition to a zero-emission vehicle (ZEV) fleet by the Council on Environmental Quality and the General Services Administration.
- **Net-Zero Producers Forum.** On Friday, Canada, Norway, Qatar, Saudi Arabia and the U.S. announced a new international coalition, the Net-Zero Producers Forum, dedicated to developing strategies to support the implementation of the Paris Agreement and the goal of achieving net-zero emissions by 2050. The members collectively account for about 40% of global oil and gas production, and will discuss actions to reduce methane emissions, advance the circular carbon economy, develop and deploy clean-energy and carbon capture, use and storage technologies, and diversify economies from reliance on hydrocarbon revenues.

## Private Sector Commitments and Announcements

In the days prior to the Summit, momentum grew amongst industry leaders in the private sector. Several notable commitments were announced by the world’s largest asset managers and new coalitions were formed:

- **Net-Zero Asset Managers.** State Street Global Advisors and 14 other new signatories joined BlackRock, Vanguard and others in committing to the [Net-Zero Asset Managers](#) initiative. The initiative comprises 87 asset managers with \$37 trillion assets under management and sets goals for managers to commit to net-zero emissions with interim 2030 targets. The addition of State Street Global

Advisors means the initiative now includes the world's three largest asset managers.

- **Glasgow Financial Alliance for Net Zero.** On Wednesday before the Summit, a UN-backed umbrella group of banks, asset managers, investors and insurers launched the Glasgow Financial Alliance for Net Zero ([GFANZ](#)). GFANZ, which now has 160+ members with more than \$70 trillion in assets, will coordinate various industry initiatives and add methodological rigor to pledges to decarbonize lending portfolios and other practices. Participants in GFANZ include Barclays, Morgan Stanley, Citigroup, Munich Re, the Zurich Insurance Group and many others. Signatories of GFANZ will be required to set "science-aligned" interim and long-term goals for net-zero emissions by 2050.
- **Lowering Emissions by Accelerating Forest Finance Coalition.** A new public-private partnership was announced at the Summit between the U.S., UK and Norway governments and several multinational corporations called Lowering Emissions by Accelerating Forest Finance ([LEAF](#)) Coalition. Corporations include Airbnb, Amazon, Salesforce, Unilever and others. The partnership will seek to reduce global greenhouse gas emissions by providing substantial financial support to tropical countries that reduce emissions from deforestation and forest degradation. The partnership will mobilize finance with an initial goal of raising at least \$1 billion in 2021.

Leaders at the Summit expressed hope that deep involvement in the private sector would protect U.S. government climate initiatives from political fluctuations. U.S. Special Presidential Envoy for Climate John Kerry insisted that the private sector will cement clean energy policies into reality, even if President Biden's policies are overturned or stalled, stating "No politician, I think, can change what is now happening in the marketplace." Former New York City Mayor Mike Bloomberg and Microsoft Co-Founder Bill Gates also emphasized the importance of public and private sector cooperation on the second day of the Summit, and said that improved financial disclosures on climate risks and new public and private investments in innovation are necessary to meet President Biden's and global climate ambitions.

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## Suggested Reading

- 17 July 2022 Energy Blog Commerce Department Issues Proposed Rule Suspending Solar Tariffs
- 22 June 2022 Energy Blog FERC Order Revokes Solar Facility's QF Status
- 11 May 2022 Energy Blog New Framework Announced for Assessing and Reporting Nature-Related Financial Risks

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