

REBOOTING US-CHINA CLIMATE ENGAGEMENT

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EXECUTIVE SUMMARY

The deterioration of U.S.-China relations has complicated the capacity of both sides to work together on climate change, yet such renewed engagement is vitally important. Reviving climate coordination will depend both upon getting the mix of competition and collaboration right in the overall relationship and upon the extent to which both countries are prepared to dramatically ramp up their climate action. Vice President Biden has made clear his commitment to putting the United States on a path to reaching net-zero emissions by 2050. China's record on the clean energy transition is mixed — the world leader in renewable energy, but still doubling down on coal at home and abroad. Biden will need to make clear to President Xi Jinping the centrality of climate change to his national security vision and the mutual opportunity for the United States and China if they are ready to embrace aggressive climate action. At the same time, the United States will need to deploy additional tools, working closely with Europe and other allies, to demonstrate that anything less than a genuine recognition of the climate imperative will be unacceptable.

During the Obama administration, the U.S.-China climate relationship was central to the global progress that culminated in the Paris climate agreement. The administration started developing that relationship right away, from Secretary Clinton's first trip to China in February 2009, to my first meeting in March 2009 with my Chinese counterpart, Minister Xie Zhenhua, where I proposed trying to make climate a positive pillar in an often-fraught relationship, through Secretary Kerry's establishment of a new U.S.-China Climate Change Working Group, the historic Joint Announcement by Presidents Obama and Xi in Beijing in November 2014 and the Paris Agreement itself a year later. The nature of our cooperation was never easy; Minister Xie and I were still battling down to the last two days in Paris in 2015. But the two sides came

to understand, over time, that at the end of the day agreement would be reached.¹

Of course, Donald Trump pulled the plug on U.S.-China climate engagement. If Joe Biden wins the election in November, it will be vital to again work effectively on climate change with China because given our size — China accounted for 27% of global greenhouse emissions in 2019, the United States for 13% — our influence and the power of our example, there is simply no way to contain climate change worldwide without full-throttle engagement by our two countries. And yet reviving our climate cooperation will be no mean feat in light of both the deterioration of our overall relationship and the evolving landscape of the climate challenge.

THE BROADER BILATERAL RELATIONSHIP

It is by this time obvious that the U.S.-China bilateral relationship has declined significantly in recent years, and not just because of Donald Trump. People on both sides of the aisle in the United States, including many of China's historic friends, are distressed about a range of Chinese behavior, from the destruction of Hong Kong's autonomy, to aggression in the South China Sea, the persecution of the Uighur minority, President Xi's broad authoritarian crackdown, the elimination of limits on his term in office, continued unfair trade practices, and more. These concerns about China are serious and cannot be wished away. But the call by some for a new Cold War or strategic competition across the board is a mistake. The United States will have to learn to manage a relationship marked by both competition and collaboration, working with allies to stand up against unacceptable Chinese behavior where necessary, while seeking to collaborate where possible and necessary. Unless the right mix of competition and collaboration can be found, renewed climate cooperation won't get off the ground. And that would have grave national security

consequences in the United States and around the world. You have only to look at the authoritative reports on the enormity of the climate risk, including the “1.5°C Report” of the UN’s Intergovernmental Panel on Climate Change (IPCC) in 2018, among others; or the warnings from institutions like the Pentagon and the intelligence community; or the crescendo of monumental climate events around the world, from wildfires in Australia and California to heat waves, floods, storms, and rapidly melting ice at our poles to see that what many once regarded as an environmental concern is in fact a full-fledged national security threat.

A DIFFERENT CLIMATE LANDSCAPE

Reviving our climate cooperation will also depend upon the extent to which our two countries are prepared to bring an adequate level of commitment to the task of tackling climate change. The challenge of rapidly decarbonizing the global economy has grown even more urgent since the Paris Agreement was reached in 2015, with a growing consensus of climate scientists and experts persuaded that the world needs to pursue not just the Paris goal of holding global average temperature to “well-below 2°C but the Paris best-efforts goal of holding the increase to 1.5°C.² Vice President Biden has made clear his commitment to reaching net-zero emissions by 2050 in pursuit of the 1.5°C target. Executing on that commitment will require sustained executive and legislative action and a broad mobilization of national will. It is easy to dismiss the kind of effort required here as impractical. But before pronouncing judgment, it must be asked, “compared to what?” Most of the technology needed already exists, along with the innovative capacity to create more; it is clear which policy levers need to be deployed; the costs are affordable, and failing to act will cost much more. Knowing all this, will America look at the metastasizing threat and commit to conquering it or look away?

But what about China? To date, China’s record on the transition to clean energy is mixed. It is by far the world leader in the deployment of solar and wind power; in 2019, more electric vehicles were sold in China than the rest of the world combined; and 98% of the world’s 500,000 electric buses operate in China. The Chinese government has put in place a wide range of policies to propel these rapid advances, and insiders there claim that China is committed to a renewable energy future.³ At the

same time, China’s coal infrastructure is immense and still growing. Although its coal consumption in 2019 fell as a percentage of primary energy (down to around 58%), it still consumed more coal than the rest of the world combined. Even more concerning, China is actively developing major coal projects both at home and abroad. With a current coal-fired power plant capacity of around 1040 gigawatts — about equivalent to the entire U.S. electricity system — China has roughly another 100 GW under construction and a further 150 GW on the drawing board (think of 1 GW as two full-scale, 500-Megawatt power plants).⁴ Moreover, studies indicate Chinese support (development, construction, financing) for more than 100 GW of coal plants under construction around the world along the massive Belt and Road Initiative.⁵ And, remarks by Chinese leaders over the past year have not been encouraging, including Premier Li Keqiang’s call for increased development of China’s coal resources at an October 2019 meeting of the National Energy Commission and at the May 2020 National People’s Congress.⁶

The magnitude of China’s embedded coal infrastructure might lead one to believe that change at the speed and scale required is just undoable. But that isn’t so. As an example, two expert analyses in the past year suggest that it would be technically and economically feasible for China to largely phase out its coal infrastructure by 2050, assuming they stop adding to their fleet.⁷ With tremendous effort, to be sure, but, of course, that’s the point. To take a global energy system that relies on fossil fuels for around 80% of primary energy down to net-zero by approximately 2050, a fundamental transformation at speed and scale will be required, including China, the United States, Europe and others.⁸ Nobody would even contemplate such a rapid transformation were it not that a more relaxed path threatens grave danger to our economic, national security, and general well-being, if not outright catastrophe.

China’s leadership will need to understand, before too long, that there is no way for China to maintain and enhance its standing in the world, with rich and poor countries alike, if climate change starts to wreak widespread havoc and China stands out as the dominant polluter who refused to do what needed to be done. If the world arrives at that dangerous place, the conventional rhetoric of UN climate negotiations — where all blame was traditionally cast upon developed countries and

developing countries, as listed in the original 1992 treaty, were held harmless — will be unavailing. The audience, at that point, will be the world, from citizens to leaders, not UN negotiators, and China, at that point, will be the world’s largest economy. Citing chapter and verse from old climate agreements to justify inadequate action won’t work.

RESTARTING CLIMATE COOPERATION

To reboot climate cooperation with China, a new Biden administration will need to send the right signals early on. First, it will need to convey its determination to meet China in the middle to arrest the downward slide in the broader bilateral relationship and find a new *modus vivendi*, with climate change identified as a key issue on which the two sides should cooperate. Second, it will need to develop a set of strong policies demonstrating its commitment to transformational change. When President Obama was seen to “walk the walk” at home on climate, especially in his second term, it translated directly into international leverage. This will be no less true for Biden. The Chinese know he has made big promises on the campaign trail and will want to see whether he can deliver. Third, Biden will need to make clear that climate change will be an organizing principle of his national security strategy, not simply an issue to which his national security team give occasional lip service.

Biden will also doubtless plan a summit with Xi in his first year. The agenda for their meetings will be crowded, but climate change will need to be a featured topic, both to convey that Biden is serious about it and to provide the time they’ll need for meaningful discussion. Biden should explain how seriously he views the issue, the transformational goals he embraces, the benefits he sees economically and politically in taking this path, and the enormous win-win opportunity for the United States and China if they can partner together. When Presidents Xi and Obama joined hands in their 2014 Joint Announcement, it paved the way for the Paris Agreement. The challenge now is even greater — to deliver on the promise of Paris.

There is a solid foundation on which to build new and expanded cooperation, starting with the US-China Climate Change Working Group (CCWG). With our global focus on economic transformation, the CCWG could become a key venue for sharing information on our decarbonization plans and collaborating on

low or no-carbon technologies and policies. Both countries could also work together to revive the Major Economies Forum, meeting at the leader level every other year and at the “Sherpa” level in between. And the U.S. and China could collaborate on ongoing issues related to the Paris regime.

ADDITIONAL TOOLS

A new Biden administration will also need to deploy a broader range of tools to help shape China’s approach on clean energy and climate change. The administration should conduct an active climate diplomacy aimed at building global support and spurring global action for transformational change at speed and scale. Europe has long been a climate ally of the United States, and now, with the drive to transform the global economy taking center stage, our alliance should become even closer. A Biden administration should also rekindle our traditional climate alliance with Canada, Mexico, Japan, Australia, and New Zealand, as well as pick up the torch with crucial international players such as India, Brazil, South Africa, and Indonesia. And a new Biden administration, with its allies, should work on a diplomatic initiative inspired by the so-called “High Ambition Coalition” — a gathering of island states, progressive Latin nations, less developed countries and others — which played a crucial role at the Paris conference in 2015. Such an initiative, outside of but supporting the UNFCCC, could be launched at the leader level and focus on building political support and moral authority for the transformational change required.

The administration should also work with the European Union on structuring trade adjustment measures designed both to support low-carbon exports and to impose tariffs on high-carbon goods to prevent countries that lack adequate carbon controls from gaining an unfair trade advantage.

CONCLUSION

If Joe Biden wins in November, a great deal will be riding on the renewal of the U.S.-China climate relationship. The complications are plain to see — the tense state of the overall relationship; the challenges Biden will face in achieving necessary domestic progress on climate; and the step change implicit in what China needs to do to meet this moment. But the dangers of failing to revive climate cooperation are unacceptably high. America must get this right.

REFERENCES

- 1 This paper repurposes the author's contribution to the Brookings Institution's Global China series. See Todd Stern, "Can the United States and China reboot their climate cooperation?" (Washington, DC: The Brookings Institution, September 2020), <https://www.brookings.edu/articles/can-the-united-states-and-china-reboot-their-climate-cooperation/>.
- 2 The Paris Agreement calls for holding the increase in global average temperature to "well below 2°C above pre-industrial levels" and pursuing best efforts to hold that increase to 1.5°C. See "Paris Agreement to the United Nations Framework Convention on Climate Change," T.I.A.S. No. 16-1104, Dec. 12, 2015. https://unfccc.int/sites/default/files/english_paris_agreement.pdf.
- 3 David Sandalow, "China's Response to Climate Change: A Study in Contrasts and a Policy at a Crossroads," (New York: Asia Society, July 30, 2020), <https://asiasociety.org/policy-institute/chinas-response-climate-change-study-contrasts-and-policy-crossroads>.
- 4 "A New Coal Boom in China." *Global Energy Monitor*, June 2020, <https://globalenergymonitor.org/wp-content/uploads/2020/06/China-coal-plant-brief-June-2020v2.pdf>.
- 5 Sandalow, "China's Response to Climate Change."
- 6 Ibid.
- 7 Ibid. See also Fredrich Kahrl et al, "Working Paper 007: Sunsetting Coal Power in China," Lawrence Berkeley National Laboratory, September 2019, <https://eta.lbl.gov/publications/working-paper-007-sunsetting-coal>.
- 8 The "net" in the net-zero formula is important. Some amount of carbon emissions, yet to be determined, can be captured and either used or stored, so net-zero would allow for some ongoing emissions, but, for a number of reasons, the safe assumption is not very much.