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### **Vision of North America: A low-carbon and climate-resilient continent**

In the coming years, North American leaders have an opportunity to help create a continent that is powered by non-polluting energy and is resilient to the damaging effects of climate change.

The United States, Mexico, and Canada are natural partners in the climate effort: North America enjoys a high level of energy integration and its ecosystems, economies, and communities span national borders.

Climate collaboration would not only have domestic benefits. As a coalition of high-emitting countries at different stages of development, North American countries could form a powerful bloc that promotes global climate action in international forums.

There is now a measure of political alignment on the topic of climate change across the national governments of North America—and therefore a window of opportunity to initiate trilateral action. The June 2016 North American Leaders’ Summit was an important step toward a low-carbon continent and positions the leaders to carry the trilateral energy and climate relationship forward in 2017.

### **Recommendations for North American leaders**

There are a number of trilateral climate efforts that would be effective and feasible for North American leaders to undertake. To take just two examples:

Forward movement is possible in the effort to consider the full costs of carbon pollution in government decision-making. Climate change imposes soaring costs—to communities, ecosystems, and economies—that are external to the market. During the 2016 summit, the United States, Mexico, and Canada committed to align methods of estimating the full cost of carbon pollution. A near-term next step should be to move beyond estimation to application in decision-making. The leaders should also look for opportunities to engage the private sector in making climate-compatible investment decisions.

Forward movement is also possible with respect to the national and subnational carbon pricing instruments that are burgeoning across the continent. The United States, Mexico, and Canada should support the development of emissions trading systems and carbon taxes, with an eye to expanding and integrating carbon pricing instruments in order to move closer to a continent-wide carbon price. Trilateral pursuit of carbon pricing also has the benefit of helping to alleviate concerns about carbon leakage.

Such shared work programs should become key elements of a comprehensive North American climate and energy accord, which should build on the 2016 summit and become a goal of the leaders in 2017.