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Moscow's Climate Change Dilemma

It is not the Biden administration that Russia should be concerned about when it comes to climate, but its own inaction, which Moscow risks paying for in both economic and security terms over the coming decade.

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Sergei Vedyashkin / Moskva News Agency

Climate change seldom makes it onto the U.S.-Russian talks agenda, but that's about to change. It's an unavoidable issue that could either exacerbate bilateral tensions further, or present new opportunities for cooperation.

The environment is already materializing as a top cross-agency priority for U.S. President Joe Biden. Economic landscapes are going to change substantially in the countries attempting to transition to net-zero carbon emissions, and they will shape supply and demand dynamics in geoeconomics. Geopolitical competition will be defined by it as various powers vie for

transition models that lead to comparative advantages in the creation of new markets and partnership opportunities. China, the United States, and the EU are the major powers in this race for now, while Russia remains reliant on its hydrocarbon-exporting politico-economic paradigm.

Accompanying this structural change is another dynamic: with the appointment of John Kerry as a climate czar sitting on the U.S. National Security Council, climate change will be treated as a matter of national and foreign security. This effectively means that climate spoilers will be eventually considered as a new threat category to the United States and to global stability. Together, these changes will have a significant impact on Russia in the years to come.

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Russia is in a seemingly enviable position for now under the Paris agreement: with current emission benchmarks set to compare with emissions in 1990, Russia benefits from carbon credits. It uses its emission records following the collapse of the Soviet Union to keep on emitting, and therefore maintain its revenues from fossil fuel extraction. But Russia is the fourth largest greenhouse gas emitter, and as such is one of the biggest spoilers of a key international agreement that will make or break the future of humanity.

In spite of confusing public announcements, Russian President Vladimir Putin is well aware of the dangers of climate change. Last summer saw some of the most devastating fires in Siberia ever recorded, leading to changes in local climates, pollution, air quality, and probably, in years to come, to protracted drought. Permafrost is thawing faster than expected, causing land instability, the release of methane (therefore accelerating feedback loops at global levels), and potential hazards in the form of reemerging deadly viruses (anthrax outbreaks have peppered the news over the last few years). These concerns are addressed in domestic documents, but not in international fora. On the global scene, Moscow sees attempts to link climate change with security issues as a threat to its own security and economic stability, unsurprisingly.

Worryingly, while Russia acknowledges the dangers of a rapidly warming world, it does not appear to be preparing for a transition. Putin has even hinted at a potential brighter future for Russia thanks to climate change: one in which it is an agricultural powerhouse in a famine-stricken world; and where the Arctic makes Russia's strategic position in trade routes indisputable. Both of these projections are mere smokescreens.

The current pace of global warming (as evidenced by the permafrost thawing and Siberian fires) is such that the world may be headed toward a catastrophic runaway climate change scenario, hitting a 3°C increase by 2060 at the latest. In this scenario, the world in which Putin envisages Russia as a beneficiary of global warming simply will not exist: global trade will collapse, millions will be displaced every year, and the current world order as we know it will be gone. Notions of geopolitical competition will be outdated. Human struggles for adaptation will be a dominant feature.

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Come

It is in Russia's short- and long-term interests to transition, and to demonstrate it can co-lead with other international powers on climate action. This is the only way that Russia can hope to maintain a power status in the future.

There are three important aspects of Biden's climate plan that will impact Russia.

It is likely that the United States will seek to create additional ambitions for the UN Climate Change Conference (COP26) summit in Glasgow at the end of 2021. The United States, the UK, and the EU will collectively lead a diplomatic effort to double down on climate action ambitions, and seek to engage countries that have not made a pledge equivalent to the environmental challenge (including Russia).

Alongside this summit, Biden has committed to pursuing strong measures including in trade policy to incentivize climate action and/or punish lack thereof. In light of the weight of the U.S. economy in international markets, Washington will create a pull effect as soon as it starts merging trade and climate policy, including in the form of regulatory standards with regards to methane and carbon dioxide emission ceilings.

In addition, President Biden plans to create a new category of State Department reporting in the form of a new Global Climate Change report, at the same level as human trafficking and human rights reporting.

This is significant, as it may mean that over time, failure to act on climate transitions will lead to punitive sanctions. On his first day in office, Biden imposed a temporary moratorium on extractive leasing in the Arctic National Wildlife Refuge. This will likely become permanent at a later stage, at which point he will seek to engage Arctic Council members on a global moratorium on offshore drilling in the Arctic region.

Stability in the Arctic is essential: not just in terms of the environment and energy, but also in terms of security, and the United States will not approach the issue lightly. Rather than perceiving U.S. efforts as a direct threat to its interests, Russia could take this as an opportunity to cooperate with the United States going forward, and exercise its influence on the Arctic for deconfliction and climate action.

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Then there is the issue of liquefied natural gas (LNG) and the Nord Stream 2 pipeline from Russia to Germany. The future of the pipeline is currently hanging in the balance. Under former U.S. president Donald Trump, there was bipartisan support to stop its final completion for geostrategic reasons. In the past, Biden has also sided with climate campaigners over the need to bury the project to avoid long-term European dependency on fossil gas. At the same time, LNG has become an important U.S. export commodity, including to the EU. Yet LNG releases both carbon dioxide and methane emissions, which Biden aims to strictly regulate at home. It is therefore unclear which way Biden will go on LNG, and how this will impact Russia. He will either leverage LNG toward Europe, thereby competing fiercely with Russia while compromising on his climate ambitions, or he will prioritize climate change, and Russia will

not have a tough U.S. competitor for its share of the gas market. In either case, Russia should be more concerned about European energy polices, which are moving slowly but surely toward banning fossil fuels.

It is not the Biden administration, therefore, that Russia should be concerned about when it comes to climate, but its own inaction, which Moscow risks paying for in both economic and security terms over the coming decade.

The European Investment Bank has signaled a move toward stopping funding for large-scale heat production, which includes gas products. Renewable energy markets will grow, making energy cheaper, and eventually replacing all fossil fuels. The EU and the United States are both talking about carbon taxes and carbon adjustment mechanisms, which will impact Russian markets. Markets and public institutions are moving toward decarbonization and demethanization. Russia may benefit from last price hikes coming from long-lasting fossil dependency, but the winds will eventually change. By maintaining its economic dependency on hydrocarbon extraction and pollution, it is sowing the seeds of its eventual collapse.

Rather than seeing Biden and his climate policy as a potential threat to Russia's economy and standing in the world, therefore, Moscow could decide to change strategy and design its own path to enable it to compete in a transitioning world. It is ultimately up to Russia.

Ideally, Moscow should demonstrate quickly that it is willing and able to cooperate with the Biden administration on climate action. It can do so in many ways, starting with ceasing disinformation campaigns aimed at the United States and the EU, including on climate change. Russia can make itself ready to engage with the United States on protecting the Arctic, and, naturally, it can also start working on upping its nationally determined contributions for the Paris agreement ahead of COP26.

Related article: Arctic Likely to See Ice-Free Summers Despite Climate Action, Study Says

This is something that Washington can and should help with. The United States and Russia are top contributors to climate change because of their fossil fuel-exporting economies. Rather than hesitating whether or not to leverage LNG exports in the U.S. foreign policy toolkit, Washington could approach Moscow with a proposition for an emissions reduction treaty, following a logic similar to nuclear disarmament, thereby establishing clear benchmarks for decarbonization that should be incentivized: in this case, by an economic plan to support Russia's transition.

This would be bold and unexpected, which is exactly what is needed to overcome geopolitical deadlock. Russia and the United States both need this—but Moscow certainly more so than Washington.

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