

CONFERENCE SUMMARY

MULTILEVEL ACTION FOR TRANSATLANTIC CLIMATE SUCCESS

TRANSATLANTIC CLIMATE BRIDGE CONFERENCE | JUNE 2023

The Transatlantic Climate Bridge Conference 2023 was a 2-week coming together that sought to further strengthen the climate and energy alliance between Germany, the United States, and Canada. This year's conference convened from Monday, 5 June through Tuesday, 13 June.

From panel discussions and workshops to networking activities and roundtables, our innovative formats kept conversations fresh, informative, and left plenty of room for interaction. The sessions were designed to provide a space for discourse and collaboration between national and sub-national actors, the private sector, civil society organizations, and youth change agents.

The opening event, "[Internationalizing the Subnational: Transatlantic Climate Cooperation in a Multilevel system](#)," embodied the theme of this year's conference: how multilevel action facilitates climate ambition across the Atlantic and around the world. In a discussion facilitated by **Michael Werz, Senior Fellow at the Center for American Progress**, representatives from Germany, Canada and the United States shed light on how their work on national and international stages is strengthened by action at the city, state, provincial and regional levels, in addition to how international cooperation brings benefits back home as well.

Panelists emphasized the importance of elevating the subnational level to national and international diplomacy efforts. Indeed, in 2022 the United States did just this when the US Department of State created a new office specifically for subnational diplomacy. As head of this department, **Ambassador Nina Hachigian** is the first **US Special Representative for City and State Diplomacy**, where she works to both learn from local leaders in the US and connect them to counterparts around the world, as well as to bring these leaders and their constituents the benefits of international foreign policy.

The subnational level is ideally positioned to both contribute to and benefit from international diplomacy because, as Hachigian laid out, it is at the front lines of all of our biggest shared international problems. National and international actors benefit from listening to local partners, as they are responsible for planning, education, implementation, and mobilization for policies designed at higher levels. "Cities and states need two things: they need to be listened to, and they need to be brought into international

**"CITIES AND STATES
NEED TWO THINGS:
THEY NEED TO BE
LISTENED TO, AND
THEY NEED TO BE
BROUGHT INTO
INTERNATIONAL
CONVERSATIONS."**

AMBASSADOR NINA HACHIGIAN

conversations.” Hachigian also highlighted the need to deliver the benefits of foreign policy to the local level.

In addition to national and international policymaking growing stronger from local perspectives, the benefits also flow in the other direction. **New Jersey Governor Phil Murphy** emphasized that “no matter how good we are at the state level, you’re only as good as your federal government.” When the Trump Administration pulled the US out of the Paris Agreement, New Jersey was among the first states to announce they were still “in.” International partnerships became more important than ever to keep Paris alive in New Jersey. Murphy underscored the importance of a strong transatlantic relationship both when it comes to more effective climate policy implementation, but also with connecting business needs in his state to business solutions Europe can offer.

“LEARNING AND WORKING WITH EACH OTHER AT THE LOCAL, STATE, NATIONAL AND INTERNATIONAL LEVEL IS THE ONLY WAY WE CAN SUCCEED.”

PHIL MURPHY



Photo from left to right: Michael Werz and Phil Murphy.
© Transatlantic Climate Bridge

International sharing of best practices also supports the Germany *Energiewende*. **Stefan Wenzel, State Secretary for the German Federal Ministry of Economic Affairs and Climate Action**, elaborated the many insights and expertise bilateral cooperation at the subnational level has yielded over the years. Industrial decarbonization – including green steel and green hydrogen – and supply chain management in Germany were directly strengthened by transatlantic dialogues on these topics.

“ENGAGING WITH INDIGENOUS LEADERS AND UNDERSTANDING THEIR TRADITIONAL KNOWLEDGE IS CRITICAL TO ACHIEVING THE CHANGES WE NEED TO MAKE TO ADDRESS CLIMATE CHANGE.”

CHRIS FORBES

In Canada, the environment is a shared jurisdiction between provinces and the federal government. **Chris Forbes, Deputy Minister of Environment and Climate Change Canada**, discussed the Canadian model of integrating provincial and especially indigenous communities into federal policymaking, emphasizing the value of their expertise in areas such as climate adaptation, mitigation, and biodiversity conservation. “Engaging with indigenous leaders and understanding their traditional knowledge is critical to achieving the changes we need to make to address climate change.”

International organizations also play a role in facilitating subnational diplomacy. Local Governments for Sustainability (ICLEI) is a global network of more than 2500 local and regional governments committed to sustainable urban development. Local governments have a more critical role in climate

negotiations than ever before, stressed **Executive Director of ICLEI Canada Megan Meaney**, who works year round to coordinate local inputs at the annual COP. And Canada does not just talk the talk in this regard – local governments informed the country’s national adaptation and biodiversity strategies as well as its emissions reduction plan.

Ensuring this implementation happens oftentimes depends on effective communication. “In many cases the problem has been solved somewhere in the world,” Hachigian said, making the real question at hand “how do we find that information.” Strong diplomatic efforts across governance levels facilitates this necessary exchange.



Photo from top left to bottom right: Michael Werz, Nina Hachigian, Chris Forbes, Megan Meaney, and Stefan Wenzel.
© Transatlantic Climate Bridge

KEY EVENT TAKEAWAYS

- ❖ Subnational entities play a crucial role in addressing international problems and delivering innovative solutions to the climate crisis.
- ❖ Local expertise and knowledge exchange should buttress national and international climate policymaking.
- ❖ Subnational diplomacy fosters transatlantic cooperation and strengthens partnerships between subnational entities, national governments, the private sector and civil society.
- ❖ The vision for federal foreign policy should extend to the local level, bringing the benefits of international engagement to local constituents.

TRANSATLANTIC CLIMATE BRIDGE CONFERENCE 2023

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](#).

Week 1

Mon Jun 5	Tues Jun 6	Wed Jun 7	Thu Jun 8	Fri Jun 9
 Opening Event: Internationalizing the Subnational: Transatlantic Climate Cooperation in a Multilevel system <i>adelphi</i>	 A Tale of Many Cities: Why it Matters to Boost Subnational Climate Diplomacy in Transatlantic Relations <i>Aspen Institute Germany + Hertie School Centre for Sustainability + adelphi</i>	 Leading the Pack: How Subnational Policy Pioneers are Driving the Energy Transition <i>SD Strategies</i>	 The Inflation Reduction Act and the Green Deal Industrial Plan: Transatlantic cooperation on critical minerals <i>adelphi + E3G</i> <hr/>  Quo vadis IRA? State-level Deep Dives on Opportunities for Implementation <i>Climate Advisers + E3G</i>	 Transatlantic Dialogue: Carbon Pricing and the Energy Transition <i>The Wilson Center</i>
	Berlin Networking Event		D.C. Networking Event	

Week 2

Mon Jun 12	Tue Jun 13
 NextGen Climate Conversations: Youth-Led Solutions <i>adelphi + Smart Prosperity Institute</i>	 Decarbonizing Industry: What Canada and its Transatlantic Allies can learn from each other <i>Clean Energy Canada</i>
	 Seeing is Believing – Lessons Learned from Germany’s Energy Transition from U.S. and Canadian Legislators <i>Council of State Governments Midwest + adelphi</i>
 Executive Course: Subnational Transatlantic Climate Policy <i>George Washington University</i>	Ottawa Networking Event

A Tale of Many Cities: Why it Matters to Boost Subnational Climate Diplomacy in Transatlantic Relations

In addition to incorporating subnational perspectives into national and international climate policymaking, as covered in the opening event, the horizontal engagement between cities across the Atlantic has a critical role to play in ramping up climate ambition.

Moderator **Cathryn Clüver Ashbrook, Senior Advisor at the Bertelsmann Stiftung**, set the scene for just how important cities are in both experiencing and combatting the climate crisis. While facing heatwaves, floods, and super-charged storms, cities also contribute to 70% of greenhouse gas emissions and house more than 50% of the global population.

These are only some of the reasons why cities are crucial to discussions on the climate crisis. **Director of the Aspen Institute Germany, Stormy-Annika Mildner**, added that the city level can help overcome political and ideological differences that may hinder transnational cooperation, as seen during the Trump Administration. Sub-federal levels are crucial for climate policy creation and innovation, and strengthening subnational transatlantic relations can serve as a foundation for spreading good climate policy practices globally.



*The German town of Ertstadt-Blessem during severe floods in 2021.
©BB news*

Urban diplomacy is a driver for innovation, rule of law, democracy and prosperity, added **Martin van der Pütten, Director of Office for International Relations at the City of Dortmund**. It goes beyond sister city partnerships and establishes entire climate innovation networks, connecting cities with similar economies, histories and objectives. The success these networks derive must then be integrated vertically, arriving at national and international guidelines and strategies.

Erin Bromaghim, Deputy Mayor for International Affairs, City of Los Angeles, also discussed the role cities play in international climate engagement. Los Angeles, for example, has established a green shipping corridor with cities around the world. Establishing a trusting city network was an important first step towards this result.

“REAL CHANGE HAPPENS WHEN YOU MERGE THE TOP DOWN POLICY WORK WITH THE GRASSROOTS MOVEMENTS. THAT’S WHY CITY DIPLOMACY IS SO IMPORTANT.”

ERIN BROMAGHIM

“A REQUEST FOR THE FEDERAL LEVEL: INTEGRATE THE CITIES, THEY ARE THE ACTORS WHEN IT COMES TO CLIMATE ACTION.”

MARTIN VAN DER PÜTTEN

Building such networks is precisely the mission of Local Governments for Sustainability (ICLEI). **Head of the ICLEI Berlin Office, Jasmin Miah**, spoke to the organization's role as an advocacy organization for cities on the international stage. Providing the matchmaking services that makes those connections between like-minded and trusted cities mentioned by Bromaghim and van der Pütten is a key tool in ICLEI's toolbox. Miah also emphasized the significance of cities in achieving sustainable development goals, as two-thirds of the targets apply to urban areas.

While yielding excellent results in strengthening climate ambition and building trusted networks, urban diplomacy could use further support from governance levels higher up to do even more. Mayors must be enabled to access the financing tools their cities need to transition to a green economy, and city voices need to be even further integrated into national and international climate strategies.



Photo from left to right: Cathryn Clüver Ashbrook, Jasmin Miah, Martin van der Pütten, and Erin Bromaghim.

© Transatlantic Climate Bridge

KEY EVENT TAKEAWAYS

- ❖ **Urban diplomacy enables cities to transcend political and ideological barriers, fostering cooperation and collaboration at the city level and ensuring progress in addressing climate challenges.**
- ❖ **Through robust and trusting city networks, urban diplomacy drives innovation, prosperity and climate policy implementation around the world.**
- ❖ **National and international policymakers must further integrate urban diplomacy into policy guidelines and strategies.**

Leading the Pack – How Subnational Policy Pioneers are Driving the Energy Transition

As established in the first two events of the conference, subnational efforts are key to implementing climate action. They are also historically more effective in implementing bold climate solutions than other governance levels, said keynote speaker **Massachusetts State Senator Marc Pacheco** as he kicked off conference event number three which was hosted by think tank **SD Strategies**.

“Leading the Pack” continued the theme of subnational climate excellence and innovative policy exchange across the Atlantic, this time including Mexico. Moderator **Alexander Ochs, Managing Director of SD Strategies**, led panellists through their experiences embarking on their respective green transitions at the subnational level and how the transatlantic space facilitates these transitions. Panellists included **Henning Mümmler-Grunow, Government of Schleswig-Holstein**; **Maria van Veldhuizen, Consultant for sustainable development and renewable energy, SD Strategies**; **Sofía Hernández, Secretariat of Environment and Territorial Development, State of Jalisco, Mexico**; **Peter Love, Center for Community Energy Transformation, Brampton**; **Demetra McBride, Office of Sustainability and Environmental Management, Arlington County, United States**; **Jorge Narro, Secretariat of Environment, Biodiversity, Climate Change and Energy, State of Campeche, Mexico**; **Alexander Freier, Senior Consultant, Energy self-sufficient village of Feldheim, Germany**; **Leigh-Anne Thurber, Senior Analyst, Department of Natural Resources and Renewables, Nova Scotia, Canada**.

“THIS INNOVATIVE CITY CONCEPT CAN BE SCALED UP AND USED AS A TEMPLATE FOR OTHER CITIES IN GERMANY AND ACROSS THE ATLANTIC.”

ALEXANDER FREIER

Addressing both local development needs as well as international climate benchmarks requires long-term community energy planning. Short-term goals are needed that support long-term commitments, and in the meantime real-time monitoring must be in place to ensure effective responses to insufficient progress.



*Feldheim's electric car charging station
@ DW/A. Bowen*

These goals must also lead to urgent and cost-effective updates to the power grid, one of the most impactful tools to reduce emissions and expedite the energy transition. And beyond the power sector, heating and cooling as well as mobility must both be high priorities for the subnational level, due to their contributions to greenhouse gas levels as well as their immense importance in local economies.

Many initiatives already exist across the Atlantic that work towards these goals by tailoring energy transition policies to local communities based on factors such as population size, geographic location, and community needs. Examples include Jalisco, Mexico's state development plan and its private-public partnership initiative Enterprises Alliance for Climate.



Senator Marc Pacheco speaks to an audience at the TCBC2023.
© Transatlantic Climate Bridge

Cities face both challenges and enablers to achieving their climate goals. Financing and regulation are significant hurdles, with the lack of financing tools for municipalities and inefficient permitting processes especially common barriers. Overcoming these challenges can be enabled by involving communities as agents and customers to overcome financing issues, sharing best practices, understanding regional differences in regulation, and involving the financial and private sector.

Subnational leadership in just energy transitions should play a more prominent role globally. Indeed, policies that focus on local energy systems and self-sufficiency should not result in isolation but rather facilitate both downscaling and upscaling efforts, combining local solutions with global connections.

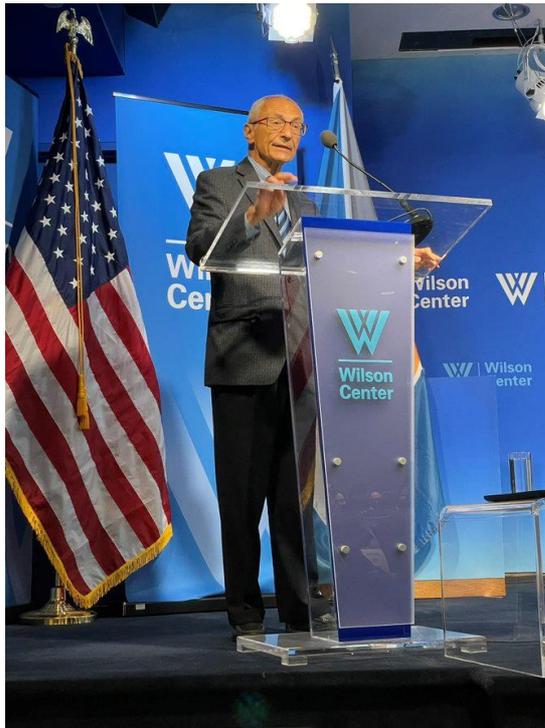
KEY EVENT TAKEAWAYS

- ❖ **Subnational leadership provides excellent examples for a just energy transition worldwide.**
- ❖ **Recent crises and new technological possibilities have seen energy systems and their reform skyrocket to the top of public interest.**
- ❖ **Increased focus on local energy systems and self-sufficiency has not resulted in isolation at the subnational level, but rather simultaneous downscaling and upscaling efforts that help local solutions make global connections.**

The Inflation Reduction Act and the Green Deal Industrial Plan: Transatlantic cooperation on critical minerals

The transatlantic space is ideally positioned to lead ambitious climate action around the world and create partnerships to do so that benefit both wealthy and emerging economies. This event focused on opportunities to wield the United States' Inflation Reduction Act (IRA) and the European Union's Green Deal Industrial Plan (GDIP) to forge such partnerships, with a focus on critical minerals.

John Podesta, Senior Advisor to the U.S. President for Clean Energy Innovation and Implementation, kicked off the event by highlighting the role the IRA's clean tax credits and private investment in clean energy can play in overcoming some of the most pernicious challenges facing the world, including climate change, environmental degradation and economic crises. "The mission remains sustainable development, but creating pathways towards clean energy development that works simultaneously on the climate problem has to be part of that."



Podesta celebrated similar steps being taken across the Atlantic and emphasized that cooperation on these measures, and especially those relating to critical minerals, will be key.

The discussion that followed, moderated by **Duncan Wood, Vice President for Strategy & New Initiatives and Senior Adviser to the Mexico Institute at the Wilson Center**, dove deeper into the opportunities (and challenges) for the US and EU to work together on their common decarbonization goals and how to benefit the rest of the world in the process.

Cooperation on green energy and critical mineral supply chains between the US and the EU would be greater than the sum of its parts, added **Mary Hellmich, Consultant at adelphi and Co-Lead of the Transatlantic Climate Bridge Programme Office**. Transatlantic coordination on critical minerals would de-risk investments in all countries, create a model for critical mineral markets that benefits producer and consumer countries, and reduce Chinese dominance in the market.

“THE MISSION REMAINS SUSTAINABLE DEVELOPMENT, BUT CREATING PATHWAYS TOWARDS CLEAN ENERGY DEVELOPMENT THAT WORKS SIMULTANEOUSLY ON THE CLIMATE PROBLEM HAS TO BE PART OF THAT.”

JOHN PODESTA

John Podesta

© Transatlantic Climate Bridge

Latin American countries are especially important to include in these diplomacy discussions. Bringing them into international supply chains presents many challenges, including precarious political climates and histories of exploitative mining practices, highlighted **Benjamin Gedan, Director of the Latin America Program and Argentina Project at the Wilson Center**. Further in this vein, engaging with indigenous communities is also key, and the US and EU must prioritize communication with and understanding the values of these communities in any mineral partnerships formed in the region. Indeed, robust labor and environmental standards must be included, with American and European companies enforcing high standards in countries where they operate.



From left to right: Benjamin Gedan and Claire Healy
© Transatlantic Climate Bridge

In the broader international sense, how to form and regulate such partnerships and the global impacts of ambitious decarbonization policies in the EU and US, especially those policies facing accusations of protectionism, is currently unclear. **Claire Healy, Senior Associate at E3G**, emphasized the need for an updated trade system and transparent mechanisms to achieve these goals. **Ruben Kubiak, Trade Affairs Officer at DG Trade**, underscored the importance of partnership initiatives and an interagency process to address current trade tensions and establish better alternatives. While the US and EU generally disagree over the current role of the World Trade Organization in being the forum for these discussions, all panelists agreed that the international body would need significant reform before it is fit for purpose in adapting to the quickly-evolving climate policy landscape and its intersections with global trade.

KEY EVENT TAKEAWAYS

KEY EVENT TAKEAWAYS

- ❖ The EU and US are poised to leverage the IRA and GDIP to cooperate on critical mineral partnerships between producer and consumer countries.
- ❖ Addressing the impacts of ambitious climate policies in major economies requires a robust update of the global trade regime based on climate goals, fairness and transparency.
- ❖ Developing and mineral-producing countries should be prioritized in international industrial partnerships, with diplomatic efforts avoiding extractivism practices, leading to local value creation and ensuring these countries form part of international critical mineral supply chains.

Quo vadis IRA? State-level Deep Dives on Opportunities for Implementation

In addition to its splash on the international stage, the Inflation Reduction Act (IRA) is already creating deep ripple effects across US states. In this event, moderated by **Matt Piotrowski, Senior director of Policy and Research at Climate Advisers**, panellists dove into key aspects of the IRA and discussed the implications for transatlantic trade, state policies, climate justice, tax incentives, and the role of states in climate policy.

The IRA is a complex piece of legislation, with 119 distinct programs across 16 agencies and departments, containing many detailed tax incentives, credits, and grants. The legislation elevates the potential for increased trade and investment, said **Max Gruenig, Senior Policy Advisor at E3G**. Though the IRA led to tensions in the transatlantic trade relationship towards the end of 2022, especially around the bill's electric vehicle tax credit, the potentially negative impact of the tax credit on European economies is not as substantial as it may seem. Indeed, electric vehicle manufacturing and renewable energy initiatives, and cooperation around these areas, could drive job creation on both sides of the Atlantic.

"IT IS POSSIBLE THAT THE IRA CAN GET US ALL THE WAY THERE - IT IS DESIGNED TO CREATE ECONOMIC TIPPING POINTS."

JACOB CORVIDAE



Photo from left to right: Matt Piotrowski, Mary Hellmich, Jacob Corvidae, Max Gruenig, and Kirsten Verclas.

© Transatlantic Climate Bridge

Back home, state offices are eager to harness the potential of the IRA, added **Kirsten Verclas, Senior Managing Director at the National Association of State Energy Officials**. However, state agencies also face challenges in keeping up with the flood of announcements and the need for increased staffing and funding. Further, many states are struggling to keep up with IRA implementation, added **Jacob Corvidae, Principal at the Rocky Mountain Institute**, and the time-limited nature of the funding is leading to some states engaging in a race against the clock to establish their IRA strategies. And while 46 out of 50 states have applied for IRA funding, some governors still remain opposed to the legislation and the measures it promotes. Large municipalities within states that choose to not take advantage of the funding, however, can nonetheless circumvent the state level to apply, as has happened in Florida and Texas.

"YOU'RE SEEING A LOT OF MOVEMENT ON CLEAN ENERGY, ON NEW INVESTMENT, ON MANUFACTURING ACROSS THE BOARD, IN BLUE AND RED STATES."

KIRSTEN VERCLAS

In spite of the challenges, the IRA will bring the US in striking distance of achieving its climate goals, with the economic leveraging potential in the bill especially promising. "It is possible that the IRA can get us all the way there - it is designed to create economic tipping points," said Corvidae. Consumer awareness is particularly relevant here, with the uncapped incentives making immense investment opportunities possible.



©Roschetzky Photography/Shutterstock.com

In addition to economic growth and climate mitigation, the IRA also strengthens climate justice in the US. Some tax credits specifically target disadvantaged demographics and can lead to clean job creation with positive spill over effects for communities with the greatest need.

Indeed, a clean workforce is critical to ensuring the US is able to transition to a green economy. Job training, reskilling for workers with fossil fuel jobs and potential modifications to immigration policies will be key. Corporations also have their role to play in developing the workforce and overall state-level implementation of climate policies. There will be need for a significant increase in both the supply and the demand for clean energy technologies, and while the federal government plays an important role in providing the necessary funding and political framework to sustain this framework, ultimately private sector investments and state-level action will seal the deal on full implementation of the IRA.

KEY EVENT TAKEAWAYS

- ❖ Climate policy is advancing in the US in spite of political divides.
- ❖ Municipalities within states that have not applied for IRA funding are circumventing the state level to access funds directly, underscoring the importance of engaging in diplomacy with local US jurisdictions.
- ❖ The IRA can lead to widespread job creation in the US, especially for disadvantaged communities; however, state agencies may need support in implementing IRA measures in the necessary timeframe.
- ❖ In spite of trade tensions, the IRA creates potential for climate cooperation between the US and the EU.

A Transatlantic Dialogue: Carbon Pricing and the Energy Transition

Carbon pricing has been a topic of great debate in the transatlantic space, with a carbon price featuring heavily in both the Canadian and European Union policy landscapes but, though present in some US states and regions, not part of the US's federal policy toolbox. This transatlantic carbon pricing dialogue – moderated by **Sara Schondhardt, Reporter at E&E News** – shed light on the challenges and opportunities associated with pricing emissions on both sides of the Atlantic as well as the role carbon taxes and emission trading systems (ETSs) play in the European and North American energy transitions.

Politics are one of the primary challenges to implementing carbon pricing. **Barry Rabe, Professor at the Gerald R. Ford School of Public Policy at the University of Michigan**, elaborated on the past attempts to pass federal carbon pricing schemes in the United States and the key differences in the political economy in the US compared to jurisdictions with federal policies, such as Canada, the UK and the EU. However, there may still be hope for carbon pricing in the US, Rabe said: “It’s far too premature to declare the obituary of carbon pricing, in the United States and internationally.”



Photo from left to right: Dagmara Koska, Barry Rabe, Sara Schondhardt, Stefano De Clara (on screen), Jessica Green (on screen)
© Transatlantic Climate Bridge

Of particular importance for social and political acceptance of carbon pricing is revenue recycling, such as to low-income communities and towards green transition measures. This has helped create a high level of trust in carbon pricing in the EU, explained **Dagmara Koska, Deputy Head of Global Issues and Innovation and Counselor for Climate and Energy at the Delegation of the EU to the US**. Further, there is high public belief in the effectiveness of

“IT’S FAR TOO PREMATURE TO DECLARE THE OBITUARY OF CARBON PRICING, IN THE UNITED STATES AND INTERNATIONALLY.”

BARRY RABE

“REMOVALS ARE UNCHARTED TERRITORY - THEY WILL BE NECESSARY TO ACHIEVE NET-ZERO, AND IT WILL BE INTERESTING TO SEE THE EMERGING INTERSECTION BETWEEN REMOVALS AND THE COMPLIANCE CARBON MARKET.”

STEFANO DE CLARA

the EU ETS in delivering tangible emission reductions, and the system also provides certainty for investors.

As the EU embarks on even greater ambition with its ETS, it is now tackling those hard-to-abate emissions from heavy industry, a sector that has until now not faced the full carbon price through free allocation of emission allowances. The phasing out of free allocation is paired with the phasing in of the EU Carbon Border Adjustment Mechanism (CBAM), an instrument that prices the embodied emissions in certain emissions-intensive products – among them steel, aluminum and fertilizers – at the EU border in an effort to level the playing field in the international market between manufacturers that pay a carbon price and those that don't.

Beyond the EU CBAM, the world's first border measure based on a carbon price, several developments in carbon markets around the world have led to their increased uptake and ambition internationally. Over the last decade, the number of ETSs in operation has more than doubled, increasing to 28 globally, shared **Stefano De Clara, Head of Secretariat at the International Carbon Action Partnership**. The amount of global emissions covered by an ETS has also increased remarkably, from 8% to 17% in the same time frame. Both ETSs and carbon taxes are featuring more and more prominently in many jurisdictions' – from local to supranational – commitments to achieving net-zero emissions.

With many different carbon markets around the world, the possibility of linking these systems across national borders has been a subject of frequent debate among experts. While the benefits of market linkage are numerous, doing so in practice faces enormous challenges, explained **Jessica Green, Professor of Political Science at the University of Toronto**. Linkage can, in theory, create a larger market with lower costs, greater liquidity and increased resilience against shocks. However, addressing different levels of ambition across systems would make linking them difficult. Linkage would also almost certainly include carbon offsets, a concept yet to be robustly regulated. Indeed, offsets from the voluntary carbon market face immense integrity concerns.

Significant international coordination is required to address both problems with the voluntary carbon market as well as the evolving global trade regime, which panelists agreed must be adapted to address the climate crisis. Legislation such as the EU CBAM, the EU Green Deal Industrial Plan and the US's Inflation Reduction Act are further examples underscoring the need for an overhaul of international trade rules, as all have ignited significant debate on protectionism, domestic green subsidies and the impact of domestic climate policy on the rest of the world.

KEY EVENT TAKEAWAYS

- ❖ Carbon pricing faces political challenges around the world but remains a strong and viable policy tool, and its implementation is strengthened and seen as more valid by society when it recycles revenues back to low-income communities and for green transition measures.
- ❖ The EU ETS has gained widespread trust in the EU due to its emissions reductions and contribution to economic growth.
- ❖ Linking carbon pricing schemes across jurisdictions is many theoretical benefits but faces significant challenges for implementation.
- ❖ Regulating the voluntary carbon market is critical to achieving net-zero goals and will require significant international coordination.

NextGen Climate Conversations: Youth-Led Solutions

The first event of week two featured young climate activists and leaders in an intimate dialogue on key issues and perspectives on climate and sustainability. The conversation was moderated by **adelphi's Trisha Kershaw**.

Abhay Singh Sachal, Environment and Climate Change Youth Council of Canada, spoke on his advocacy efforts which focus on the link between climate change and the mental health crisis. As a young person travelling to Canada's Arctic communities, Singh noticed the severe impact climate change was having on the mental wellness of young people in the community. He also noticed that people in Canada's southern provinces were also feeling similar fears and anxiety over the climate crisis. He spoke on the need to create dialogue between North and South Canada but also, between the Global North and Global South on these issues. There is also a need for governments and international bodies to create more services to address the impact of the climate crisis on mental health.

From the United States, **Abby Hornberger, Minnesota Policy Organizer at the BlueGreen Alliance**, spoke on the importance of connecting labor unions and environmental groups. The fight for labor rights and environmental action should not be separate, and Hornberger advocates for the ability to have fair paying jobs and a clean economy. Hornberger spoke on the monumental year Minnesota has had in passing legislation that focuses on clean energy by 2040, clean infrastructure and transportation. They added that this was possible through the collaboration between union partners and environmental groups.

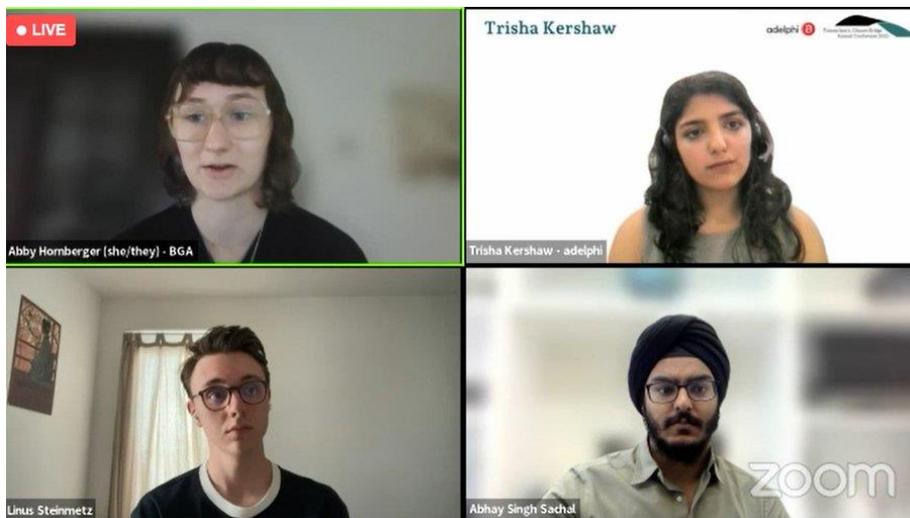


Photo from top left to bottom right: Abby Hornberger, Trisha Kershaw, Linus Steinmetz, and Abhay Singh Sachal

© Transatlantic Climate Bridge

Linus Steinmetz from Fridays for Future Germany gave us insight into his work as a climate activist for Fridays for Future and his work at COP27 on climate justice. Steinmetz spoke on climate litigation and ensuring that young people understand how the climate crisis threatens basic democratic values in Germany and the world. Those in the Global South have done little to cause

“ACTION IS THE ANTIDOTE TO ANXIETY”

ABHAY SINGH

“WE NEEDED TO SUE THE GOVERNMENT TO MAKE SURE OUR FUNDAMENTAL DEMOCRATIC RIGHTS WERE INSURED, AS THE CLIMATE CRISIS THREATENS OUR BASIC DEMOCRATIC VALUES”

LINUS STEINMETZ

“AMERICANS SHOULDN'T HAVE TO CHOOSE BETWEEN GOOD PAYING JOBS AND A CLEAN ECONOMY”

ABBY HORNBERGER

the climate crisis and yet, are paying the cost. As activists from the Global North, it is imperative to uplift those voices and advocate for justice mechanisms like, loss and damage funding.



Abhay Singh Sachal speaks to an audience on his trip to Arctic Canada.
© Transatlantic Climate Bridge

The three panelists spoke on ways in which young people can get involved in the climate movement and the challenges of being the youngest person in the room. They discussed improvements they want to see from the national governments and in international forums such as COP. One of the key takeaways was the importance of localized action. Each panellist had begun their advocacy work at the community level and encouraged their peers to do the same.

The panel ended with advice to fellow youth from Canada, the US, and Germany on how to make a difference and advocate on behalf of the climate movement in various ways.

KEY EVENT TAKEAWAYS

- ❖ **International climate fora must acknowledge the impact of climate change on mental health.**
- ❖ **The green transition should be just and equitable. Environmental groups must advocate for the inclusion of ethical labor practises.**
- ❖ **Young people make up 16% of the global population and can have an immense impact on society.**
- ❖ **Localized action through community service is a key step to improving climate policymaking in Canada, the US, and Germany.**

Decarbonizing Industry: What Canada and its Transatlantic Allies can learn from each other

Robust efforts to carry out rapid and deep industrial decarbonization are being carried out in the transatlantic space. While tailored to domestic markets, constituents and resources, event panelists shed light on how these efforts would benefit from increased coordination and harmonization between Europe and North America.

Improving industrial decarbonization strategies across the Atlantic is critical and time-sensitive, explained moderator **Oliver Sheldrick-Moyle, Program Manager for Clean Economy at Clean Energy Canada**. With only one investment cycle to 2050, the necessary low-emission technologies that will drive this decarbonization are at low readiness levels. Canada is currently leading among its transatlantic counterparts in its phaseout of high-emission technologies and its international ambition and collaboration, but it must improve its policy direction on industrial transition and creation of markets for net-zero materials. “Canada needs to learn from its G7 peers and take a more comprehensive approach to industrial policy.”

“CANADA NEEDS TO LEARN FROM ITS G7 PEERS AND TAKE A MORE COMPREHENSIVE APPROACH TO INDUSTRIAL POLICY”

OLIVER SHELDRICK-MOYLE



“WE SEE A GAP ACROSS THE BOARD AT NATIONAL AND REGIONAL LEVELS ON NET-ZERO INDUSTRIAL POLICY. THERE IS A NEED FOR MORE PARTNERSHIPS BETWEEN BUSINESS AND GOVERNMENT.”

DEREK EATON

Photo from left to right: Oliver Sheldrick-Moyle, Derek Eaton
© Transatlantic Climate Bridge

A coordinated approach on industrial decarbonization between countries is crucial, underscored **Derek Eaton, Director of Industrial Policy at Transition Accelerator**. Sharing best practices and comparing experiences across jurisdictions accelerates and strengthens pathways for industrial policy implementation. Heavy industry is particularly important to decarbonize

rapidly, as it provides infrastructure for the economy as a whole and forms a significant part of countries' GDP. Businesses must be directly included in discussions on national decarbonization pathways. "We see a gap across the board at national and regional levels on net-zero industrial policy. There is a need for more partnerships between business and government" Eaton emphasized.

The demand side also plays critical role in decarbonizing industry, explained **Soledad Reeve, Senior Advisor in the Innovation Branch at Natural Resources Canada**. At the national level, the Canadian government released a new strategy to achieve a 30% reduction in embodied carbon (including scope three emissions), beginning with construction materials, that includes clean procurement as a tool to do so. However, a gap around coordinating procurement policy with other countries remains. Collaboration in this area across countries could create needed international markets for low-carbon materials.



@Clayton Cardinalli

Germany also invests significant amounts of its federal budget to achieve industrial decarbonization objectives. These goals, shared **Stela Ivanova, Policy Advisor on Industrial Decarbonization at the German Federal Ministry for Economic Affairs and Climate Action**, are designed in tandem with Germany's climate neutrality and renewable energy expansion targets, as well as with EU-level legislation and projects. As a member of the Industrial Deep Decarbonization Initiative, along with Canada, Germany works towards greater international cooperation on decarbonizing heavy industry, particularly in the areas of clean public procurement and harmonizing standards and definitions of low-emission products.

Indeed, without harmonizing these standards and definitions across Europe and North America, the transatlantic space could see increased difficulties in importing and exporting industrial goods and rapidly building out their respective green transitions.

KEY EVENT TAKEAWAYS

- ❖ Europe and North America must coordinate their industrial decarbonization strategies, including harmonizing standards and definitions for low-emission products.
- ❖ Demand-side policies must form a key part of countries' industrial decarbonization strategies, and international coordination on clean public procurement will be critical for creating much-needed markets for low-carbon materials.
- ❖ Federal governments must invest heavily in decarbonizing heavy industry and should coordinate directly with businesses on designing policy measures that will address industry needs for rapid and deep decarbonization.

Seeing is Believing – Lessons Learned from Germany’s Energy Transition from U.S. and Canadian Legislators

The Transatlantic Climate Bridge initiative emphasizes the importance of connecting policymakers and facilitating knowledge sharing to improve policymaking at the state and provincial levels. In this event, **Tobias Bernstein, Consultant at adelphi and Co-Lead of the Transatlantic Climate Bridge Programme Office**, spoke with three legislators from the United States and Canada who attended a study tour to Germany, facilitated by the Transatlantic Climate Bridge and the Council of State Governments – Midwest. The study trip focused on understanding Germany’s *Energiewende* (energy transition), its successes, ongoing challenges, and the development of technologies that help achieve German climate objectives.



Photo from left to right: Deb Andraca (on screen), Laura Tomaka, Mark Schreiber, Adrien Sala, and Tobias Bernstein
© Transatlantic Climate Bridge

Among the participants was **Representative Deb Andraca** from Wisconsin who highlighted Wisconsin’s clean energy plan, which aligns with bipartisan infrastructure laws and focuses on energy efficiency, renewables, and reducing reliance on out-of-state coal. Andraca acknowledged the value of visiting Germany and witnessing its successful transition, which aids in addressing clean energy skeptics back home. She also shared specific examples of Milwaukee’s initiatives in recycling and renewable energy, facilitated by knowledge sharing between Germany and the United States.

Adrien Sala, Member of the Legislative Assembly of Manitoba, expressed his gratitude to the Transatlantic Climate Bridge for organizing a transformative visit to Germany. He was impressed by the speed of change in Germany and its leadership in decarbonization and climate action. Sala highlighted the importance of political leadership and the economic development opportunity for Manitoba in transitioning to renewable energy and focusing on hydrogen.

“SEEING HOW A COMMUNITY HAS GONE FROM A DEPENDENCE ON COAL TO ACCEPTING THE TRANSITION HAS MADE IT MUCH EASIER FOR ME TO RELAY THAT TO MY CONSTITUENTS.”

DEB ANDRACA

“RIGHT NOW IN THE US, WE HAVE TO KEEP DEMONSTRATING THAT THIS TRANSITION IS NOT SOMETHING TO BE AFRAID OF. THERE ARE STILL A LOT OF BENEFITS TO THE STATE AND TO THE WORLD.”

MARK SCHREIBER

KEY EVENT TAKEAWAYS

Representative Mark Schreiber from Kansas mentioned Kansas' abundant wind energy resources and its transition to renewable sources, driven by industry and residents' perspectives. Schreiber highlighted the importance of personal experiences, industry engagement, and economic benefits in promoting climate and energy policies in Kansas.

The discussion touched on the political climate in Germany, the United States, and Canada. Bernstein mentioned that despite Germany not being a significant oil and gas producer, it still faces challenges related to coal mining and burning. However, Germany has committed to phasing out both coal and nuclear energy. Schreiber highlighted the adjustment in the Midwest, with oil, gas, and coal companies increasingly recognizing the need to reduce their carbon footprint. Sala mentioned the lack of political will as the main barrier in Manitoba's clean energy transition, despite its abundant resources.

The US and Canada have a long history of learning from Germany's energy transition. Especially key to facilitating this learning is knowledge sharing, networking, and policy development. Moving forward, states and provinces in North America can more fully roll out their own green transitions with greater political leadership, industry engagement, and economic benefits in driving the transition to renewable energy.



Photo from left to right: Laura Tomaka, Mark Schreiber, Adrien Sala, and Tobias Bernstein
© Transatlantic Climate Bridge

- ❖ The international exchange between American, Canadian, and German legislations allows for networking and knowledge sharing to improve policy making.
- ❖ Witnessing Germany's successful transition to renewables in-person is a useful tool in addressing clean energy skeptics in Canada and the US.
- ❖ Domestic political landscapes play a crucial role in shaping how green transitions develop and determine the policy mix that is viable in each country; as such, climate diplomacy must account for this when using best-practices from international partners for domestic policymaking.

Imprint

This report was prepared under the Transatlantic Climate Bridge project, which is supported by the German Federal Government. The report is the independent work and sole responsibility of adelphi and was neither commissioned by nor necessarily reflects the views of the Federal Government.

adelphi is the leading independent think-and-do tank in Europe for climate, environment and development. We are some 350 strategists, thought leaders and practitioners working at the local and global levels to find solutions to the most urgent political, economic and social challenges of our time. As a policy consultancy, we support a just transition towards carbon neutrality and sustainable, liveable societies. Our work is grounded in transdisciplinary research, evidence-based consulting and stakeholder dialogues. With these tools we shape policy agendas, facilitate political communication, inform policy processes and support decision-makers.

Prepared by:

Mary Hellmich, Tobias Bernstein, Trisha Kershaw, Hannah Dieterle, Dennis Tänzler

Legal Notice

Published by adelphi consult GmbH

For the texts in this publication, adelphi grants a license under the terms of [Creative Commons Attribution-No Derivatives 4.0 International](#). You may reproduce and share the licensed material if you name adelphi as follows: "© [adelphi](#), CC-BY ND 4.0". Photographs and graphics are not covered by this license. In case of doubt please contact adelphi prior to reusing the material.

adelphi consult GmbH

Alt-Moabit 91

10559 Berlin

Germany

T: + 49 30 89 000 68-0

F: + 49 30 89 000 68-10

E: office@adelphi.de

I: www.adelphi.de

© adelphi 2023