Bilateral Cooperation between China and the United States: Facilitating Multilateral Approaches to Climate-Change Policy

This is a new initiative conducted by the Harvard Project on Climate Agreements (Prof. Robert Stavins, Director), in collaboration with the National Center for Climate Strategy and International Cooperation of the National Development and Reform Commission (Dr. Zou Ji, Deputy Director General).

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The initiative builds upon research in economics and other disciplines and on previous experience in bilateral cooperation between China and the United States with regard to energy and climate change policy. The initiative will suggest next steps for bilateral cooperation and suggest how bilateral cooperation may facilitate multilateral cooperation for the mitigation of climate change. The initiative will draw, in part, upon the extensive research already conducted by the Harvard Project on Climate Agreements since 2006. The new initiative includes a research workshop in Beijing in June 2015, a panel at the Twenty-First Conference of the Parties of the United Nations Conference of the Parties (COP) in December 2015 in Paris, and a strategy to communicate the results of the research to policy makers and climate negotiators.

The project focuses on three topics:

I. Collaboration between China and the United States with regard to standards and procedures for accounting for emissions and for measuring progress in achieving Intended Nationally Determined Contributions (INDCs). Such standards and procedures could help advance:

   A. The equity of the Paris agreement—including as elaborated by COP decisions after 2015—by making possible more accurate comparison of effort;

   B. The use of domestic market mechanisms and the crediting of these toward INDCs;

   C. Linkage among emissions-trading systems and among heterogeneous policy systems. Both types of linkage would reduce the cost of abatement in respective jurisdictions and would be facilitated by accurate accounting for greenhouse-gas emissions;

   D. Increasing ambition over time. Most Parties to the UNFCCC would welcome increased aggregate ambition over time. Collaborative efforts to develop standards and procedures for accounting for emissions and for measuring progress in achieving INDCs would be important for the development of an equitable collaborative process for individual Parties to increase ambition over time.

II. Collaboration between China and the United States with regard to the design and implementation of cap-and-trade systems. It will be valuable to study in greater depth how China and the U.S. can collaborate specifically in this area, and to examine similarities and differences between their respective cap-and-trade systems.

III. The intersection of trade and climate policy: How China-U.S. trade might be affected by domestic policies and international agreements (bilateral and multilateral) to reduce greenhouse-gas emissions; how China and the United States can collaborate to magnify possible trade benefits and reduce possible trade risks of the movement toward low-carbon societies.