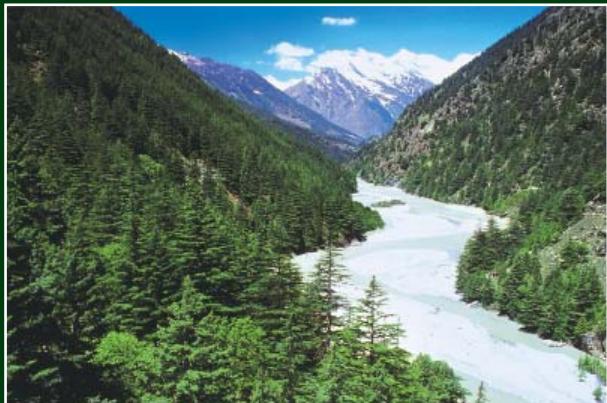


THE ROAD TO COPENHAGEN:

India's Position on Climate Change Issues



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Foreword

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We have the moral responsibility to bequeath to our children a world which is safe, clean and productive, a world which should continue to inspire the human imagination with the immensity of the blue ocean, the loftiness of snow-covered mountains, the green expanse of extensive forests and the silver streams of ancient rivers.

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Prime Minister Dr. Manmohan Singh

Climate Change has become an urgent and pervasive preoccupation across the globe. It is a global challenge which requires an ambitious global response. India and other developing countries would be among those most seriously impacted by the consequences of Climate Change. It is for this reason that India, along with its G-77 + China partners, has been playing an active and constructive role in the ongoing multilateral negotiations under the UN Framework Convention on Climate Change, to ensure that the forthcoming 15th Conference of Parties in Copenhagen in December this year, delivers an ambitious, but also an equitable outcome.

This booklet seeks to explain India's stand on a number of issues being deliberated upon in the negotiations. There are misconceptions about India's stand which need to be dispelled. It is only through better mutual understanding that we can arrive at an outcome that will be worthy of the expectations of a concerned global citizenry.

Signature awaited

(Shyam Saran)

Special Envoy of the
Prime Minister for Climate Change

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What are India's expectations with regard to the Copenhagen outcome?

The mandate of the fifteenth Conference of Parties (COP) in Copenhagen is to enhance long-term cooperation on Climate Change under the Bali Action Plan (BAP). It is not about re-negotiating the UN Framework Convention on Climate Change (UNFCCC).

The BAP adopted by consensus at the thirteenth COP, envisages long-term cooperation in terms of enhanced action on reducing greenhouse gas emissions (**Mitigation**), and increasing the capacity to meet the consequences of climate change that has already taken place and is likely to continue to take place (**Adaptation**). These objectives must be supported by sufficient financial resources (**Finance**) and technology transfers (**Technology**) from developed to developing countries.

We expect that Copenhagen will result in an ambitious outcome, representing a cooperative global response to the challenge of Climate Change, but an outcome which is also fair and equitable. It must be in accordance with the principle of **common but differentiated responsibilities and respective capabilities**, a principle that the entire international community has, by consensus, enshrined in the UNFCCC, concluded in 1992 at the historic Rio Summit.

India is a country which is and will continue to be severely impacted by Climate Change precisely at a time when it is confronted with huge development imperatives. We would, therefore, expect that the Copenhagen outcome not only provides us with the space we require for accelerated social and economic development, in order to eradicate widespread poverty, but also create a global regime which is supportive of our national endeavours for ecologically sustainable development.

India is resisting calls by developed countries to take on specific targets for the reduction of its Greenhouse Gas (GHG) emissions despite the fact that its total GHG emissions are the 3rd largest in volume after the US and China. How can an accord be possible, if India and other "major emitters" refuse to accept responsibility in this regard?

Firstly, Climate Change is taking place not due to current level of GHG emissions, but as a result of the cumulative impact of accumulated GHGs in the planetary atmosphere. Current emissions are, of course, adding to the problem incrementally. Even if current emissions were, by some miracle, reduced to zero tomorrow, Climate Change will continue to take place. The accumulated stock of GHGs in the atmosphere is mainly the result of carbon-based industrial activity in developed countries over the past two centuries and more. It is for this reason that the UNFCCC stipulates deep and significant cuts in the emissions of the industrialized countries as fulfilment of their historic responsibility.

Secondly, the UNFCCC itself does not require developing countries to take on any commitments on reducing their GHG emissions. This was also recognized in the subsequent Kyoto Protocol which only set targets for developed countries, the so-called Annex I countries. It is inevitable that the pursuit of social and economic development by developing countries, will result in an increase in their GHG emissions, for the foreseeable future. This is recognized in the UNFCCC itself. Despite this, **India has already declared that even as it pursues its social and economic development objectives, it will not allow its per capita GHG emissions to exceed the average per capita emissions of the developed countries.** This effectively puts a cap on our emissions, which will be lower if our developed country partners choose to be more ambitious in reducing their own emissions.

Thirdly, India can, by no stretch of imagination, be described as a so-called “major emitter”. Our per capita CO₂ emissions are currently only 1.1 tonnes, when compared to over 20 tonnes for the US and in excess of 10 tonnes for most OECD countries. Furthermore, even if we are No. 3 in terms of total volume of emissions, the gap with the first and second-ranking countries is very large. The US and China account for over 16% each of the total global emissions, while India trails with just 4%, despite its very large population and its rapidly growing economy.

Fourthly, for developing countries like India, the focus of Climate Change action cannot just be current emissions. There is the equally important issue of Adaptation to Climate Change that has already taken place and will continue to take place in the foreseeable future even in the most favourable Mitigation scenarios. India is already subject to high degree of climate variability resulting in droughts, floods and other extreme weather events which compels India to spend over 2% of its GDP on Adaptation and this figure is likely to go up significantly. Therefore, the Copenhagen package must include global action on Adaptation in addition to action to GHG abatement and reduction.

India is resisting the setting of a specific emission reduction target on a global basis for 2050, even though there is enough scientific evidence to show that to keep global warming within 2°C increase (the maximum permissible to avoid possible catastrophic consequences of Climate Change), this is the minimum reduction required. This stand prevents global action on Climate Change.

India has, in its national submission, called for multilateral negotiations to focus on the long-term goal for stabilization. However, the setting of any such goal must be decided

in tandem with the establishment of a basis for equitable burden-sharing. The Copenhagen outcome must be concluded on the principle of equity, recognising that every citizen of the globe has an equal entitlement to the planetary atmospheric resource.

Furthermore, a global long-term goal must go beyond number-setting, to incorporate the economic and social development imperatives of developing countries, which the UNFCCC has recognised as being of “first and over-riding priority”.

The setting of a reduction target for 2050, must also specify interim targets for developed countries and indicate the manner in which these reductions will be distributed among different countries. To achieve 50% reduction globally by 2050, developed countries will have to undertake much more significant cuts in emissions than currently indicated.

There are proposals which would require developing countries, except the LDCs, to commit to at least 20% to 30% reduction in their GHG emissions from business as usual, while developed countries commit themselves to absolute reductions in their emissions, upto 2020. The cost of such deviation which cannot be met by domestic resources, could be posed for international financial and technological support. Would India be ready to accept a compromise along these lines?

As far as India is concerned, it has announced a National Action Plan on Climate Change which incorporates its vision of sustainable development and the steps it must take to realize it. In the context of multilateral negotiations under the UNFCCC, the BAP envisages nationally appropriate mitigation actions (NAMAs) as they are called, based on the national circumstances and priorities of the developing countries themselves. Moreover, the BAP also stipulates categorically that

these actions i.e. NAMAs must be “supported and enabled by technology, financing and capacity-building.” It is also important that an equal emphasis must be accorded to actions required for Adaptation.

While India is raising objections to proposals from other countries, it has not put forward any of its own ideas on what the Copenhagen package should look like. India's negative altitude is, therefore, holding up negotiations.

India has put forward its own perspective on Climate Change issues and how it should be tackled.

It is India's view that the planetary atmospheric space is a common resource of humanity and each citizen of the globe has an equal entitlement to that space. The principle of equity, therefore, implies that, over a period of time, there should be a convergence in per capita emissions. Any global Climate Change regime which results in merely freezing of the huge divergence in per capita emissions, will not be acceptable on grounds of equity. Furthermore, in tackling the challenge of Climate Change, both production and consumption patterns need to be addressed, with a willingness to address lifestyle issues.

India believes that Climate Change, which we all agree is an extraordinary challenge, deserves an extraordinary response. All countries of the world, developed and developing, need to join in a collaborative effort, to bring about a strategic shift, across the globe, from production and consumption patterns based on carbon-based fossil fuels to those based on renewable energy and non-carbon fuels. We should devise a global package which:

(a) commits developed countries to significant reductions in their GHG emissions;

(b) achieves the widest possible dissemination at affordable costs of existing climate-friendly technologies and practices; and

(c) puts in place a collaborative R&D effort among developed and major developing countries, to bring about cost-effective technological innovations and transformational technologies, that can put the world on the road to a carbon-free economy.

Such a package will go beyond market mechanisms and competitive economic models, which would not be able, by themselves, to achieve the scale of response required.

The Indian approach will require appropriate handling of the IPR issue, since widest possible dissemination will require existing climate-friendly technologies and goods to be made available, especially to developing countries, as public goods. Competitive bidding for such technologies, financed through multilateral funds, could be used to avoid loss to the innovators. The collaborative R&D effort could be similarly funded through a multilateral fund under the UNFCCC with its products being available as public goods, enabling rapid and widespread dissemination. India, like other major developing countries, would be willing to be an active participant in any such initiative. It would also be necessary to provide for large-scale capacity building, particularly in developing countries, to enable successful absorption and application of climate-friendly technologies. A Copenhagen package incorporating these components, with an accompanying multilateral financing package, would be an outcome worthy of a concerned global citizenry.

India has made written submissions to the UNFCCC on each of the following issues being considered in the negotiations, as a constructive contribution to negotiations. These are:

(i) Submission on Long Term Co-operative Action

- (ii) Submission on enhancing action on Adaptation
- (iii) Financing Architecture for Meeting Financial Commitments Under the UNFCCC
- (iv) Submission on Technology Transfer Mechanism
- (v) Submission on Mitigation Actions of Developing Countries under Paragraph 1 (b) (ii) of the BAP
- (vi) Submission on Measurement, Reporting and Verification (MRV) – under Bali Action Plan (BAP) 1 (b) (i)
- (vii) Submission on Reduced Deforestation in Developing Countries (REDD), Sustainable Forest Management (SFM), and Afforestation And Reforestation (A&R), Under the Bali Action Plan (BAP)
- (viii) Submission on Nationally Appropriate Actions of Developing countries,
- (ix) Submission on financing Flows (Why Financial Contributions to the Financial Mechanism of the UNFCCC cannot be under the Paradigm of “Aid”.

More submissions will be made as the negotiations proceed.

India has also joined together with its G 77 + China partners to make several constructive contributions to the ongoing multilateral negotiations.

India has taken a negative stand on the setting up of Climate Investment Funds under the World Bank and to the possible financial flows from market mechanisms such as a Cap and Trade system in carbon. This goes against its demand that financial resources be made available by developed countries to developing countries to enable them to tackle Climate Change challenges.

India has not taken a negative stand on the above-mentioned financial mechanisms. What we have pointed out is that, in terms of the UNFCCC itself, these can only be considered supplemental flows. It must also be recognised that the market mechanism has its own limitations. They cannot be considered as a substitute for the multilateral financing mechanism, both for Adaptation and Mitigation, envisaged under the UNFCCC. The flow of funds under such a mechanism, would be in the nature of net transfer of funds i.e. grants, whose disbursement would be governed by a multilateral structure constituted by Parties to the Convention itself. This has already been recognized in the establishment of the Adaptation Fund. This is important because the provision of financial resources to developing countries, as envisaged under the UNFCCC, should follow the priorities of the recipient countries and not those of the source countries.

Financing for Climate Change must also not be seen as another form of Overseas Development Assistance (ODA) but rather payments for entitlements of developing countries under an equitable regime. The financial contributions for addressing Climate Change are net and additional. These can neither be treated under the paradigm of aid, nor driven by markets which are, in any case, dependent on the level of emission reduction obligations taken up by the Annex I Parties.

While India has announced a National Action Plan on Climate Change, it is resisting proposals for the actions specified under the Plan, to constitute commitments by India in a global Climate Change agreement. How can one explain this contradiction?

India's National Action Plan on Climate Change, with its eight National Missions, is India's domestic plan for sustainable development. The specific projects under each mission, with

targets wherever possible, represent what India believes it needs to do in terms of ecologically sustainable development. Such action is very different from binding international commitments or legal obligations, which are of a different nature altogether. An international agreement reflects a careful balance of interests of parties to the agreement and not merely a collation of nationally determined intentions to act. For instance, inability to reach a certain target for renewable energy use under a national plan, would have very different consequences than a similar legal obligation under an international agreement. The two cannot be equated. In fact subjecting national aspirational efforts to an international compliance regime may result in lower ambitions.

Further, there is a clear distinction between the national actions taken by India with her own resources and without external support, and those envisaged under the BAP that are to be supported and enabled by technology, financing and capacity building.

While it may be difficult for India to accept emission reduction targets on a national basis, why does it oppose the setting of such targets on a sectoral basis for carbon and energy intensive industries? These targets can be set, taking into account the different levels of economic development of different countries. This will also address the apprehension of developed countries that assumption of strict emission standards by them would render their industries uncompetitive relative to those in major developing countries.

India has an Energy Conservation Act under which it has identified 9 energy intensive industries for observance of mandatory energy efficiency standards. The NAPCC also has a National Mission on Improving Energy Efficiency. India also encourages Indian industry to collaborate with its counterparts

across the world to exchange best practices and improve energy efficiency through better management and/or technological innovation. However, the setting of global standards for efficiency and/or emissions on a sectoral basis, as **legally binding commitments**, is a different matter altogether. Firstly, such standards cannot reduce to a single benchmark, wide differences in industrial processes even within the same industry, on account of differences in input use, the technology adopted, the skill level of personnel employed and the overall social and economic context in which production takes place.

Secondly, if sectoral standards become the basis, as is being argued, for the imposition of compensatory tariffs to ensure a so-called "level playing field", then protectionism will become rampant under a green label.

Thirdly, global action on Climate Change, based on the UNFCCC, is not conditional upon maintenance of trade competitiveness or level playing fields. These issues belong to global trade negotiations not to Climate Change negotiations. Introducing these new dimensions into the Climate Change discourse, would make our task more complex and difficult than it already is.

Climate change negotiations should remain focussed on addressing the grave implications of Climate Change and should not impose conditionalities or additional burdens on developing countries.

Climate Change negotiations are taking place against the backdrop of an increasingly globalized and interconnected and interdependent world economy. Development must, therefore, remain at the centre of the global discourse. Action on Climate Change must enhance, not diminish the prospects for development. It must not sharpen the division of the world

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between an affluent North and an impoverished South, and justify this with a green label. What we require is a collaborative spirit which acknowledges the pervasive threat of Climate Change to humanity and seeks to find answers that enhance, not diminish the prospects of development, particularly of developing countries. All members of our common global family should have equal entitlement to the fruits of prosperity.

The world is undergoing an unprecedented financial and economic crisis. It is, therefore, likely that the level of effort required to address Climate Change, particularly in respect of financial resources, may not be forthcoming. What is India's stand in this regard?

India believes that investment in addressing Climate Change, especially in renewable energy, could create new industries, new jobs and spur technological innovation. Action on Climate Change must become part of the solution to the financial and economic crisis, in its causality. It is in this context, that India has welcomed US President Obama's plan for a 10-year, US\$ 150 billion Renewable Energy Initiative and expressed its readiness to become an active partner.

Our people have a right to economic and social development and to discard the ignominy of widespread poverty. For this we need rapid economic growth. But I also believe that ecologically sustainable development need not be in contradiction to achieving our growth objectives.

In fact, we must have a broader perspective on development. It must include the quality of life, not merely the quantitative accretion of goods and services.

Our people want higher standards of living, but they also want clean water to drink, fresh air to breathe and a green earth to walk on.

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Prime Minister Dr. Manmohan Singh