

OPINION

## A Vital Year Ahead for U.S.-China Climate Engagement

Disagreements loom on how to fund the global fight against climate change, but there's plenty of room this year for both countries to entrench recent progress in their cooperation.

BY HERBERT CROWTHER AND CHENGKAI XIE — MARCH 3, 2024

CLIMATE

ENERGY

POLITICS



John Kerry, U.S. Special Presidential Envoy for Climate, and Xie Zhenhua, then China's Special Envoy on Climate Change, at Sunnylands in Rancho Mirage, California, November 2023. Credit: Chinese Ambassador to the U.S., Xie Feng, via X

On the surface, 2024 looks like being a quiet year for engagement between the U.S. and China on climate issues. The looming U.S. elections mean major new agreements are unlikely, while the departure of two elder statesmen of climate diplomacy — the U.S.'s John Kerry and China's Xie Zhenhua — suggests a renewal of green trade tensions may become harder to avoid.

But *below* the surface, 2024 will be a very important year. Most notably, it will offer both sides the chance to implement climate agreements made last year. Much of this work may not generate headlines — but it will help define the basis of future U.S.-China engagement, regardless of the U.S. election result in November.

To best understand the opportunity that this year presents, it is necessary to view this year in the context of the last three years of U.S.-China climate negotiations.

In 2023, the U.S. and China made strides in climate coordination, culminating in the Sunnylands Statement in November. Sunnylands created a new framework for climate commitments from both countries, and contributed to a successful COP28 later that month in Dubai. Chinese climate negotiator Su Wei even said the U.S. and China used the “consensus” of Sunnylands to enable the adoption of COP28’s final language of “transitioning away from fossil fuels”.

This was a notable step after 2022, when then-House Speaker Nancy Pelosi’s visit to Taiwan stalled much of the climate cooperation that had resulted from the Glasgow Declaration signed by the U.S. and China in late 2021. While some in Washington believe that Beijing’s intentions in climate engagement are partially to distract from other areas of potential disagreement, the Biden administration’s approach to climate engagement (especially in 2021 and 2023) has not stopped it from adopting more hawkish actions in non-climate areas, including chip controls and trade restrictions.

If an unrelated incident that imperils climate discussions (like the Pelosi visit) can be avoided in 2024, several areas of climate policy coordination could see further progress.



An excerpt from the Sunnylands Statement, released November 14, 2023. Credit: [State Department](#)



John Kerry and Xie Zhenhua at COP28 in Dubai, UAE, December 13, 2023. Credit: [@ClimateEnvoy via X](#)

U.S.-China working groups set up at the end of 2023 will be vital to further advances in climate engagement. Among these is the “Working Group on Enhancing Climate Action in the 2020s”, initially conceived in 2021 but delayed in 2022 because of the Pelosi visit. This year will be its first full year of operation, while its four subgroups (on Energy Transition, Methane, the Circular Economy, and Local Cooperation) will also need to phase into action.

This working group will help formalize U.S.-China climate engagement in 2024, and will provide venues for both sides to voice policy concerns ahead of events like COP29 in Azerbaijan’s capital Baku this November. The subgroups, meanwhile, will create more exchanges that are not as dependent on high-level political guidance from the likes of Kerry and Xie. Improving lower-level connections will help both sides be better equipped for engagement beyond 2024.

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Another likely area of engagement in 2024 will be subnational cooperation — an idea previously outlined in *The Wire* by Edmund Downie. California, for example, has emerged as a leader in championing U.S.-China subnational climate collaboration, dating back to Governors Jerry Brown and Arnold Schwarzenegger. As the

first state to develop comprehensive reduction strategies for solid waste methane, California can work with Chinese provinces to conduct pilot projects in related sectors, as China confronts its methane emissions more proactively. Beyond methane, Governor Gavin Newsom’s visit to China last October saw MOUs established with provinces such as Guangzhou and Jiangsu covering carbon markets, air pollution and biodiversity.

As part of this, subnational actors like university research institutes will be pivotal in facilitating “people-to-people” exchanges in the climate space, which will likely gain more prominence in 2024. Expanding “people-to-people” exchanges has been one of the consistent themes of Chinese official rhetoric since the Woodside summit in November 2023 — meaning subnational and climate-oriented exchanges will likely benefit from strong political support in China.

Beyond policy coordination, 2024 could also bring opportunities in specific areas of green industry. Carbon capture, utilization, and storage (CCUS) looks particularly promising, as an area where the U.S. has a stronger policy environment and industrial footprint than China — unlike most other green technologies. The Sunnylands Statement includes a commitment from the U.S. and China to build five CCUS projects each by 2030. As China makes plans to fulfill this commitment, it could open opportunities for U.S. firms to pursue projects in China, and to learn from U.S. policy instruments like the “45Q” tax credit (which provides guaranteed compensation to CCUS projects). Constructive engagement in this sector would also be received positively in Washington.



The Illuminate USA factory in Pataskala, Ohio, is a joint venture between Invenery, and Chinese solar panel manufacturer [LONGi Green Energy](#).  
Credit: [Illuminate USA](#)

Similarly, 2024 will be an important year for Chinese green manufacturers setting up facilities in the U.S.. This is especially the case for large Chinese solar companies, several of which announced new U.S. investments last year. Many of these factories will likely come online in 2024: LONGi Green Energy’s facility in Ohio, for example, has already reached first production. If these facilities successfully demonstrate employment benefits in their local communities, they may help reduce some of the tension around cleantech manufacturing. With the clean energy sector now a primary driver of China’s overall economic growth, the success of U.S. manufacturing projects may even encourage a larger stream of investments.

Other issues will require careful risk management.

The positive role played by climate envoys John Kerry and Xie Zhenhua in the U.S.-China climate relationship since 2021 has been well-documented. Their replacements will need time to establish a similar rapport, though both have strong credentials. Xie’s replacement, former Vice Foreign Minister Liu Zhenmin, has extensive multilateral experience, while Kerry’s replacement John Podesta, who oversees the implementation of the landmark climate bill the Inflation Reduction Act, is well connected within the Biden administration.



Left: Liu Zhenmin. Right: John Podesta. Credit: [World Economic Forum](#), [Center for American Progress](#)

The two men will have to navigate several contentious issues as they build their working relationship. While the U.S. and China had policy differences at COP28, they avoided public disagreement, largely through the goodwill created by the negotiations leading up to the Sunnylands Statement. Whether the U.S. and Chinese delegations can replicate that success at COP29 will be an early data point for climate engagement beyond 2024.

In terms of specific issues, the new collective quantified goal (NCQG) and the loss and damages (L&D) fund will require the most delicate management.

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The NCQG sets the total amount of annual climate finance that developed economies pledge to emerging markets, and will likely be the most consequential multilateral climate target set in 2024. The NCQG must be adopted at COP29 and will be the first revision to the \$100 billion target set at COP15 in 2009. China will likely push for a large target, while the U.S. will be cautious.

On L&D, the US will be under pressure to increase its current financial pledge (\$17.5 billion at COP28). China, meanwhile, insists that because it is classified as a developing economy, it should not be obliged to contribute to L&D — even if more countries request Chinese contributions. On both of these issues, the U.S. and Chinese positions are at risk of causing public disagreement in Baku.

The pending renewal of the U.S.-China Science and Technology Cooperation Agreement (STA) poses a further risk to relations. This landmark U.S.-China scientific partnership, signed in 1979, once produced climate advances in areas like air pollution reduction. Its renewal faces significant uncertainty as the two countries’ mutual distrust around scientific cooperation deepens. While sectors involving AI and data would be most exposed, it would send a negative signal for scientists working on climate technology if STA negotiations remain at an impasse.

While the U.S. presidential election looms large in 2024 — especially on the future trajectory of climate engagement — the interim period is a key window for the U.S. and China to follow up on the climate-related deliverables of 2023. This interval will become even more important if the U.S. administration changes in November and federal climate policy making is undercut. Through the areas of risk management and implementation outlined above, 2024 can still be a notable period of opportunity for U.S.-China climate engagement.



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