

FEWER WALLS, MORE BRIDGES

TRANSATLANTIC CLIMATE BRIDGE CONFERENCE | JULY 2022

The Transatlantic Climate Bridge Conference 2022 explored the future of transatlantic climate action through deep dives into the topics of climate diplomacy, bottom-up climate action, industrial deep decarbonization, energy and economic transformation, international policy harmonization, and environmental justice.

Policymakers, civil society, and industry partners came together to discuss progress made and the work still to be done to strengthen climate collaboration between Germany, the United States, and Canada and help place the world on a 1.5°C path.

The opening event was dominated by two major themes: the recently ended G7 summit at Schloss Elmau and Russia's ongoing war against Ukraine. Both events also have a direct impact on climate policy cooperation across the Atlantic. "For this reason, the goal of this year's conference is to discuss and formulate answers to these challenges," said **Dennis Tänzler**, Director and Head of Programme Climate Policy at adelphi and Director of the adelphi Transatlantic Climate Bridge (TCB) team, in his welcoming words.

In a discussion facilitated by **Sven Egenter** of Clean Energy Wire, representatives from the three TCB countries reflected on the G7 summit and the state of transatlantic climate affairs. **Patrick Graichen**, State Secretary in the Federal Ministry for Economic Affairs and Climate Protection, spoke of the biggest energy crisis in Germany since the Second World War and emphasized how the current high oil and gas prices primarily affect households and companies. This has enormous economic and social consequences. "But the answer to this energy crisis is the same as that of the climate crisis: renewables, efficiency and electrification." The diversification of energy sources – for example through the import of liquefied natural gas (LNG) – in the coming months and years will not affect climate goals, assured Graichen. He also welcomed the results of the G7 summit, such as the commitment to achieve a largely carbon-free electricity sector by 2035 and the agreement to drive industrial transformation through accelerated decarbonization.

"IN THE FACE OF WAR, A PANDEMIC, AND ECONOMICALLY DIFFICULT TIMES, THE FACT THAT THE G7 HAS SIGNALLED CLIMATE CHANGE AS A KEY REMEDY FOR THE WORLD'S VOLATILITY, IS A POWERFUL STATEMENT"

RICK SMITH

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Climate protection against the volatility of the world

Andrew Light, Assistant Secretary for International Affairs in the U.S. Department of Energy, also considered the G7 results “productive and promising”. The energy crisis has shown “that states cannot be dependent on suppliers who may weaponize supplies against them,” Light added. Among other things, he brought up the idea of a mechanism for a price cap on Russian oil in order to reduce Putin’s wealth and avoid a global recession, as well as suggested that transatlantic cooperation also consider key regions such as ASEAN as a partner for the green transition.

The Canadian Climate Institute is Canada’s leading research organisation on climate change. Its President, **Rick Smith**, found that the G7’s decisions are important because they outline priority areas for international cooperation. “They extend the argument for climate progress to areas of public policy that are relatively new, at least in Canada” – climate as a cornerstone of foreign policy, reducing greenhouse gas emissions as a requirement for competitiveness, or the energy transition as a security imperative. In the face of wars, pandemics, historically difficult economic times, progress on climate protection should be accelerated because it is a remedy for the volatility of the world.

“AFFIRMING OUR COMMITMENT TO RESPOND TO THE ENERGY CRISIS SHOULD NOT COMPROMISE OUR NET-ZERO TRANSITION GOALS”

ANDREW LIGHT

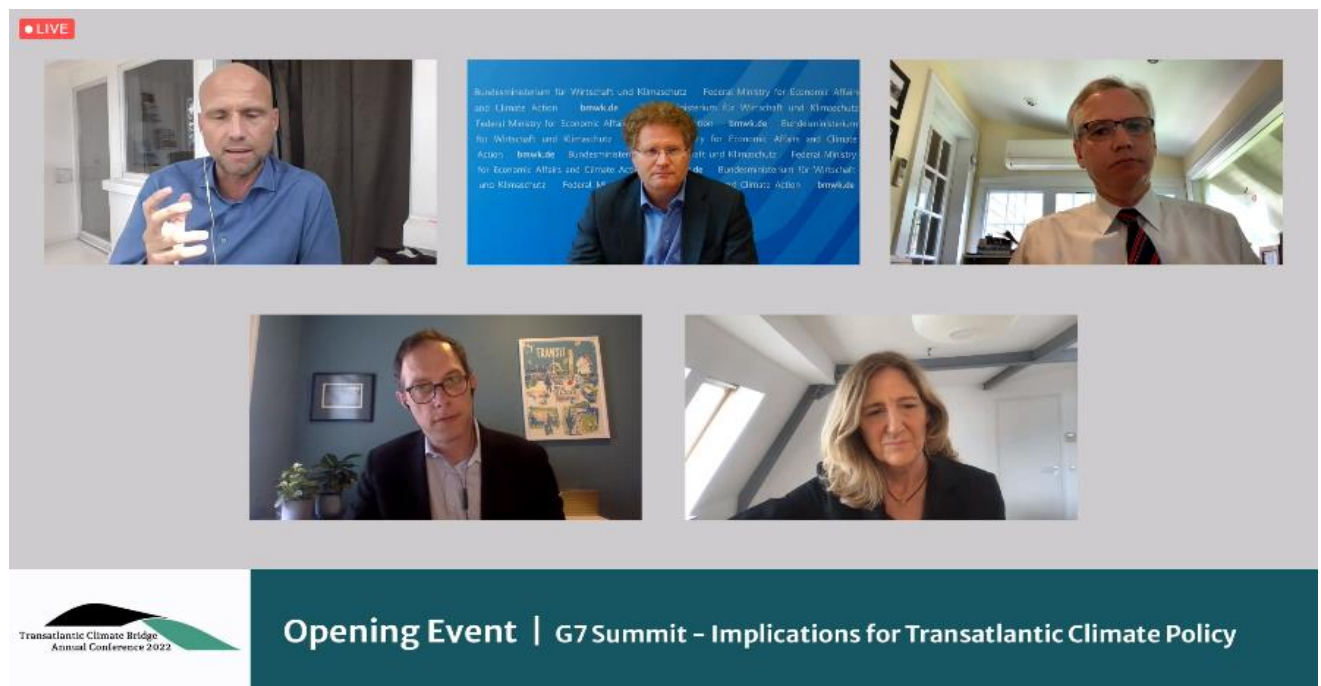


Photo from top left to bottom right: Sven Egenter, Dr. Patrick Graichen, Andrew Light, Rick Smith, Sabine Nallinger
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Walk the Talk

According to **Sabine Nallinger**, Managing Director of Stiftung KlimaWirtschaft, it is now time to translate the agreements from the G7 summit into concrete, collective action – or in her words, “Now it’s time to walk the talk!” No partnership is more important than the cooperation between Germany, the EU, the USA and Canada when it comes to taking action after Elmau. For the transition to climate-neutral economies, however, all G7 countries must be more ambitious when it comes to climate protection, said Nallinger. The plan to establish a G7 climate club by the end of 2022 is an important step in this direction.

In the second part of the opening event, Egenter engaged with renowned journalists from both sides of the Atlantic who cover climate issues who shared their expert insights on how to move forward from here. **Brett Simpson**, freelance journalist, and **Bob Berwyn**, reporter at Inside Climate News, noted that the Transatlantic Climate Bridge Conference is the ideal moment to establish a common diplomatic language. This requires clear definitions and the harmonisation of climate policy standards. “It’s a good opportunity not only to set common goals for the future, but also to explore what it means to achieve those goals despite different national contexts,” said Simpson. What can journalists do better when reporting on climate issues? “Journalists could report on these things with more heart, more feeling, and intuition, and try to use language that people understand, that they can respond to, and that they can connect with emotionally,” Berwyn suggested.

“IF THIS IS A CONFERENCE ABOUT FEWER WALLS, MORE BRIDGES, A GOOD QUESTION TO ASK IS: WHO IS GOING TO BUILD A BRIDGE TO THE MOST VULNERABLE?”

BRETT SIMPSON



© Stefan Rousseau/Getty Images

TRANSATLANTIC CLIMATE BRIDGE CONFERENCE 2022

Below you will find an overview of all conference events followed by their individual summaries, which you can also access, along with all event relives, on the TCB [conference website](#).

Fewer Walls, More Bridges

Doubling Down on Transatlantic Climate Cooperation

06 July	07 July	08 July
<p style="text-align: center; margin: 0;">OPENING EVENT</p> <div style="background-color: #004a60; color: white; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">High-level Panel</p> <p style="font-size: 0.8em; margin: 0;">Patrick Graichen, State Secretary BMWK Andrew Light, Assistant Secretary for International Affairs, U.S. Department of Energy Rick Smith, President of the Canadian Climate Institute Sabine Nallinger, Managing Director Stiftung KlimaWirtschaft</p> </div> <div style="background-color: #004a60; color: white; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Interviews with climate journalists in TCB Countries</p> <p style="font-size: 0.8em; margin: 0;">adelphi + Clean Energy Wire</p> </div> <div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Harnessing Financing Mechanisms for Loss and Damage</p> <p style="font-size: 0.8em; margin: 0;">Center for American Progress + adelphi</p> </div> <div style="background-color: #c8e6c9; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Canadian and German Perspectives: Lessons learned from harmonizing federal carbon pricing policy</p> <p style="font-size: 0.8em; margin: 0;">ICAP + Canadian Climate Institute</p> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> <div style="background-color: #e0e0e0; padding: 5px; width: 45%;"> <p style="text-align: center; margin: 0;">Getting The Last Mile to Net Zero</p> <p style="font-size: 0.8em; margin: 0;">Dortmund, Pittsburgh, Vancouver</p> </div> <div style="background-color: #e0e0e0; padding: 5px; width: 45%;"> <p style="text-align: center; margin: 0;">Environmental and Climate Justice: What can Germany learn from North American Indian communities?</p> <p style="font-size: 0.8em; margin: 0;">Dina Gilio-Whitaker</p> </div> </div>	<div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Canadian Climate Diplomacy and G7 Outcomes with ADM</p> <p style="font-size: 0.8em; margin: 0;">Catherine Stewart - Environment and Climate Change Canada Polis180 + adelphi</p> </div> <div style="background-color: #c8e6c9; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">US Climate Policy Outlook: Balancing Energy Security and Climate Priorities and the Importance of the Midterm Elections</p> <p style="font-size: 0.8em; margin: 0;">Climate Advisers</p> </div> <div style="background-color: #e0e0e0; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Critical Minerals From a Transatlantic Perspective</p> <p style="font-size: 0.8em; margin: 0;">Wilson Center</p> </div> <div style="background-color: #c8e6c9; padding: 5px;"> <p style="text-align: center; margin: 0;">Water Diplomacy 4.0: Process Matters</p> <p style="font-size: 0.8em; margin: 0;">Fulbright Germany</p> </div>	<div style="background-color: #c8e6c9; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center; margin: 0;">Governance Alignment of Embedded Carbon Initiatives</p> <p style="font-size: 0.8em; margin: 0;">E3G + adelphi</p> </div> <div style="background-color: #e0e0e0; padding: 5px;"> <p style="text-align: center; margin: 0;">Opportunities for Transatlantic Cooperation on Industrial Decarbonization</p> <p style="font-size: 0.8em; margin: 0;">Climate Advisers + Atlantic Council + Stiftung KlimaWirtschaft</p> </div>

[Click here to watch recordings](#)

Harnessing Financing Mechanisms for Loss and Damage

Leveraging financing for Loss and Damage remains an on-going challenge for this year's COP27 and beyond. This conversation with experts in the field explored the obstacles to implementing loss and damage measures and current international initiatives that aim to combat loss and damage from climate change.

Moderator **Alexander Ochs**, CEO of SD Strategies, opened the event by outlining the current state of Loss and Damage measures: Loss and damage was addressed at the Paris Agreement in 2015 when leaders decided on “averting, minimizing and addressing” the impacts of climate change on people. In Glasgow 2021 the Glasgow Dialogue was agreed on and the Santiago Network from the year before established, which promised technical assistance on loss and damage for developing countries. However, concrete mechanisms for addressing the scale of loss and damage have not yet been established.

The panel of experts included **Laura Schäfer**, Senior Advisor on Climate Foreign Policy and G7 at Germanwatch, **Liane Schalatek**, Associate Director of the Heinrich Böll Foundation North America, **Eddy Pérez**, International Climate Diplomacy Manager at Climate Action Network Canada and **Nate Warszawski**, Research Associate of International Climate Action at the World Resources Institute. Panelists framed the conversation as a pressing climate justice issue and emphasized that any discussion about Loss and Damage should recognize that the most vulnerable and those contributing least to global warming are those who suffer the most from the losses and damages caused by climate change.

"BY COP27 WE NEED AN IMMEDIATE PLAN TO SEE HOW TRANSATLANTIC ACTORS PLAN TO DOUBLE THEIR ADAPTATION FINANCING BY 2025"

LIANE SCHALATEK



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Speakers underscored that **a lack of funding for Loss and Damage** is one of the most urgent obstacles to overcome, in addition to addressing key shortcomings of existing Loss and Damage frameworks such as the Glasgow Dialogue and Global Shield against Climate Risks – an initiative from the German government that is designed to provide climate risk finance and preparedness tools against losses and damages in developing countries – which lack insurability and inclusivity as well as overlook the issue of slow-onset processes such as rising sea levels. Until now, transatlantic actors have struggled to build and harmonize robust climate financing frameworks that also address Loss and Damage.

Conversations around Loss and Damage also tend to be limited strictly to finances and **fail to account for non-economic losses and damages**, such as the loss of cultural heritage. Speakers emphasized that there must be a more comprehensive vision of Loss and Damage that also ensures social safety nets for people around the globe, especially those most vulnerable.

Panelists also identified **promising progress** in the field. Warszawski spoke of the **V20 multi-donor fund**, a coalition of finance ministers from G7 countries which could serve as a pilot for how we can address Loss and Damage moving forward. Schalatek also pointed to **the “icebreaker” initiated by the Scottish government at COP26** to provide funding for Loss and Damage, framing the issue in terms of justice and responsibility. This has paved the way for further steps taken on a multilateral level.

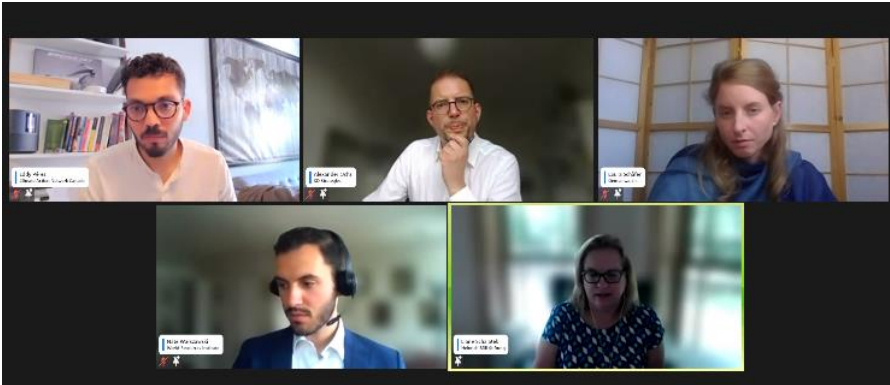


Photo from top left to bottom right: Eddy Pérez, Alexander Ochs, Laura Schäfer, Nate Warszawski, Liane Schalatek.
© Transatlantic Climate Bridge

Finally, the panel laid out how we should move forward. Loss and Damage initiatives require new, needs-based funding implemented alongside developing countries. The Global Shield must be improved to build coordination between existing Loss and Damage infrastructure and support concrete instruments, such as social protection schemes. All speakers also called for the use of climate justice language in Loss and Damage conversations, which Pérez pointed out is already the case in many conversations in Canada, where importance is given to work *with* indigenous communities.

Speakers concluded on a positive note with hope for a **“dynamic duo” partnership between transatlantic partners Canada and Germany**, calling on the countries to act as examples in the international community for strong Loss and Damage policymaking.

“WE NEED A MORE COMPREHENSIVE VISION OF LOSS AND DAMAGE FINANCING”

EDDY PÉREZ

“THE MOST IMPORTANT PEOPLE IN YOUR LIFE ARE FRIENDS, AND GOOD FRIENDSHIPS SUCH AS THOSE BETWEEN THE TCB COUNTRIES CAN BE A VERY POWERFUL THING”

NATE WARSZAWSKI

Harmonizing Federal Carbon Pricing Policy

States have begun employing carbon pricing measures as a tool for decarbonization, however these measures can be even more supportive in meeting Paris targets, if coordinated with other states. The merits of harmonizing multilevel carbon pricing in Europe and Canada and the potential role of carbon clubs were discussed by **Dr. Christian Flachslund** Professor at the Hertie School and director of the Hertie School Centre for Sustainability and **Dale Beugin** Vice President at Canadian Climate Institute joined by **Dr. Constanze Haug**, Senior Advisor at the International Carbon Action Partnership (ICAP).

Both Flachslund and Beugin provided an overview of the history and current state of carbon pricing in Europe and Canada. Flachslund explained that over time, the European Union’s Emissions Trading System (EU ETS) - which covers power, industry, and aviation amongst EU states plus Iceland, Liechtenstein and Norway - has become more centralized with fixed burden sharing. The **EU ETS2** has been recently proposed to be a **separate trading system for commercial transport and buildings**. Together, they would cover about 75% of the EU’s current greenhouse gas emissions. This new carbon pricing architecture is meant to complement the EU Green Deal’s goal to reach net-zero emissions by 2050. Flachslund added that the EU is most likely to introduce a **Carbon Border Adjustment Mechanism (CBAM)** to supplement this goal; however, implementing the mechanism will require significant technical and diplomatic coordination.

“REDUCED CARBON TAXES DO SAVE CONSUMERS MONEY, BUT THEY ALSO UNDERMINE THEIR INCENTIVE TO IMPROVE THEIR EMISSIONS”

DALE BEUGIN



© David Thielen/ Unsplash

Canada is also working towards a **centralized carbon pricing system** but has challenges due to the **asymmetry of emissions intensities between provinces**. As such, there is much public resistance to a national carbon pricing system. Currently under the Pan-Canadian Framework provinces and territories are required to display a minimum level of carbon pricing. Emissions coverage nationally diverges based on the province or territory can be summarized under a dichotomous system of either covering fuel distributors (who would pass on costs to smaller emitters) or the coverage of large emitters themselves. However, the Canadian government wants to **harmonize the systems by introducing a minimum price for carbon** of \$170 per ton by 2030 with additional policy measures to drive emissions reductions. To quell uncertainty around whether this price will be implemented, the government is also exploring measures such as carbon contracts for difference in case the carbon price does not rise to \$170 per ton by 2030.

“HOPEFULLY, THE [ENERGY CRISIS] WILL TURN OUT TO BE A MAJOR CATALYST FOR DECARBONIZATION, RENEWABLES, AND EFFICIENCY.

CHRISTIAN FLACHSLAND

Regarding Carbon Clubs, Beugin highlighted the distinct challenge that **Canada has as a close trade partner to the United States**, which leads to reluctance on Canada’s end to pursue international coordination on carbon pricing without the US. The EU would also face challenges in coordinating with the US on carbon pricing, Flachsland highlighted, and the **regions’ different approaches to emissions reductions** (with carbon pricing in the EU and regulation in the US) would make it difficult for the EU to shield the US from the CBAM, which could lead to diplomatic fallout. Though panelists agreed that there are many obstacles to international harmonization of carbon pricing, Flachsland pointed to the **anticipated energy crisis this winter, which could become a catalyst for action on carbon pricing** and investments in renewable energy around the world.

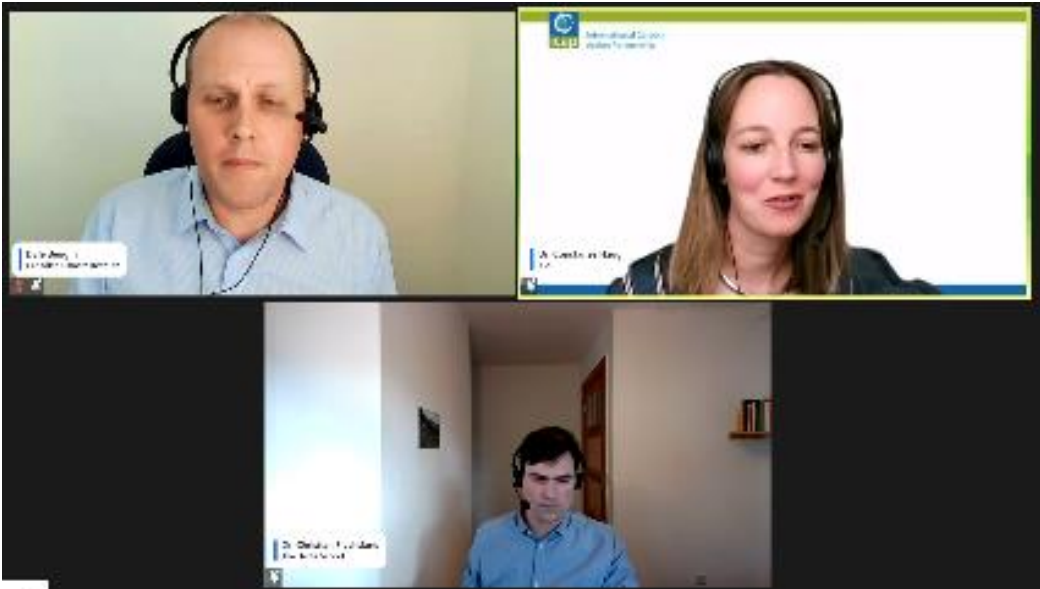


Photo from top left to bottom: Dale Beugin, Constanze Haug, Christian Flachsland.
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What can Germany learn from North American Indigenous Communities?

This lecture-style event explored the synergies that exist between American Indian efforts to justly transition to climate neutrality and those in Germany. Professor and author **Dina Gilio-Whitaker** and **Angelo Baca**, a Native American lecturer and filmmaker, introduced the audience to American Indian fights for environmental and climate justice, taking particular care to include a non-North American audience.

Both Gilio-Whitaker and Baca started off the session by greeting us in their respective American Indian languages, Gilio-Whitaker being of the Colville Confederate Tribes and Angelo of Navajo and Hopi descent. Gilio-Whitaker kicked off her lecture with an overview of the **struggle of Indigenous peoples against settler colonialism** which resulted in centuries of systemic efforts to erase Native peoples' cultures, identities and presence from their lands. She then underlined **the link between Indigenous knowledge and climate change**, explaining that American Indian communities have historical memory and oral histories that show they have always been adapting to the changing environment. Indigenous knowledge of the land is crucial for environmental protection, such as knowing when to burn certain landscapes to avoid wildfires. Despite this, Indigenous communities have repeatedly **been silenced at or excluded from international climate fora**, such as the international climate negotiations. Working with **Indigenous communities to further renewable energy** is the key to a successful transition, Gilio-Whitaker said, giving examples of instances where local policymakers have successfully liaised with and learned from American Indian people, referencing the principles of the Declaration on the Rights of Indigenous Peoples (UNDRIP); free, prior and informed consent.

"THERE SHOULD BE NO DISCRIMINATION UPON HOW YOU TAKE CARE OF ANOTHER AS HUMAN BEINGS, WE'RE ALL ACCOUNTABLE AND RESPONSIBLE"

ANGELO BACA



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"WE SEE THE WORLD IN FEMININE TERMS – MOTHER NATURE IS THE MATRIARCH"

DINA WHITAKER

Baca continued by introducing us to his tribe’s efforts to protect the Bears Ears National Monument in Utah. Referencing German perceptions of Native Americans, he pointed to the fetishization of Native American culture, especially in German pop culture. Importantly, Baca reminded the audience – including those who do not live in countries with indigenous populations, such as Germany – that they have a responsibility to understand what the right history is and which stereotypes to reject.

Baca explained the concept of “braided” strands of knowledge, meaning indigenous ways of knowledge interwoven with Western scientists’ knowledge. He underlined that **Indigenous and Western knowledge systems oftentimes seem dichotomous but are actually quite complementary** and can be used together for effective climate action. Highlighting some aspects of Indigenous knowledge, Baca explained the concept of “relationality in practice”, which represents creating relation to land and giving places a cultural and spiritual significance. He also pointed to the **importance of reciprocity when dealing with communities** that have been continuously exploited, i.e. offering something, not just economic, in return for spiritual knowledge.

Baca concluded with promising examples of Native Americans impacting climate policymaking and underscored how critical it is for policymakers to listen to these communities that are among those hit first and worst by climate impacts. Talking directly with native peoples, Baca emphasized, is critical for any efforts to address the climate crisis.

"WE SHOULD HAVE THE NARRATIVE BE PRIORITIZED WITHIN THE INDIGENOUS COMMUNITY ITSELF AND NOT BE FILTERED THROUGH OTHER PARTIES"

ANGELO BACA



© Bears Ears National Monument, Flickr/mypubliclands

Getting the Last Mile to Net-Zero

The City Dialogue at the TCBC facilitated a rich exchange between representatives from the cities of Dortmund, Pittsburgh, and Vancouver on the goal of decarbonizing our cities. The discussion was moderated by TCB Program Office Co-lead **Tobias Bernstein**. The representatives shared their plans for decreasing automobile traffic and car congestion within their borders, and creating more open and accessible public transit options. The event began with a welcome message from **Thomas Westphal**, Lord Mayor of the City of Dortmund, who emphasized the many ways the transport sector is critical for all cities to achieve net-zero emissions.

Pittsburgh has a goal to **maximize access to public transportation**, explained **Kimberly Lucas**, the city's Director of Department of Mobility and Infrastructure. Key to achieving this objective is the **mobile app MovePGH**, which centralizes all public transport options as well as car and bike sharing services, and it also connects residents to jobs, goods, and services. Lucas shared how app especially targets those in underserved communities and minimizes costs and emissions within the city.

Improving access to public transport was a common theme in the event. **Dortmund's mobility plan also seeks to improve accessibility and reduce the negative impacts of traffic**. Chief Information/Innovation Officer of the City of Dortmund, **Dr. Jan-Fritz Rettberg**, shed light on the plan, which has the primary goal of electrification, especially of public transport and municipal driving. He also emphasized the city's last mile delivery depot, which falls outside the old city and reduces the amount of truck traffic within a dense area.

“OUR PRIORITY IS TO MEET THE DEMANDS OF PEOPLE WHO DO NOT HAVE ACCESS TO THESE SERVICES OTHERWISE”

KIMBERLEY LUCAS



Photo from top left to bottom right: Paul Storer, Tobias Bernstein, Dr. Jan-Fritz Rettberg, Kimberly Lucas
© Transatlantic Climate Bridge

Vancouver plans to work towards net-zero emissions by increasing its transit networks and changing residents' attitudes towards traveling within the city. Paul Storer, the city's Director of Transportation, explained how Vancouver hopes to make two-thirds of all trips within the city walkable, bikeable, or done via public transport by 2030.

“WE WANT TO MAKE THE CITY ACCESSIBLE AND GIVE IT BACK TO THE PEOPLE. IT SHOULD NOT BE A PARKING LOT FOR CARS”

Together the city representatives discussed the challenges to decarbonization of resources and funding, with Rettberg emphasizing the need for states to grant funding to cities for these efforts. Lucas added that in the United States, Pennsylvania has influence over many of the city's measures, and, as such, the only way to make Pittsburgh's roads safer for walkers and cyclists is through fixing laws and legislations.

Overall, the main takeaways from the event were the importance of public transport and the need for new changes to be accessible to all travellers.



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Canadian Climate Diplomacy and G7 Outcomes

In our live recording of the third episode of the [Climate Bridge Podcast](#), the TCB's **Tobias Bernstein** and Polis180's **Luisa Kern** spoke with **Catherine Stewart**, Assistant Deputy Minister of Environment and Climate Change Canada, on her experiences as Canada's chief climate negotiator at the world's most important climate conferences and on empowering marginalized and underrepresented stakeholder groups in climate negotiations.

Stewart has worked for over 25 years as a negotiator for the Canadian government, previously in the defense and security sector. In the last decade, she made the pivot to climate policy, citing the interconnectedness of the two sectors and how the world now sees the impact of climate change on global security.

Stewart's current priorities are to include **diverse voices in Canada's climate diplomacy** and ensure that policy is written with an intersectional approach. Canada's climate representation includes people from all of the country's provinces and territories and involves voices from a wide range of society including youth, civil society, labour groups, businesses, opposition members of parliament, and indigenous organizations. Stewart emphasized the **importance of a diverse delegation as climate change impacts groups very differently**. She also prioritized training female climate negotiators from developing countries, as globally women are more vulnerable and have less access to the world's resources, but only one-third of chief negotiators are women.

“ONLY 1/3 OF CHIEF NEGOTIATORS ARE WOMEN, IT IS JUST NOT ENOUGH!”

CATHERINE STEWART



Photo from top left to bottom: Tobias Bernstein, Luisa Kern, Catherine Stewart.
© Transatlantic Climate Bridge



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Stewart stated that Canada should continue to **project its own domestic successes abroad**, citing the examples of the coal phase out, carbon pricing, and most importantly, its efforts into Indigenous reconciliation at the UNFCCC. Stewart emphasized that Indigenous communities from Canada should be brought to the UN to create climate policy that has environmental justice at its core.

When asked to reflect on the G7 Summit, Stewart expressed optimism and **highlighted many of the positive outcomes**, such as the commitments to end unabated fossil fuel emissions, decarbonize the transportation sector, and divert climate finance to adaptation and mitigation. She emphasized the importance of keeping the concept of **a just transition central in conversations** on global security and the energy crisis.

Stewart acknowledged the obstacles that climate negotiators face, especially in a volatile world. However, the progress she has seen here keeps her optimistic. By strengthening environmental cooperation with developing countries and establishing partnerships with private industry, Stewart believes that Paris commitments can be implemented and environmental justice realized.

**“GLOBAL PROBLEMS
REQUIRE GLOBAL
SOLUTIONS, ON THE
PART OF ALL OF US”**

CATHERINE STEWART

US Climate Policy Outlooks

Despite all difficulties, the US' 2030 climate targets may still be in reach – this was one of the takeaways of a this panel discussion focused on the current status of US climate policy and regulation at the Federal level. The focus was on the question of how midterm elections this November may affect climate policy going forward, and opportunities and trends in state-level climate policy. Included in the panel of experts on US climate policy was **Dan Reifsnyder**, Acting Head of Programs at Climate Advisers and Former Deputy Assistant Secretary for Environment at the Department of State, **Claire Healy**, Director of E3G's Washington Office and **Michael Werz**, Senior Fellow at the Center for American Progress.

Moderator **Matt Piotrowski** of Climate Advisers kicked off the discussion by asking the panelists to react to the recent **US Supreme Court decision to limit the Environmental Protection Agency's (EPA) ability to regulate carbon emissions**. Healy expressed deep disappointment, calling the decision “perhaps the lowest point in the Biden Presidency so far with respect to climate”. She found solace in the fact that the **EPA does retain some power to regulate**, outlining that, despite the bad outcome, this was not the worst-case scenario, as the EPA retained its authority to regulate at the power plant level. Healy concluded that this decision signals, however, it will only get harder for the Biden administration to create the necessary frameworks for climate action in the US. Reifsnyder echoed Healy's disappointment in the ruling, though expressed optimism regarding the progress made on the coal phaseout in the private sector.

“WHEN THE LAW OF PHYSICS AND THE LAW OF POLITICS COLLIDE, AT SOME POINT, THE LAW OF POLITICS WILL HAVE TO GIVE – IT HASN'T HAPPENED YET, BUT AT SOME POINT, IT WILL HAVE TO”

CLAIRE HEALY



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While Build Back Better, the Democrats' main legislative vehicle for climate action, may be dead, according to Healy there are ongoing conversations between Senator Manchin and Schumer for a 550 billion package for clean energy, though recent news from Capitol Hill suggests Manchin may no longer be willing to commit to climate action.

All panelists agreed that if something were to pass through Congress, it would **pass through budget reconciliation** and only with Democratic support, with Reifsnnyder adding that **tax credits and investment in technology** are the two areas for potential bipartisan support. Healy underscored that **if tax credits on clean energy pass, along with other ambitious state-level action, the US's 2030 climate targets may still be in reach.** These outcomes will of course be dependent on the results of the midterm elections. Though generally anticipating losses for Democrats, panelists added that there is still room for optimism here, highlighting that the recent Supreme Court rulings could impact the elections in Democrats' favor.

Turning to the US' role on the international climate policy stage, panelists pointed out that **international observers have higher expectations of US climate progress than the domestic audience.** The US needs to recognize that acting on climate issues is in its own national interest. While some sectors such as the military see addressing climate change as critical to its agenda, this must happen across all sectors country-wide in order for US to gain legitimacy as an international leader on climate.

“THIS IS A BATTLE THAT NEEDS TO BE FOUGHT IN THE PUBLIC ARENA, AT LEAST PARTIALLY”

MICHAEL WERZ



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Critical Minerals

The global green energy transition hinges on mineral-intensive technologies. In the coming decades, billions of tons of mineral inputs like lithium and cobalt will be required to produce the wind turbines, electric vehicle batteries, and other clean energy technologies central to shifting from fossil fuels. **Global demand for these minerals is expected to soar in the next decade.**

This conversation hosted by the Wilson Center with experts from Latin America, North America, and Europe discussed the opportunities and challenges posed by mineral demand for the clean energy transition. The panel highlighted how leaders on both sides of the Atlantic are responding to this projected demand and looked at the transatlantic dynamics influencing critical minerals and renewable energy deployment.

Panelists included **Chris Heron**, Communication and Public Affairs Director at Eurometaux (European Metals Association), **Patricia I. Vásquez**, a Global Fellow and Independent Energy Expert at the U.S. Institute of Peace, **Duncan Wood**, Senior Advisor to the Mexico Institute and Vice President for Strategy & New Initiatives at the Wilson Center and **Mark Myers**, a Commissioner at the U.S. Arctic Research Commission and former Director of the U.S. Geological Survey. The conversation was moderated by **Lauren Risi** of the Wilson Center.

Wood kicked off the discussion with an overview of minerals demand, which the International Energy Agency predicts will rise over 40-90% depending on the mineral, with lithium growing over 40 times by 2040. **Currently there simply isn't enough production for the increasing global demand.** China now has a significant lead over the US in supplying these minerals, and the US is struggling with a lack of engagement in this area. This, Heron explained, is due to domestic barriers such as lagging investment and obstacles to getting mining permits.

In Europe, there has been a supercharging of green transitions in EU member states, acceleration that can only be built on massive quantities of metals and minerals. **Europe wants to build up its own clean energy capacities domestically, but downstream sectors will be extremely vulnerable to the bottlenecks of critical minerals.** This is especially problematic for Europe due to its status as a net importer, which is further exacerbated by Russian's war in Ukraine. Europe is also struggling to maintain its existing metals capacity, as 50% of zinc and aluminum power systems are offline due to the energy crisis and subsequent price inflation.

“AT THIS CRITICAL PERIOD WHEN WE HAVE TO MAKE NEW INVESTMENTS, THE KEY QUESTION TO ASK OURSELVES IS, DO WE HAVE THE CAPACITY THERE?”

CHRIS HERON

“WE’RE RUSHED BUT WE CAN’T AFFORD NOT TO DO THE BASELINE WORK UPFRONT”

MARK MYERS



*Pictured top left to bottom right: Lauren Risi, Chris Heron, Mark Myers, Patricia I. Vásquez, Duncan Wood
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Furthermore, local opposition to mining permits is widespread throughout the EU. Panelists identified ways to overcome these challenges. **Transatlantic cooperation could help break up Chinese dominance, developing Western value chains and agreeing on common standards could simplify mining and trade of minerals, and looking for new partnerships and investments around the world will help prevent bottlenecks. Recycling will also be key to giving the EU more autonomy in the field of energy.**

Focusing on the core issue of resource management is essential for geologists. Myers emphasized the need to **look at the supply chain in order to locate potential bottlenecks, as well as investing more in fundamental mapping which locates the resources of critical minerals worldwide.** Data that are comprehensive, encompassing environmental, geological and social information will be key to achieve these goals, and this information needs to be gathered early and should be tailored to individual regions. Myers also grappled with the issue of the heavy footprint for mining and green energy, especially in terms of water usage, and again emphasized that knowing the facts and figures will help to identify such problems from the beginning.

“RECYCLING IS OUR LARGEST OPPORTUNITY FOR STRATEGIC AUTONOMY”

CHRIS HERON

It is essential to also consider the the Latin American perspective, as many critical minerals are located in this region. As Vásquez highlighted, **the world’s main lithium producers of Argentina, Chile and Bolivia face many problems with satisfying growing minerals demand.** To begin, they experience great political and economic vulnerability. Furthermore, local communities are increasingly unhappy with lithium developments in their area given the large amount of water needed for its production and many droughts in the region. **Greater knowledge of these socio-political factors will be key to satisfying global demand for critical minerals.**

Two key conclusions reached by panelists were that we must be aware of the **potential problems this exponential growth in minerals creates due to its high-intensive energy footprint,** especially its water usage, and that **transatlantic cooperation is needed to secure autonomy from suppliers** such as Russia and China. Panelists agreed that more investment and engagement is needed across the board to keep up with the demand of critical minerals and address the issues that this accelerating demand will pose. Moreover, they identified the urgent need for more geographical data to better understand the challenges and opportunities of minerals.



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Water Diplomacy

The climate crisis has exacerbated tension over fresh water resources, particularly in transboundary water systems (TBWS). Power politics, as opposed to water expertise, often dictate these water-related conflicts, as policies must be approved by at least two different national, subnational and local systems. This panel discussed the preliminary insights gained from an [Incubator Lab](#) hosted by the [Global Diplomacy Lab](#) in Berlin in June 2022. Panelists focused on the science that demonstrates the enormity of TBWS challenges; a framework for thinking about water diplomacy 4.0; the case for engaging local stakeholders, rights-holders and youth in managing TBWS challenges; and a proposed diplomatic toolbox for addressing challenges. The focus on effective diplomacy was particularly relevant to transatlantic cooperation.

Speakers included **Irena Creed**, Professor and Vice Principal of Research and Innovation at the University of Toronto and **Elsa Marie D'Silva**, Founder and President of the Red Dot Foundation Global and active participant of the Global Diplomacy Lab. The Global Diplomacy Lab is a forum for exploring non-traditional, innovative forms of diplomacy by hosting various labs and impact sessions. The session was hosted by **Kathryn Friedman**, a Global Fellow at the Canada Institute at the Wilson Center, and organizer of the Water Diplomacy Lab.

Friedman began by asking the audience the following three questions: 1) Do you know where your water comes from? 2) In your region, is there conflict about water supply? 3) In your region, does everyone have equal access to water? Participants intervened from all over the world, sharing insights on water security from Delhi and Iran to Los Angeles and Berlin. Friedman then outlined the work of the Global Diplomacy Lab and its case studies on water tension in conflict in TBWS, such as the Indus River between Pakistan and India and Red River Basin between US and Canada.



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“WE NEED TO LOOK AT THE GEOPOLITICS OF WATER SCARCITY”

IRENA CREED

“THE BUSINESS-AS-USUAL APPROACH TO WATER SCARCITY IS NOT WORKING”

KATHRYN FRIEDMAN

Water scarcity can create political tensions, especially when water sources cross borders. As Creed highlighted, **climate mitigation policies may, at times, actually exacerbate water insecurity**, through large-scale forestation creating monocultures which homogenize the water cycle, impacting water transmission and reducing underground water availability. These impacts emphasized the reality that **water scarcity is very much a geopolitical issue**.

The Global Diplomacy Lab promotes new forms of diplomacy to confront unprecedented challenges like water scarcity and the climate crisis. As D'Silva noted, the Global Diplomacy Lab believes that diplomacy that is only carried out on a state-level is insufficient, and it instead advocated for **“Track 4 Diplomacy” as an innovative means to involve more diverse stakeholders**. The Global Diplomacy Lab also puts a heavy focus on youth engagement in climate issues, believing that **young people not only need a seat at the table, but also need to be equipped with the right diplomatic tools**.

Panelists agreed that the issue of water scarcity is a geopolitical conflict and that leaders must prepare for future “water wars”, especially in areas of transboundary water systems. They closed by emphasizing that we must **regard climate measures more holistically at COP27 and move away from carbon-centrism**. Supporting and promoting science on water security by empowering civil society and young diplomats is critical.

“YOUTH SHOULD BE AT THE TABLE SO THEIR VOICES ARE HEARD. THEY SHOULD BE EQUIPPED WITH THE CONFIDENCE AND THE TOOLS TO MAKE SUGGESTIONS TO THE SYSTEM THEY WANT TO CHANGE”

ELSA MARIE D’SILVA



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Transatlantic Opportunities for Decarbonizing the Global Steel Sector

The first event of our series on industrial decarbonization was focused on the standard-setting initiatives for clean steel.

Mary Hellmich, Co-Lead of the Transatlantic Climate Bridge programme office at adelphi, kicked off the event with a presentation on the report she co-authored: *Transatlantic Opportunities for Decarbonizing the Global Steel Sector: Locking Ambition into Standard-Setting Initiatives*. Hellmich explained how various **greenhouse gas emission measurement frameworks can send perverse policy incentives to the steel sector as they do not account for scrap use** – which significantly lowers steel’s carbon footprint. She walked the audience through three **initiativies that aim to reduce steel emissions** – the ResponsibleSteel Standard, the Clean Energy Ministerial Industrial Deep Decarbonization Initiative, and the US Federal Buy Clean program – and outlined the report **recommendations for harmonization across these initiatives and the benefits to steel decarbonization doing so would offer**.

Domestically, Germany is taking significant steps to decarbonizing its steel sector, explained **Malte Bornkamm**, Head of the Division for Industrial Decarbonization at the German Federal Ministry for Economic Affairs and Climate Action. He highlighted steel’s major share of emissions and **avenues for decarbonization Germany is exploring through high investment, a widespread switch in technology and the production of near zero emission steel**. He also emphasized the importance of green public procurement as an instrument to facilitate demand for near zero carbon products.

“THE CLIMATE CLUB CAN REALLY HELP IN BRINGING TOGETHER MORE MEANINGFUL TECHNOLOGICAL COLLABORATION. WE ALSO NEED TO SEE HOW THIS CAN HELP PUT TOGETHER A MORE JUST TRANSITION OF THE INDUSTRY”

RANA GHONEIM



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Pictured top left to bottom right: Malte Bornkamm, Max Gruenig, Rana Ghoneim, Peter Levi.
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Beyond individual country actions, multilateral and international efforts also have a key role to play in decarbonizing the global steel sector. **Rana Ghoneim**, Chief of Energy systems and Infrastructure at the United Nations Industrial Development Organization and leader of the Clean Energy Ministerial Industrial Deep Decarbonization Initiative, explained how **steel transformation efforts can be facilitated by the IDDI, which can be used as a platform for countries to come together around green procurement, data-sharing, and standard-setting.**

The conversation also focused on definitions and standards for clean steel, and **Peter Levi** from the International Energy Agency emphasized both that such **standards and definitions must account for scrap use and that their harmonization will be critical for green public procurement efforts.** He also promoted the concept of a **climate club as a structure to facilitate international industrial decarbonization** and highlighted the potential of such format to provide technological and financial aid to developing economies to further their own energy transitions.

Panelists concluded that international coordination on instruments for steel decarbonization will be critical to achieve the necessary emission cuts in the sector on a Paris Agreement-aligned timeline, and transatlantic leadership in this area can place the global steel sector on a fast-track to deep decarbonization.

“THERE MUST BE HARMONIZATION OF STANDARDS FOR PROCUREMENT”

PETER LEVI

Opportunities and Challenges for International Trade

The second event of our series on industrial decarbonization was focused on opportunities and challenges for international trade, and was moderated by **George Frampton**, Distinguished Senior Fellow and Director of the Transatlantic Climate Policy Initiative at the Atlantic Council. The event included representatives from the German government, the steel and iron industry, and climate-based organizations.

The recent G7 Summit saw the announcement of the **G7 climate club, standard setting for cement and steel sectors, and the green hydrogen pact**, all of which **Till Kötter**, Head of European and International Policy at Stiftung KlimaWirtschaft, noted as positive outcomes. While also acknowledging the challenges arising from the current energy crisis, Kötter emphasized the need for countries to work together to achieve urgently-needed implementation in these areas.

Germany prioritized industrial decarbonization at the summit and will continue to do so at COP27 later this year, emphasized **Malte Bornkamm**, Head of the Division for Industrial Decarbonization at the German Federal Ministry for Economic Affairs and Climate Action. He reiterated the importance of several points from Industrial Decarbonization Part II, including the **need to adjust the standards for steel to account for scrap use and utilizing initiatives like ResponsibleSteel as a global standard.**

“THERE NEEDS TO BE A COMMON HARMONIZED APPROACH TO WHAT TYPE OF EMISSIONS WE ACCOUNT AND HOW WE MEASURE THEM”

MATTHEW PORTERFIELD



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The private sector also has a key role to play in decarbonizing heavy industry. thyssenkrupp, for example, is ready to invest in and integrate green steel production, shared **Erika Mink-Zaghloul**, Head of Governmental Affairs at thyssenkrupp Steel Europe AG, but the company requires financial support and investment from states. She underscored that **government intervention is key to bring along energy-intensive, trade-exposed companies in the green transition**, especially to prevent such companies from going under in the face of rising energy costs and increasingly stringent climate mitigation measures.

“WE ARE READY TO INVEST, WE KNOW WHAT TO DO, WE HAVE THE TECHNICAL SOLUTIONS”

ERIKA MINK-ZAGHLOUL

On the US private sector side, **Kevin M. Dempsey**, President and Chief Executive Officer of American Iron and Steel Institute, spoke about the opportunities for clean steel production and emphasized the need for technologies such as **green hydrogen and carbon capture utilization and storage** to cut emissions from steel manufacturing. He also echoed calls for international policy instruments for steel decarbonization, adding that such efforts should **incentivize industrial decarbonization in countries like China and India**, which produce a majority of the world’s steel but have fewer climate regulations than the US and the EU.

Other instruments for industrial decarbonization were suggested, including the **EU’s proposed carbon border adjustment mechanism**, which **Matthew Porterfield**, Vice President of Policy and Research at the Climate Leadership Council, argued **will address the carbon intensity and overproduction of global steel**. He also underscored the need for a **standardized approach to measuring carbon intensity**, which will be key for countries to address carbon leakage.

The panellists agreed that industrial decarbonization was necessary to meet targets and emphasis must be placed on setting standards for sectors worldwide to avoid carbon leakage. However, international coordination on these measures is crucial.



*Pictured top left to bottom right: Kevin M. Dempsey, Matthew Porterfield, George Frampton, Erika Mink-Zaghloul, Malte Bornkamm
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