As the next administration assesses the state of the relationship with China, an agenda of substantive engagement on clean energy, climate, and global green recovery could help to begin to rebuild a relationship currently characterized by geopolitical, economic and technological tension and competition; intractable differences on trade, human rights and regional security; and the deepest levels of mistrust since normalization. While repairing the critical strategic U.S.-China relationship will take time and investment, the countries’ positions as the world’s two largest greenhouse gas emitters and the urgent imperative for the world to reduce global carbon emissions to net-zero by 2050, require re-engagement on this existential challenge. Jointly addressing climate change may also present opportunities for the no-doubt difficult process of re-building the overall US-China relationship. Another issue that may unexpectedly create windows for policy consultation and potentially coordination in the near term is addressing the economic impacts of COVID-19. An affirmative decision by the world’s two largest economies to pursue economic recovery strategies centered on rapid regrowth of climate- and health-friendly economies could serve as a positive step at the early stages of resetting the relationship and demonstrate a viable sustainable recovery path for other countries.

The China agenda could be focused around three primary strategies:

1. **Strengthen the ambition of China’s 2030 Paris Agreement targets**;
2. **Undertake parallel initiatives that advance U.S. interests**; and
3. **Green overseas investments including the Belt and Road Initiative (BRI)**.

Enhanced U.S.-China climate action can help the U.S. achieve a number of benefits, including:

- Demonstrating progress on emission reductions in China, neutralizing the argument that the United States should not act because China is not acting;
- Leveraging respective actions by the world’s two largest emitters to drive higher international climate ambition by other nations to achieve the Paris Agreement’s temperature goals; and
- Expanding the market for U.S. clean technologies in China.

For China, a “reset” with the U.S. on climate change could also deliver significant benefits:

- Supporting reform efforts within China for more ambitious coal retirements, power sector reform, and other climate-friendly activities that would be beneficial to public health, economic development, job creation, grid stability, and other development goals;
- Reducing China’s clear and acute physical vulnerabilities to climate change impacts; and
- Demonstrating to global audiences that the world’s largest emitter is willing to cooperate to reduce emissions at home and abroad.
The next President can return America to a position of international climate leadership. As the next administration considers how to review and reset the U.S.-China relationship on climate, there are a number of options for engagement – from information exchange to policy coordination to technical cooperation that respects intellectual property. Resetting U.S.-China engagement on climate change is in the U.S. interest and will require some incremental confidence-building measures at the outset. It will also require careful work and creative thinking about bold initiatives that can generate excitement and interest. Below are some possible areas where that can happen:

**Green Stimulus:** Both countries will have transitioned from designing to implementing coronavirus-related economic recovery measures. They could share information and best practices through bilateral dialogues on prioritizing climate-focused, sustainable investment in the implementation of existing stimulus measures, to emphasize measures that help achieve climate co-benefits. Demonstrating parallel efforts in both countries for green recovery, including on some of the initiatives below, would leverage leadership for higher global impact.

**Creating Employment Opportunities:** Although they are facing different political and economic circumstances, both countries face difficult worker and community transition challenges as part of their deep decarbonization strategies, particularly in the respective fossil fuel-producing regions. Both sides could benefit from an exchange of information on just transition policies and programs.

**Coordinated Zero-Emission Vehicle (ZEV) Policy Announcement:** The two leading economies could leverage independent, but coordinated, announcements of longer-term goals for clean technologies, to provide commercial signals to manufacturers and financial institutions. For example, the two governments could issue announcements of plans to phase out internal combustion engine (ICE) personal vehicles production by 2035.

**Greening overseas investments:** The U.S. must engage China early on in dialogues about establishing greener frameworks for overseas projects, especially through China’s Belt and Road Initiative, which has primarily supported fossil fuel projects in the energy sector. Both governments, which claim to support increased sustainable energy development in developing country markets, could commit to increase and harmonize their respective capacity-building programs and overseas sustainable investment criteria, in such areas as integrated energy planning, power sector reform, distributed generation, procurement, transparency, standards, etc., to support low carbon growth in developing countries. At the same time, the U.S. should work with other countries to encourage China to implement its stated objective to green the BRI, and to offer those countries that are considering BRI-funded high-carbon projects the better option of green alternatives.

**Global Leadership in Ambitious Power Sector Pathways:** In both the U.S. and China, the power sector is the lowest-cost near-term decarbonization opportunity. China has issued ambitious electricity sector initiatives critical for decarbonization. The United States should encourage these initiatives to stay on course, as implementation has been uneven and China is considering
a significant expand of its domestic coal power fleet. Globally visible U.S.-China leadership—including leader-level announcements—to demonstrate ambitious power sector transformation can serve national interests and set higher global expectations and norms on fossil fuels and clean energy. Particular points of emphasis could include: a) adopting similarly ambitious phase-out schedules, including interim targets, at national and subnational level, for coal and gas power plants b) technical dialogues on integrating the high penetration of renewables into the grid, vehicle-to-grid integration, etc.; and c) information exchanges on grid stability planning and transition pathways. Participation in a policy and technical dialogue would also enable the United States to learn from the deployment experiences in China’s renewable energy sector—the world’s largest.

**U.S.-China subnational efforts:** The past few years have demonstrated the need to integrate ambitious bottom-up climate action with national ambition, leveraging existing subnational momentum to support enhanced domestic action. Sub-national dialogues are one of the few places where there can be joint ambitious work. The next Administration can support this by building on partnerships, catalyzing information sharing, and supporting platforms for subnational actions among states, provinces, cities, and others. California and a few other states have established working relationships in China on climate, demonstrating and accelerating successful climate policies, through technical exchange, pilot projects, and regular events such as the U.S.-China Climate-Smart/Low-Carbon cities conferences. The Administration can empower subnational cooperation, leveraging ambitious subnational decarbonization targets and policies being adopted across the United States.

**Paris Agreement NDC targets:** The joint announcement of climate targets by the United States and China helped spur announcements from other nations prior to the Paris negotiations. Because of the year long delay of COP 26 in Glasgow, most major emitters will likely delay their announcement of enhancement of their commitments under the Paris Agreement to 2021. This will allow time for announcement of a new U.S. target under Paris for 2030. The United States and China should lead by example with more ambitious climate targets that will put the world on a safer climate trajectory, with the U.S. taking a proactive role in encouraging China to increase the ambition of its next NDC.

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1 This section is based upon input from the following individuals (section leads are noted with an asterisk and additional contributors are listed in alphabetical order): Han Chen (Natural Resources Defense Council)*; Nate Hultman (University of Maryland)*; Fan Dai (California-China Climate Institute); Barbara A. Finamore (NRDC); Daniel Kammen (University of California, Berkeley); Joanna Lewis (Georgetown University); Andrew Light (World Resources Institute); Taiya Smith (Climate Leadership Council); Erica Thomas (Information Technology Industry Council); Thom Woodroofe (Asia Society Policy Institute); and Alan Yu (Center for American Progress). The views reflected in this document are not intended to be consensus perspectives and do not reflect the views of the individuals’ organizations.