

A Decade After Paris As the U.S. Exits, Brazil and China Steps Up on the Global Climate Stage

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Ten years after the historic signing of the Paris Climate Agreement, the United States from the accord—a decision driven by shifting domestic political priorities—has cast a shadow over international efforts. But even as one of the world's largest emitters steps back, cooperation among other nations continues with renewed urgency.

At the forefront of this evolving climate landscape is Brazil, the host of the upcoming COP30 Climate Summit to be held in Belém this November. Far from retreating, Brazil is rising to the occasion, aiming to demonstrate that global climate ambition can—and must—endure, even in the absence of U.S. leadership.

From Engagement to Exit: U.S. Climate Policy Reversed

Once a climate leader, the United States is now walking away from the world's most important environmental agreements — again. What does that mean for the planet's future?

This marks a significant shift in U.S. climate policy under President Donald Trump, who, upon returning to the White House, initiated a broad rollback of international environmental commitments.

Since taking power, the Trump administration has launched a series of sweeping actions that have stunned allies, climate scientists, and environmental advocates worldwide:

- **Closure of USAID:** The U.S. Agency for International Development — a long-standing provider of green financing and climate aid — has been shut down, as confirmed in its 2023 Climate Strategy. USAID had directed over \$1.2 billion annually toward climate resilience, renewable energy, and sustainable agriculture across more than 80 countries. Its closure represents a considerable reduction in support for vulnerable nations tackling climate challenges.
- **Green financing rolled back:** According to the Environmental Defense Fund (EDF), billions of dollars in U.S. climate-related funding have been canceled. These funds had supported clean energy projects and infrastructure in the Global South and emerging economies.
- **Clean energy incentives paused or repealed:** Analyses from the Congressional Budget Office (CBO) show that several clean energy investments and tax credits have been frozen or eliminated. These actions may slow the U.S. transition from fossil fuels and potentially discourage global investors and markets looking for consistent climate leadership.
- **Exit from the Just Energy Transition Partnership (JETP):** The U.S. has withdrawn from JETP — a \$45 billion multinational initiative aimed at helping coal-dependent countries shift toward renewables. The move casts uncertainty over coal phase-out plans in countries such as South Africa, Indonesia, and Vietnam, where American expertise and funding had played an important role.

The ripple effects of these changes are being felt globally. Europe — long a climate action leader — now finds itself more isolated as the U.S. steps back. The Paris withdrawal and loss of joint green financing have complicated transatlantic cooperation, placing greater responsibility on the European Union and its member states to sustain climate diplomacy. EU leaders have expressed concern, seeing the U.S. shift as a setback for collective progress toward global climate goals.

Environmental organizations, including the World Resources Institute (WRI), stress that these are not just symbolic moves — they have real consequences at a time when global cooperation is more urgent than ever.

Europe's Green Transition at a Crossroads

Ten years after the historic signing of the Paris Climate Agreement, the EU is still striving to position itself as a key actor in global climate diplomacy and decarbonization efforts. Through ambitious initiatives such as the European Green Deal, Fit for 55 package, and climate finance contributions, the EU has signaled its intent to lead. However, this ambition is increasingly challenged by a convergence of economic constraints, political challenges, and diminished climate finance commitments.

The EU's green ambitions are being squeezed by difficult macroeconomic conditions. Inflation, while cooling from its 2022–2023 peak, has left behind tightened monetary conditions that limit public spending flexibility. Southern European economies—particularly Italy, Spain, and Greece continue to face high public debt burdens and sluggish growth. As a result, climate-related investments are increasingly being deprioritized in national budgets. Several member states have postponed or scaled back flagship green initiatives, for example, Poland and Hungary reallocated climate funds toward energy security projects involving gas and coal. Energy-efficiency retrofits and public transit projects have been postponed across multiple member state. Meanwhile, the EU faces a substantial funding gap in its green development efforts. According to the European Commission, the EU will require an additional €477 billion per year in green investments through 2030 to meet its climate and energy goals. Despite initiatives like the European Green Deal Investment Plan, which aims to mobilize at least €1 trillion in sustainable investments over the next decade, there remains a significant shortfall. Analyses suggest that the EU faces an investment gap ranging from €11.67 trillion to €16.32 trillion between 2020 and 2050.

Across the continent, a political backlash against climate regulations is growing. In Germany, the far-right Alternative für Deutschland (AfD) has amplified its platform by opposing bans on fossil-fueled heating systems and new emissions standards. This sparked widespread protests from environmental and climate activists. In the Netherlands, the political fallout from ongoing farmer protests over nitrogen reduction measures and land-use regulations has severely weakened support for the EU Nature Restoration Law. The above impediments could undermine its EU's ability to reach ambitious outcomes or push for stronger international commitments.

A Leadership Role in a Fractured Landscape

President Luiz Inácio Lula da Silva has made climate diplomacy a central pillar of Brazil's international strategy.

From Pledge to Performance: A Data-Driven Turnaround Brazil's enhanced Nationally Determined Contribution (NDC), submitted in early 2025, sets an ambitious target to cut net greenhouse gas emissions by 59% to 67% by 2035 from 2005 levels. This translates to a ceiling of 1.05 billion tons of CO₂-equivalent—down from roughly 2.5 billion tons in 2005. "Brazil's updated targets are not just numbers—they represent a strategic reorientation of our development model," said André Corrêa do Lago, Brazil's former climate ambassador and current advisor to the Ministry of Foreign Affairs. "We are aligning climate action with economic opportunity, particularly in the Amazon region."

Brazil is mobilizing regional and international support for stronger NDCs. Sources in Brasília confirm that behind closed doors, Brazilian diplomats are urging China, India, and EU member states to raise their climate ambitions ahead of COP30. In meetings with EU leaders, Lula has emphasized that climate leadership is not a privilege of the North but a shared responsibility. "In a world of divided politics, Brazil is becoming a force for unity in climate action," says Dr. Sofia Klein of the European Climate Foundation. "Its success is not only in hectares protected or gigatons reduced—but in proving that climate credibility is possible for the Global South."

China's 2025 Green Transformation: Ambition, Finance, and Global Impact

Green projects around the world have driven remarkable progress in renewable energy, carbon reduction, and climate resilience, especially in developing countries. However, the United States' abrupt withdrawal of climate finance in 2025—including cuts to the U.S. Agency for International Development (USAID)—disrupted key initiatives and forced many countries to seek alternatives. In this vacuum, China has taken a series of decisive actions to fill a critical gap. Its strategy provides a template for maintaining momentum for a low-carbon future, solidifying its leadership in the global green transition.

Chinese President Xi Jinping announced at the Global Leaders' Online Climate Action Conference on April 23, 2025 that China will set new emissions reduction targets before the 30th Conference of the Parties to the United Nations Framework Convention on Climate Change in November, achieving emissions reductions "across the entire economy, including all greenhouse gases" by 2035. Brazil, which is hosting COP30, praised China's increased ambition and believed that the full emission nationally determined contribution is a key step towards meaningful global progress. Pacific island countries and African countries also affirmed China's approach, noting that it sets an important precedent for emerging economies to balance development and decarbonization. UN Secretary-General António Guterres stressed that China's clear commitment to cover all greenhouse gases will "inject new impetus into multilateral climate efforts."

At the same time, China has taken the lead in launching green financial instruments overseas. In April 2025, China successfully issued RMB 6 billion of green sovereign bonds for the first time in London, UK.

International investors subscribed enthusiastically, with a total subscription amount of RMB 41.58 billion, 6.9 times the issuance amount. By using the global capital market for green financing, China has diversified its funding sources and demonstrated its confidence and determination to develop a green transformation. Analysts expect that this issuance will be the first of a series of offshore green bonds, which is expected to raise a large amount of funds for climate-resilient infrastructure and renewable energy projects at home and abroad. China has provided a model for using financial innovation to accelerate energy transformation. Its dual strategy indicates both opportunities in the race for a low-carbon economy and the urgency of green transformation.

Company Contact:

[Kevin Deans](#)

E. kevindeans303@gmail.com

W. <https://None>

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