

CLIMATE
21
PROJECT

TRANSITION
MEMO



Department
of State

Department of State

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Contents

EXECUTIVE SUMMARY	1
Summary of Recommendations	2
THE MEMO	
1. Management, Budget, and Structure	3
2. Key Program Opportunities and Recommendations	12
3. Cross-Cutting Priorities and Relationships	15
APPENDICES	
Appendix A: State Department Budget Overview	17
Appendix B: High-Level Timeline	18

This memo is part of the **Climate 21 Project**, which taps the expertise of more than 150 experts with high-level government experience, including nine former cabinet appointees, to deliver actionable advice for a rapid-start, whole-of-government climate response coordinated by the White House and accountable to the President.

The full set of Climate 21 Project memos is available at climate21.org.

Department of State

Executive Summary

U.S. engagement on climate change is more necessary and urgent than ever—and the State Department will need to make best use of its tools to drive the international effort starting on day one.

- There is little time left to avoid a dangerous, potentially catastrophic climate situation.
- Only the United States is in a position to deliver the scale and speed of necessary global action to avoid such an outcome. The absence of U.S. leadership on the world stage has been palpable.
- Climate change is a key economic, national security, and diplomatic issue for other countries.

The walk-back on the Paris Agreement and domestic climate action will create diplomatic challenges for the United States, and COVID-19 has refocused countries' efforts and priorities on short-term economic recovery, rather than long term climate action, but the world is nevertheless hungry for leadership in the global response to climate change. There will be a desire for strong U.S. re-engagement, action, and funding.

The nature of the U.S. climate mission in the early 2020s will be broader than it was in the mid-2010s, which will have implications for the State Department's priorities and organization. Having successfully driven completion of the Paris Agreement, including through robust cooperation with China, the United States now needs to focus on achievement of the three Paris objectives—a safe global temperature; increased climate resilience; and aligning financial flows with the Paris goals. There will continue to be negotiations and other forms of diplomatic engagement across multiple international fora; in addition, robust implementation will also be a top priority.

On Day 1, the incoming Secretary of State should:

- **Support the White House in rejoining the Paris Agreement.** A presidential announcement on Day 1 will require advance preparation of the legal instrument during the transition.
- **Appoint a Special Envoy for Climate Change.** This will enable immediate, high-level re-engagement and signal to the international community, as well as the department itself, that climate change is again a top-tier U.S. priority.
- **Issue a Day 1 message to the international community.** This would clarify that the incoming administration, including the Secretary, understands the importance of vigorously addressing the climate crisis—and will play a leadership role. (This would be released in conjunction with the Paris announcement.)

The State Department will also need to quickly formulate a reengagement strategy to advance U.S. climate objectives through negotiations and other forms of diplomacy, both bilaterally and in relevant multilateral forums.

Department of State

RECOMMENDATIONS¹

MANAGEMENT, BUDGET, AND STRUCTURE

- Appoint a Special Envoy for Climate Change, a “ministerial”-level representative devoting full-time attention to climate issues who will report directly to the Secretary, lead international climate negotiations and diplomacy, and help manage a whole-of-government effort to deliver on increased global climate ambition (*Day 1*)
- A Day 1 message from the Secretary to the entire State Department on rejoining the Paris Agreement, the U.S. leadership role on climate, and internal expectations for integrating climate fully into the work of the department and USAID (*Day 1*)
- Establish a standing senior climate committee, chaired or co-chaired by the Special Envoy, to drive climate ambition, coordinate policies, and pursue multiple strategies for integrating climate into the work of the department and USAID, including regional and functional bureaus. Establish similar committees in key U.S. Embassies and Missions (*Day 1*)
- Reprogram FY2020 earmarked climate funding for State and USAID, allocate FY2021 earmarked climate funding, and prepare the FY2022 budget request (*100 Days*)
- Reinstitute the Global Climate Change Initiative, or its equivalent, to ensure that development assistance efforts help contribute to climate diplomacy (*100 Days*)
- Develop a human capital restoration plan to rebuild staff and expertise (*100 Days*)

KEY PROGRAM OPPORTUNITIES

- During the transition, ready the instrument to rejoin the Paris Agreement and support a presidential Day 1 announcement (*Day 1*)
- Develop an early strategy for re-engaging in climate diplomacy, including bilateral, multilateral, and global negotiations and other processes, in order to reassert US leadership, promote climate ambition, and otherwise advance substantive US objectives (*100 Days*)
- Work with the White House and other agencies to set up the domestic process to develop the next Nationally Determined Contribution (NDC) (*100 Days*)
- Assess U.S. commitments and pending actions that will be due or are late because the Trump Administration failed to submit them (*100 Days*)

CROSS-CUTTING PRIORITIES AND RELATIONSHIPS

- State should build (or rebuild) strong working relationships with counterparts at the White House (including, e.g., NSC and OMB) and other agencies to ensure maximum effectiveness of U.S. climate diplomacy. (*First 100 Days*)
- State should work to ensure that its outreach/coordination efforts extend to U.S. states, cities, the private sector, and other non-State actors and should seek to enhance the ability of such entities to attend and participate in UNFCCC/Paris meetings and processes, as appropriate. (*First 100 Days*)

¹ Where recommendations call for Day 1 actions, such actions will need to be prepared during the transition. Where recommended Day 1 actions are to be carried out by the Secretary and the Secretary has not yet been confirmed, such actions might be carried out either by the Secretary on his/her Day 1 in office or by the Acting Secretary on Day 1 of the Administration.

1 Management, Budget, and Structure

The State Department has a significant role to play in re-establishing the United States as a global leader in the fight against climate change—and a new administration should make that clear from day one. That means doing whatever is possible to increase funding for efforts to reduce greenhouse gas emissions in the FY2020 and FY2021 budgets; designing the climate funding request in the FY2022 budget proposal to focus more on these efforts; re-instituting the Global Climate Change Initiative, so State and USAID can make sure development assistance is conducted in coordination with, not independently of, climate diplomacy; and rebuilding the staff capacity and expertise that has been lost in recent years, while making new hires that meet the needs of a global landscape where there is no time to waste in acting against climate change.

This section also discusses how State has structured its work on climate change across recent administrations—and proposes a better way to organize the Department, with the goal of making sure it can not only manage negotiations related to climate change but promote enhanced global climate ambition more broadly. That includes re-instating the Special Envoy model on day one; staffing the Special Envoy's Office with an eye toward both negotiations and implementation; pursuing multiple pathways to integrate climate issues and considerations into the work of the Department and USAID, including U.S. Embassies and Missions; establishing a standing climate committee within the Department; reorienting the mission of the Energy Bureau (ENR) to ensure consistency with the climate imperative; and requiring U.S. Embassies required to develop country strategies on climate and plans for turning them into a reality.

BACKGROUND

The State Department has historically been the lead agency responsible for developing and carrying out international climate policy, including the negotiation and diplomacy associated with each of the major climate agreements. State's precise climate mission under the new administration will be affected by many factors—as yet unknown—concerning the overarching U.S. climate strategy (domestic and international), the priority accorded to climate change relative to other issues, and the state of various bilateral relationships come January 2021, among other factors.

Nevertheless, it is reasonable to assume that, at a minimum, the State Department will be on the front lines:

- As the United States reasserts its **global leadership** on climate change generally (potentially including re-establishment of the U.S.-led Major Economies Forum);
- As the United States returns to the **Paris Agreement** (including associated negotiations and diplomacy; the development of the next U.S. emissions target, in conjunction with domestic agencies; submission of late and future reports; U.S. climate funding for developing country implementation);
- As the United States **rallies other countries** to deliver on—and raise—climate ambition, particularly with respect to the Paris Agreement objectives related to reducing greenhouse gas emissions, decarbonizing various sectors, enhancing climate resilience, and “greening” financial flows;

- As the United States engages in various **other climate-related forums** (e.g., the Intergovernmental Panel on Climate Change, the Green Climate Fund, the International Civil Aviation Organization’s market-based mechanism, the Arctic Council, the Montreal Protocol, the Climate and Clean Air Coalition) and associated negotiations/diplomacy; and
- As climate issues progressively spill over into **other fields**, e.g., migration, human rights, law of the sea, security, trade, etc.

Beyond the enormity of the task of moving the world economy toward deep decarbonization, there will be additional challenges. The past four years have set the United States back not only on domestic emission reductions but on international climate engagement, including but not limited to withdrawal from the Paris Agreement and non-payment of U.S. financial pledges. This has caused a loss of both time and credibility. In addition, domestic partisanship continues to make legislative action on climate action contentious, making it difficult for us to lead by example.

On top of these climate-specific challenges, the COVID-19 pandemic has re-focused the world’s energies and, to an extent, re-ordered the priorities of many countries—especially as international cooperation has been tested. Key bilateral relationships, including with China, have also evolved over the last four years.

Taken together, these difficulties make it even more important that the State Department be in a position to make the most effective use of its tools and levers, including personnel and resources, to reverse U.S. retrenchment and re-establish the United States as a positive force on the climate issue. The State Department apparatus, at its most effective, can have incredible influence over the global climate agenda; no other institution in the world has as wide a reach and as profound an impact on the global climate effort or on other countries’ climate efforts.

It is also critical to recognize that **the nature of the U.S. climate mission in the early 2020s will be broader than it was during the Obama Administration**, which will have implications for the State Department’s priorities and organization. From 2009-2016, the United States was largely focused on moving the world away from the Kyoto Protocol paradigm—which included binding, negotiated targets for developed countries and no commitments for developing countries—toward an ambitious yet inclusive agreement based on nationally determined targets.

Having successfully driven completion of the Paris Agreement, including through robust U.S.-China cooperation, the United States now needs to focus on achievement of the three Paris objectives: a safe global temperature; increased climate resilience; and making financial flows Paris-aligned. There will continue to be various negotiations and other forms of diplomatic engagement across multiple international fora; however, increased global climate action and other forms of robust implementation will now also be a top priority.

In the short term, a consequence of rejoining the Paris Agreement will be the need for the United States to prepare its next greenhouse gas emissions target, or Nationally Determined Contribution (NDC), which will presumably be developed by a White House-led interagency process that includes the State Department. However, 2021 will also be a particularly active year on the global climate calendar—presenting significant diplomatic opportunities for the United States. Parties to the Paris Agreement were expected to enhance their respective climate actions in 2020; however, COVID-19 has had a delaying effect on national upgrades. In addition, the annual climate conference (to be hosted by the UK), which was to have taken place in 2020, has been postponed until November 2021. Thus, as the U.S. re-enters Paris, it will be in a position to use its leadership to make the most of 2021—i.e., to secure significantly more ambitious global action, particularly from the major economies.

RESOURCES

Successful U.S. climate diplomacy will require corresponding resources for both personnel and U.S. international climate-related assistance.

In terms of personnel, **the State Department’s climate operation has been substantially depleted** since the Obama Administration (and is now about half the size it was in 2016). The career staff has done a masterful job keeping the

operation going—even earning positive reviews internationally for their ability to continue to be constructive on many issues—but much expertise has been lost with departures over the last few years.

Not only will the Department need to fill many slots in the main climate office that have been left unfilled, but there will almost certainly be a need for additional slots in both the Civil Service and Foreign Service—in Washington and U.S. Embassies alike—to carry out the enhanced post-2020 climate agenda. The good news is it may be possible meet such needs with only modest budgetary implications.

In terms of foreign assistance, the United States will be maximally successful in its climate-related agenda if it is in a position to provide an appropriate level of voluntary funding for international climate efforts, both bilaterally and multilaterally. International climate-related assistance is not only vital for achieving necessary substantive outcomes (e.g., emissions reductions) but is also a tool for U.S. climate diplomacy. Recognizing that the prospects for adequate funding will depend, at least in part, on the composition of Congress, it will be important from a diplomacy point of view for the administration to make a serious effort to obtain such funding, even if it is not ultimately fully successful.

Broadly speaking, there are two main avenues for the provision of U.S. climate-related assistance:

- **Green Climate Fund:** The Obama Administration pledged \$3 billion as the U.S. voluntary contribution to the Green Climate Fund (GCF), a fund established as a companion to the Paris Agreement, and paid \$1 billion (from Economic Support Funds) before leaving office. President Trump, at the same time he announced U.S. withdrawal from the Paris Agreement, also announced that we would not fulfill the rest of our GCF pledge. (With few exceptions, the other donors fulfilled their pledges.) Last year, the donor countries—excluding the United States—agreed on a first replenishment of the GCF amounting to \$9.8 billion. There will be an expectation that a new administration will not only rejoin Paris, but work to secure some level of contribution to the GCF.
- **Bilateral/plurilateral support and initiatives:** The United States will achieve the greatest influence in securing enhanced ambition in the climate sphere if it can marry its diplomatic assets with a combination of 1) in-country development assistance focused on emission reductions and climate resilience; and 2) support for global and regional climate initiatives (e.g., the Obama-launched Climate and Clean Air Coalition), as well as certain key international mechanisms (e.g., the UNFCCC Least Developed Country Fund). For context, during the Obama era, State and USAID oversaw almost \$500 million annually in climate funds, up to \$100 million of which went to State-led initiatives and multilateral funding.

Incoming State leadership would presumably also seek to put the United States in a position to be able to contribute to the Global Environment Facility, a Treasury line item, and to the operation of the UNFCCC Secretariat.

To the extent that there is not enough funding for all of the above purposes, the incoming administration will need to weigh the respective climate, diplomatic, and other benefits of various options.

In the early months of the new administration, State leadership will have the opportunity to influence decisions regarding three budgets to varying degrees—ranging from tweaking, to deciding within certain bounds, to defining. Aligning these budgets with the administration's climate priorities can help build the narrative of U.S. re-engagement and raising of ambition:

FY2020:

- The levels of climate funding, general earmarks, and specific Trump Administration allocations within the earmarks will have been set.
- Incoming State leadership will have a short window (January/February) to review the allocations to ensure that they are consistent with the administration's climate funding priorities, such as maximizing climate benefits and/or U.S. leverage.
- Roughly \$490 million is earmarked for climate-related assistance: About \$130 million for sustainable land use and \$180 million each for renewable energy and adaptation.

- Per Congressional allocations, most of this money will go to activities that have either strong climate benefits, such as renewable energy projects in Africa, or plausible benefits, such as adaptation benefits in ongoing programs for biodiversity and health. However, absent a focus on climate issues by Trump Administration officials, virtually none have been developed with a goal of maximizing emission reductions or creating diplomatic leverage.
- While there will not really be a major opportunity for redirecting resources, it could be useful to do some reallocating for FY2020, which would also help the United States take credit for increasing climate funding when it returns to the climate stage.

FY2021:

- The FY2021 appropriations (or continuing resolution) are still to be determined, but Congress is unlikely to provide less climate-earmarked funding than the FY2020 budget.
- Assuming a full-year budget, incoming State leadership will likely have a few months to make decisions, under the so-called 653(a) process, on how to allocate whatever funding is earmarked for climate among the various State and USAID offices and missions.
- State will have more of an opportunity here than with the FY2020 budget to align allocations with its climate goals. That includes providing diplomatic leverage for the effort to secure enhanced climate commitments from key countries.
- It should be noted that NGOs are pressing for a sizable sum to be earmarked for a U.S. contribution to the Green Climate Fund, in addition to the \$490 million baseline earmark for U.S. direct assistance contained in the FY2020 appropriations.

FY2022:

- The FY2022 budget will present State leadership with the first opportunity to fully define its own climate funding proposals, both in terms of levels and earmarks, and feed them into the administration's 2022 budget before it is sent to Congress.
- It could, for example, elect to seek specific funding for the Green Climate Fund, among other things.
- The administration's first budget request will send a signal to both domestic constituencies and the international audience.
- An incoming administration typically presents its budget within 50 days, but agency requests are due earlier.
- The administration's proposal will have been presented to Congress before the 2021 "COP," hosted in the UK, which could be helpful for U.S. climate diplomacy.

Given the importance of both U.S. climate re-engagement and making every dollar count, it will be critical to maximize the use of U.S. climate funding to leverage diplomacy. During the Obama Administration:

- The Special Envoy for Climate Change was given overall responsibility for the U.S. foreign assistance budget for climate—known as the "Global Climate Change Initiative" or GCCI. This function, which involved coordinating bilateral climate assistance from USAID and Treasury, proved invaluable for ensuring coherence between diplomatic objectives and U.S. development assistance efforts—and to the success of U.S. climate leadership.
- The Special Envoy and OES/EGC also worked closely with export-oriented and development finance agencies, including OPIC (now the U.S. International Development Finance Corporation or DFC), the Export-Import Bank, the Millennium Challenge Corporation, and the Trade and Development Agency on climate-related aspects of those agencies' agendas. For example, State and OPIC jointly developed and funded a major initiative to promote clean energy projects in Africa and funded TDA in this effort as well. State also funded OPIC personnel in key Embassies to enhance their capacity to originate climate-friendly investments.

- State also worked closely with the above agencies to account for the U.S. contribution toward the developed countries' collective goal of mobilizing \$100 billion by 2020. (This goal, originally undertaken at the Copenhagen climate conference in 2009, was extended in Paris to 2025.)

The incoming administration will once again need to be in a position to align U.S. climate-related funding with climate diplomacy.

Management and budget recommendations (Early in first 100 Days)

- The State Department and USAID should engage very early to take decisions on potential redirection of FY2020 earmarked climate funding and the allocation of FY2021 earmarked climate funding. (Early in first 100 Days)
- The State Department and USAID should engage very early to design the climate funding request in the administration's FY2022 budget proposal to promote its climate priorities and send diplomatic signals. (Early in first 100 Days)
- The Global Climate Change Initiative, or its equivalent, should be re-instituted so that State and USAID can ensure that development assistance efforts take account of climate diplomacy, rather than proceed independently. (First 100 Days)
- The State Department should develop a human capital restoration plan to rebuild staff capacity and expertise lost in recent years, as well as augment staffing to meet the needs of post-2020 climate diplomacy; it is advisable to provide for the hiring of some contractors in the early months to enable immediate U.S. re-engagement. (First 100 Days)

STRUCTURAL OPPORTUNITIES

The State Department has taken different approaches over the years to organizing its climate work, depending in part on the mission at that time and the administration's view of the relative importance of the climate issue. This section addresses two key aspects of State Department structure and organization related to climate change:

- how best to structure the Department in terms of climate change specifically; and
- how best to integrate climate change into non-climate-specific parts of the Department, as well as U.S. Embassies.

It discusses relevant history, offers considerations, and provides several recommendations.

Climate-Specific Structure

Current Situation

The focal point for climate-related work in the Department is the **Office of Global Change** ("EGC") within the Bureau of Oceans, Environment, and Science ("OES"). This office has led the U.S. government's international climate negotiations and the Department's climate-related programmatic activities. It currently reports to a Deputy Assistant Secretary and (Acting) Assistant Secretary in OES, who in turn report to the Under Secretary for Economic Affairs (E).

During the Trump Administration, EGC continued to actively engage in climate diplomacy. While the Trump Administration chose to initiate U.S. withdrawal from the Paris Agreement, the United States continued to participate in the development of the "rulebook" under the Agreement; in addition, the United States remains a party to the 1992 UN Framework Convention on Climate Change.

Other bureaus also contribute to the climate-related work of the State Department:

- The **Legal Adviser's Office** ("L") has historically worked hand-in-glove with OES/EGC and other policy offices to craft and carry out U.S. policy/strategy. Both currently and in the past, L lawyers have been key players in negotiations and other advocacy of U.S. positions.

- **Regional bureaus and Embassies** have played an important role with respect to climate action abroad in the past but have been less engaged during the current Administration, given the retrenchment on the Paris Agreement and climate action more generally.
- The **Energy Bureau** (“ENR”) focuses mostly on energy markets and market reform (currently with a focus on LNG); it also has a clean energy component. Historically, ENR has had good relations with the State climate team; any friction has largely been with the Department of Energy. (In the Obama era, it was the State climate team, rather than ENR, that led State participation in the DOE-led Clean Energy Ministerial and funded the Africa Clean Energy Facility.)
- **Policy Planning** (“S/P”) has generally tended to handle special projects and longer-term thinking, as opposed to operational responsibilities.

In addition, the **U.S. Mission to the United Nations** (“USUN”) addresses climate issues as they arise in New York. (This includes handling the annual UNGA climate resolution, climate security issues in the Security Council, and more). As a Cabinet member in contact with every country on a near-daily basis, the UN Ambassador can be a “force multiplier” for the State Department. (During the Obama Administration, USUN played an important role in urging countries to sign onto the Copenhagen Accord; to develop NDCs in advance of the Paris Conference; and to sign and later ratify the Paris Agreement.)

Because climate has been a low priority during the current administration, no high-level official has been dedicated to the issue—and many climate experts have left the State Department.

Under the Obama Administration

Secretary Clinton chose to elevate the climate change issue within the State Department. She immediately named a “Special Envoy” for climate change (Todd Stern), who reported directly to the Secretary. As the U.S. was right in the middle of a global climate negotiation, it was critical to have a high-level representative in position right away without having to wait for Senate approval.

The office had its own small staff (about 10 officials), including a Deputy Envoy—and later two Deputies, as the duties expanded. One Deputy focused mainly on the core global negotiations—as well as diplomatic and development strategy for other countries’ climate actions, including under the Paris Agreement—while the other managed U.S. participation in other international forums and various climate-related initiatives.

EGC reported to the Special Envoy on policy, rather than to OES, so as to put one person in charge of climate policy, ensure coherence, and avoid confusion. The Special Envoy also oversaw policy issues relating to the cross-agency Global Climate Change Initiative, referenced above, while OES maintained responsibility for oversight regarding State-led climate programs and projects.

Importantly, the Special Envoy was in a position to:

- focus full-time on climate change, gaining detailed knowledge of the subject matter and the ability to represent U.S. interests successfully;
- travel to relevant climate and related meetings, of which there are many on the international calendar;
- enjoy “ministerial” rank, enabling him to attend ministerial meetings and meet with high-level counterparts;
- ensure that U.S. federal climate programs supported and advanced broader U.S. objectives on climate; and
- report directly to the Secretary.

This arrangement stood in contrast to the structure under all previous administrations, during which climate change was one of many portfolios assigned to an Under Secretary (either Global Affairs or Economic Affairs). During the Clinton Administration, various officials below the Under Secretary carried titles related to climate change, causing confusion regarding who made final decisions and who spoke for the United States internationally.

Considerations for a New Administration

Any structure/organization should ensure that the top U.S. climate representative:

- focuses full-time on climate issues;
- is viewed as holding “ministerial” rank internationally;
- is the clear decision-maker internally;
- reports directly to the Secretary; and
- is able to begin work immediately, given the urgency of international climate business.

While no model is perfect for addressing climate change, given its cross-cutting nature, the Special Envoy structure is the one best able to deliver on these desired features. The model has been widely praised as effective, as well as better than any other option. Re-instituting that model would enable the United States to hit the ground running in an important year for global climate action; in addition, it would be easy to put in place and would cause minimal bureaucratic disruption. A new administration might consider renaming the position as the Special Envoy for Climate Action (or functional equivalent) to convey the broader mission in the early 2020s.

As noted, the expanded post-2020 climate mission has implications for the structure and staffing of such an office. The earlier Special Envoy’s Office successfully spearheaded U.S. diplomacy during a negotiations-heavy period. With the heightened focus on implementation that is now expected, it would be important for the office to have the capacity not only to manage various negotiations but to lead a whole-of-government effort to promote global implementation and increased climate ambition.

This might be accomplished, for example, by dividing responsibilities between the two Deputies. One would be responsible for Paris-related negotiations and related implementation—while the other would be charged with overseeing various other agreements, initiatives, and programs. The office also needs capacity to deal with congressional issues, coordinate with the rest of the department, and interact with U.S. non-state actors, as their role has increased dramatically over the last few years in the face of federal abdication.

Less desirable options include:

- assigning the top climate role to an existing Under Secretary (such as for Economic Affairs), which would deprive State of a full-time, high-level climate official;
- assigning the top climate role to the OES Assistant Secretary or special representative within OES, which would deprive State of a full-time climate official at the ministerial level; or
- assigning the top climate role to a dedicated Under Secretary for Climate Change, which would involve Senate approval and could delay the launch of diplomatic work during what will be a very important year; such a structure would also raise various bureaucratic issues—including whether OES, which addresses many subjects other than climate change, would report to this Under Secretary or another one; and whether the Energy Bureau would report to this Under Secretary or to the Under Secretary for Economic Affairs.

Structural recommendations (Day 1, first 100 Days)

- The State Department should reinstate the Special Envoy model, as it will deliver immediacy; a full-time, “ministerial”-level climate representative who reports directly to the Secretary; and a clear chain of command. (Day 1)
- The Secretary should announce the position right away to send a signal to the international community (and internally) that the United States is returning to a position of climate leadership and that this will be a high priority. (Day 1)
- The Special Envoy’s Office (as well as OES/EGC) should be organized and staffed so as to ensure not only focus and competence with respect to leading international negotiations and diplomacy, but managing a whole-of-government effort to deliver on global implementation and increased climate ambition. (First 100 Days)

Department-Wide Climate Integration

Consistent with the post-2020 need for the United States to promote better implementation of countries' existing climate commitments, particularly under the Paris Agreement, as well as the progressive enhancement of ambition, it will be critical to integrate climate issues into the work of the State Department more broadly.

During the Obama Administration, various steps were taken to promote intra-Departmental integration. For example:

- The “QDDR” developed under Secretary Clinton contained various recommendations for integrating climate considerations into the work of U.S. Embassies/Missions. The subsequent QDDR, developed under Secretary Kerry, expanded on such recommendations.
- Secretary Kerry directed that background memos for his meetings and calls with foreign officials include climate points. Further, with S/P’s involvement, he issued the “Secretary’s Policy Guidance on Elevating Climate Change Across All Our Platforms.” This guidance instructed Chiefs of Mission to make climate change a priority at posts and directed all bureaus of the State Department to focus on climate change in specified ways.
- The Special Envoy’s Office held regular meetings with the regional bureaus.

While the QDDRs were not credited with having much impact, Secretary Kerry’s memo requirements and Policy Guidance were said to have been significant.

For the post-2020 period, additional efforts will be required—or, where discontinued under the current administration, reinstated—if the United States is to be able to deliver on international climate ambition.

There are several potential means of integrating climate issues more thoroughly into the broader work of the Department:

- There could be **policy** integration—such as ongoing direction from the Secretary about the role that climate change will play in U.S. foreign policy. This would put all personnel on notice about expectations from the top.
- There could be **process** integration—such as baking climate issues into the paper process, perhaps requiring that some or all memos to the Secretary take into account climate-related considerations, as well as into country strategies for both State and USAID.
- There could be **personnel** integration, such as:
 - placing personnel with climate expertise in positions beyond those traditionally associated with climate issues (such as in economic positions or 7th floor offices);
 - including climate change within the portfolios of specified officials, such as DASes, in regional bureaus;
 - creating a cadre of Embassy officers focused solely or partly on climate; requiring climate-related training or a climate-related posting for promotion to Deputy Chief of Mission or Ambassador; and/or
 - revising FSO promotion policies to give greater weight to climate-related assignments or even to require climate-related expertise/assignments.
- There could be **knowledge** integration, such as:
 - mandatory Foreign Service Institute training in climate-related issues (science, economics, the international climate regime) for all or certain Civil Service and Foreign Service personnel or positions;
 - inclusion of climate-related training in the A-100 course for the entering Foreign Service; and/or
 - a “distance learning” climate course.
- There could be **institutional** integration—for example, there could be a standing climate committee within the Department, as well as DCM-led climate committees/processes in relevant posts.

A standing Department committee could be especially important if, following the recommendation above, the Secretary appoints a Special Envoy for Climate Change who sits “outside” the standard Department hierarchy. Such a committee might be chaired by S, D, or the Special Envoy and include all relevant bureaus and offices, including USAID. Such a group could consider not only issues related to promoting Paris-related climate ambition in particular countries but also cross-cutting issues, such as proposals for State approval of transboundary pipelines, State positions on proposed energy projects in international financial institutions, and State positions on various climate/trade issues.

In addition, posts often have DCM-led focus groups on key issues; the Secretary could call for DCMs to lead committees/processes to ensure that climate is high on the agenda of priority Embassies.

As part of policy integration, it will be important to update the mission of the Energy Bureau (ENR).

ENR has an important role to play, as energy-related diplomacy is a key aspect of U.S. foreign policy. Energy is at the core of geopolitics, and the United States has a strong interest in ensuring the stability of energy supplies and markets; in enhancing economic development and energy access; and in promoting new technologies. At the same time, State should reorient ENR to ensure that the tools of U.S. energy diplomacy, including partnerships with other countries on energy development and investment, are aligned with our climate imperatives. In addition, U.S. energy diplomacy should include the development of a viable alternative to China’s Belt and Road Initiative, which, through high-emitting investments in dozens of developing countries, threatens to undo climate-related progress achieved elsewhere.

Recommendations (Day 1, first 100 Days)

- State should pursue multiple pathways, drawing on the ideas above, as appropriate, to integrate climate issues and considerations into the work of the Department and USAID, including U.S. Embassies and Missions. (First 100 Days)
- The Secretary should issue a message, either stand-alone or as part of a larger message to State and USAID employees, about the expectations concerning the integration of climate issues/considerations into the work of the Department and USAID. (Day 1 and subsequently)
- State should establish a standing climate committee, possibly chaired by D, involving the Special Envoy’s Office, the regional bureaus, and other relevant offices and bureaus (e.g., EB, ENR, S/P, L, and PA), to promote global climate action; develop regional strategies; assess progress, including with respect to specific key countries; review cross-cutting issues; and develop public messaging. (First 100 Days)
- The mission/work of the ENR should be reoriented to ensure consistency with the climate imperative. (First 100 Days)
- For both substantive reasons and to engage Foreign Service Officers, U.S. Embassies should be required to develop country strategies (e.g., to reach net zero emissions by mid-century) and plans for working with the host government, businesses, and civil society to promote them. There should also be DCM-led climate committees in key Embassies. (100 Days and beyond)

2 Key Program Opportunities and Recommendations

Under the backdrop of COVID-19, the legacy of four years of inaction, and a climate that is continuing to change in potentially catastrophic ways, the State Department needs to be strategic about using all of the tools at its disposal to promote climate action around the world. That means getting the U.S. on track, including by re-entering the Paris Agreement, developing a U.S. emissions target under Paris, and seeking Senate support for the Kigali Amendment. It also means active climate diplomacy to raise global ambition toward achievement of the Paris goals, including bilaterally and multilaterally across multiple forums.

The State Department will have a variety of means at its disposal to advance its climate objectives. It will need to be strategic about using its tools to maximum advantage, recognizing that the world is not yet on track to avoid the worst climate consequences; the United States will need to build back its climate credibility after four years of the current administration's retreat; and COVID-19 has added substantial new challenges across the globe.

The substantive U.S. goals (the “what”) will flow from, and build upon, the three objectives of the Paris Agreement, namely:

- limiting global average temperature increase to well below 2° C above pre-industrial levels (and pursuing efforts to limit it to 1.5° C);
- enhancing climate resilience; and
- aligning financial flows with the other two objectives.

As noted, the current “nationally determined contributions” of the Parties to the Paris Agreement need to be strengthened to keep a safe global temperature within reach, and 2021 will be a key year during which the United States can push for enhanced targets from key countries.

The U.S. tools (the “how”) will largely involve serious engagement (and re-engagement) in various multilateral international forums, as well as through bilateral relationships. To the extent the Secretary engages personally, such as through announcements, speeches, and attending international events, the more effective U.S. climate diplomacy will be.

The timing of U.S. engagement and demonstration of leadership (the “when”) will be both externally and internally driven:

- Certain climate-related events and dates are already on the international calendar for 2021, including the Climate Change Conference of the Parties, or “COP,” which is scheduled to be hosted by the UK in early November, and the UN General Assembly in late September, which traditionally takes up climate change).
- Other 2021 events are certain to take place but their timeframes are not yet set, including the G7 hosted by the UK and the later G20 hosted by Italy, both of which are expected to take up climate action, and the IPCC, whose dates are likely to shift post-COVID 19.
- In other cases, the United States will have greater control over the timing of engagement. For example, to the extent that the U.S.-led Major Economies Forum is revived, it will be up to the United States to determine its meetings. Should the new administration have the President convene a climate world summit during the first 100 days, there will again be discretion as to exact timing.

In addition, there will be international events on the 2021 calendar, including those postponed from 2020 due to COVID-19, that are not principally about climate change but that the United States could use to promote linkages between climate change and other issues. These include the UN Ocean Conference and the Conference of the Parties to the Biodiversity Convention.

It will be imperative for the State Department's climate team to draw up a plan/strategy early on to game out the U.S. return to the international climate arena, including developing policy positions; establish of U.S.-led fora/initiatives; the U.S.'s climate "asks" of key countries; domestic actions needed for international engagement; and more. Even where the White House has the lead with respect to a particular engagement (e.g., G7, G20), the State Department will need to support the U.S. effort. A U.S.-hosted leader-level climate summit in the first 100 days would require early and very significant State Department mobilization.

A partial list of actions that will need to be included/integrated into a "re-engagement plan" includes the following:

- **Paris Agreement:** With respect to rejoining Paris, which is expected to take place as early as Day 1, the State Department will need to prepare the legal instrument to rejoin; make public and/or private announcements to the international community in connection with rejoining; prepare U.S. negotiating positions on outstanding issues; prepare extensive reports on U.S. emission/actions that either will be due or are late because the Trump Administration failed to submit them; engage in Paris-related meetings/processes; participate in the domestic process to develop the next U.S. emissions target under Paris (further discussed below); engage in intensive international diplomacy with key countries to promote implementation and enhancement of their "nationally determined contributions;" and more.
- **Other multilateral forums:** There are ongoing climate-related negotiations/ discussions in multiple forums, including the Intergovernmental Panel on Climate Change (IPCC), the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), the Arctic Council, and the Climate and Clean Air Coalition, from which we have disengaged under the current administration. The United States is also likely to re-establish some form of the U.S.-led Major Economies Forum, which includes the key emitters and played a significant role in addressing climate during the Obama Administration. With respect to aviation emissions, it should be noted that the current administration did not withdraw the United States from ICAO's global mechanism on offsetting aviation emissions, an agreement resulting from a deal that the Obama Administration brokered between the EU and the major developing countries; however, to the extent it will have not yet been achieved by January 2021, the State Department will need to work with FAA to secure the implementing legislation necessary for further U.S. participation.
- **U.S.-China:** Before the current administration, the most significant bilateral relationship in terms of climate change was between the U.S. and China. These countries are not only the two largest emitters of greenhouse gases, but multilateral agreements related to climate only got done when they worked out the key issues bilaterally. For instance, the U.S.-China leader-level "Joint Announcement" in 2014 paved the way for the Paris Agreement. It is unclear what the state of the relationship will be in January 2021, given the trade war, COVID-19, and other factors, but, from a climate perspective, re-establishing a working relationship will be critical to limiting global temperature increase. China's emissions far exceed those of any other country, and its Belt and Road Initiative is increasing, rather than containing, carbon-intensive infrastructure in dozens of countries.
- **Kigali Amendment:** The Obama Administration spearheaded an amendment to the Montreal Protocol to address hydrofluorocarbons (HFCs), substances that the world turned to as substitutes for ozone-depleting chemicals but that turned out to be powerful greenhouse gases. There is considerable support, including from industry, for Senate approval of the amendment, but the current administration never transmitted it. The State Department will need to prepare the necessary transmittal package for the Senate and work with EPA to determine whether the amendment can be implemented under existing authorities or whether it requires additional legislation.

State will also need to participate actively in White House-led processes that touch on international climate policy. In terms of policy pronouncements, for example, State engagement will be important with respect to the development of any White House directive on climate policy or to ensure the appropriate integration of climate considerations in any new National Security Strategy. In terms of operational outcomes, State will need to participate actively in the development of the U.S. emissions target (“nationally determined contribution” or NDC) under the Paris Agreement.

A further word on the next U.S. NDC is in order, as State will have a strong interest in how issues of both timing and content are managed:

- In terms of timing, assuming the United States rejoins Paris as early as day 1, there will be an issue concerning how to meet the legal requirement of having an NDC in place. The original U.S. NDC was a 26-28% reduction below 2005 levels in 2025; however, it will no longer be in effect once the U.S. officially withdraws from the Paris Agreement on November 4th, 2020. It is likely to take some time (at least a few months) to develop the next U.S. NDC (presumably for 2030), especially if the administration seeks to engage in domestic outreach and international diplomacy in the process. The administration would presumably want to be in a position to submit the 2030 NDC no later than COP 26 in November 2021. Before then, the administration will need to decide how to fill the NDC gap, for which there are many options (such as restating the original 2025 target pending the development and submission of a 2030 target, with a commitment to submit the final NDC target within a certain period). Technically, the U.S. would not need to submit the initial meet-the-requirement NDC until 30 days after rejoining Paris, as the U.S. will not formally become a Party again until that time.
- In terms of content, it will be challenging but important to strike an appropriate balance between ambition and credibility. On the one hand, a very ambitious U.S. NDC arguably promotes U.S. leadership and inspires others to do more; on the other hand, an NDC that is not credible (because others are skeptical that the U.S. will be in a position to meet it) could actually undermine U.S. leadership efforts and the Paris Agreement more broadly. State will want to help navigate the administration’s way toward a “sweet spot” that achieves a variety of objectives, which may require a nuanced or innovative approach.

Recommendations (Day 1, early in first 100 Days)

- The State Department will need to be actively involved in the process of rejoining the Paris Agreement. That includes preparing the legal instrument to rejoin (Day 1), as well as re-engaging in Paris-related negotiations and processes; preparing reports on U.S. emissions/actions that either will be due or are late because the Trump Administration failed to submit them; and playing a significant role in the domestic process to develop the next U.S. NDC. (First 100 Days)
- The Secretary should issue a Day 1 message, likely in conjunction with the expected U.S. rejoining of the Paris Agreement, about the importance of vigorously addressing the climate crisis and the leadership role that the United States intends to play; and they should message climate-as-priority repeatedly, particularly in the early days. (Day 1, first 100 Days)
- The State Department should develop a broader U.S. climate re-engagement plan/strategy that includes U.S. engagement in various multilateral fora, bilateral diplomacy, working with other agencies on domestic actions needed to promote international objectives, and other diplomacy related to re-establishing U.S. climate leadership and promoting the substantive U.S. climate agenda. (Early in first 100 Days)

3 Cross-Cutting Priorities and Relationships

While the State Department has a tremendous opportunity to make a difference on climate change, it cannot do so alone. That is why State must maintain strong working relationships with counterparts at the White House, as well as with agencies across the government. State should also engage in outreach with actors who are not a part of the federal government—including states, cities, and companies—and make further efforts to enhance their ability to attend UNFCCC/Paris meetings and processes, as appropriate.

In addition to making certain organizational changes to improve intra-State Department coordination and collaboration, State will need to partner with the White House, other agencies, and sub-national governments/other non-state actors to effectively carry out its mission.

State has historically worked hand-in-glove with the White House (e.g., NSC, OMB, CEQ, etc.) to develop and implement international climate policy. During the Obama Administration, for example:

- State and the White House jointly ran the Major Economies Forum, with the White House chairing and State preparing the meetings and representing the United States;
- State and the White House collaborated on the various U.S.-China announcements/statements at the leader level;
- The President attended the Copenhagen and Paris climate conferences and, with Secretary Kerry, rallied foreign counterparts to make ambitious climate commitments.

No matter how the incoming administration chooses to organize the White House operation—across NSC, NEC, CEQ, and more—and interagency process related to climate, State will need to maintain good working relationships at all levels.

State also works closely with other agencies. For example:

- While some diplomacy can be conducted without regard to U.S. domestic efforts and laws, in other cases, there is a relationship between what State can press for internationally, or which international commitments it can implement itself, and domestic action. As a result, State must work together with numerous agencies—including EPA, DOE, FAA, the Coast Guard—to ensure coordination between U.S. international and domestic approaches. Such coordination will be critical when it comes to developing the next U.S. emissions target for submission under the Paris Agreement.
- As discussed above with respect to climate-related foreign assistance, State must work to ensure that U.S. development assistance aligns with climate diplomacy by coordinating with USAID and Treasury.
- State will presumably also resume coordinating with Treasury with respect to U.S. contributions to multilateral climate finance mechanisms. This will ensure that U.S. funding through multilateral financial institutions, such as the World Bank, supports and does not run counter to U.S. climate objectives. This coordination will serve the same purpose on issues related to “green” debt relief and creating potential alternatives to China’s carbon-intensive Belt and Road Initiative.

- Given the significant level of climate action and leadership undertaken in the last few years by U.S. states/cities and other non-State actors, such as companies, an added dimension for the new administration will be outreach and coordination with these players. Further, while the international climate regime has significantly increased its engagement with entities other than national governments in recent years, further U.S. efforts should be made to enhance the ability of non-State actors to attend and participate in UNFCCC/Paris meetings and processes, as appropriate.

Recommendations (First 100 Days)

- State should build (or rebuild) strong working relationships with counterparts at the White House and other agencies to ensure maximum effectiveness of U.S. climate diplomacy. (First 100 Days)
- State should work to ensure that its outreach/coordination efforts extend to U.S. states/cities and other non-State actors, including companies—and the Department should seek to enhance the ability of such entities to attend and participate in UNFCCC/Paris meetings and processes, as appropriate. (First 100 Days)

Appendix A: State Department Budget Overview

FY2020 Enacted Appropriations Overview-State Department and Other International Affairs Agencies

International Affairs Agency Budgets	Amount (bn)
State Department/USAID	49.9
Treasury Department (Int'l Affairs)	1.7
US Agency Global Media (formerly BBG)	0.8
Millennium Challenge Corporation (MCC)	0.9
Peace Corps	0.4
Other (ExIm, US Int'l Dev. Finance Corp. (DFC), other small agencies/commissions)	1.1
Total	54.8

Major funding sectors	Component	Amount (mn)
Diplomatic and Development Operations and Buildings	State/USAID Operations, Embassy Security, Construction and Maintenance	12.7
Security Assistance	Military Financing, Counterterrorism/Narcotics, Law Enforcement Assistance	9.0
Global Health Assistance	HIV/AIDS, TB, Malaria Programs, Health Systems, Global Health Security, etc.	9.1
Economic and Development Assistance	Assistance & Financing for Agriculture, Allies Budget Support, Democracy and Human Rights, Education, Economic Growth, Infrastructure, Environment (incl. Climate)	8.6
Humanitarian Assistance	International Food Aid, Disaster Response and Resilience, Refugee Assistance, etc.	7.8
International Organizations (IOs) and International Finance Institutions (IFIs)	UN/affiliated agencies, IMF, World Bank, Multilateral Development Banks, other multilateral/regional entities	5.1
Public Diplomacy and Other	Global Communications (e.g., VOA), Exchange Programs, Other (Peace Corps, etc.)	2.5
Total		54.8

Major loan and loan guarantee agencies and agency programs	Program loan limit amount (bn)
US Int'l Development Finance Corp. (DFC, formerly OPIC + USAID/DCA)	60
Export Import Bank of the US (ExIm)	135
Sovereign Loan Guarantees/FMF Loans/etc.	As authorized
Total	195

Source: State & Foreign Operations Appropriations Report (CBSA) tables pp. 1059-1074 <https://www.govinfo.gov/content/pkg/CPRT-116HPRT38679/pdf/CPRT-116HPRT38679.pdf>.

Appendix B: High-Level Timeline

DAY 1*

- **Support rejoining the Paris Agreement**, including preparing the legal instrument to rejoin.
- **Release an international message from Secretary**, presumably in connection with rejoining the Paris Agreement, about the need to vigorously address the climate crisis and the leadership role that the United States intends to play.
- **Appoint a Special Envoy** as lead U.S. climate representative.
- **Send an internal message from Secretary** about the expectations concerning the integration of climate issues into the work of the Department/Embassies.

FIRST 100 DAYS

- **Make budget decisions** regarding the potential redirection of FY2020 earmarked climate funding and the allocation of FY2021 earmarked climate funding—while laying down the groundwork for climate funding in the administration’s FY2022 budget proposal.
- **Re-institute the Global Climate Change Initiative** to ensure that development assistance is an “arm” of climate diplomacy.
- **Develop a human capital restoration plan** to rebuild/augment staff capacity to meet the needs of post-2020 climate diplomacy.
- **Re-engage in Paris-related negotiations/processes** and take other necessary steps—which include preparing U.S. reports and participating in the development of next U.S. NDC.
- **Develop a broader U.S. climate re-engagement plan/strategy** to re-establish U.S. climate leadership and promote the substantive U.S. climate agenda.
- **Organize the Special Envoy’s Office and climate office** to ensure broad competence/expertise—with respect to both negotiations and, more broadly, delivering on global implementation and increased climate ambition.
- **Integrate climate issues** and considerations into the work of the Department, including U.S. Embassies and Missions.
 - **Establish a standing climate committee** within State that includes all relevant bureaus.
 - **Require U.S. Embassies to develop climate strategies with respect to their host countries.**
- **Build/rebuild strong working relationships** with White House personnel and other agencies to maximize effectiveness of U.S. climate diplomacy.
- **Ensure outreach/coordination efforts to U.S. states** and other non-State actors and facilitate their engagement in international processes.

* The transition team would presumably need to prepare the paperwork associated with rejoining Paris and Day 1 announcements.