

India Climate Watch

Spotlight on India and the climate negotiations



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From the Editor's desk

July saw hullabaloo in India as the Prime Minister signed up to 2 degrees at the Major Economies Forum meeting in Italy. Rather than congratulate Manmohan Singh for finally accepting what scientists, civil society and the European Union had been advocating for years, there was uproar in Delhi as the PM signed up to a statement that global warming should not exceed 2 degree Celsius compared to pre-industrial levels. In an unprecedented move, a disgruntled negotiator, a senior Gol official briefed against the PM and criticized Singh for agreeing to a move he claimed would 'box India into a corner'. In a letter leaked to the Times of India, the official concluded "India's poor will pay the price for this political declaration" and that the PM's signing was a "body blow to everything that we (the Indian officials) have fought for."

The charge that India's negotiating position would be irretrievably undermined and that India was now on the slippery slope to accepting legally binding emissions reductions was vehemently refuted by the Prime

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India at the Major Economies Forum/ G8

The latest meeting of the MEF took place in the sidelines of the G8 meeting in L'Aquila, Italy, on 9th July. Comprising 17 of the largest economies (including India) accounting for 80% of global emissions, the Forum was established by President Obama in March 2009 as a continuation of the Major Economies Meetings initiated under the Bush Administration. The MEF's stated objective is to "help generate the political leadership necessary to achieve a successful outcome at the December UN climate change conference in Copenhagen, and advance the exploration of concrete initiatives and joint ventures that increase the supply of clean energy while cutting greenhouse gas emissions." All this in a more informal, non-negotiation setting than is possible under the UNFCCC process. India has played a somewhat cautious, semi-detached role in the MEF, staying on the sidelines and preferring to observe rather than engage actively. It did sign up to the MEF L'Aquila Declaration however, a non-binding political statement which contained significant language on deviation from business as usual and the two degrees target.

On the former the MEF Declaration said: "Developing countries among us will promptly undertake actions whose projected effects on emissions represent a meaningful deviation from business as usual in the midterm, in the context of sustainable development, supported by financing,

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From the Editor's desk

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Minister, his Special Envoy, Shyam Saran, and the Minister of Environment and Forests, Jairam Ramesh. But the histrionics carried in the media fuelled further questions in Parliament and even more contentious debate on whether India had sold out its national interests at the MEF. In the midst of all this rather well-lathered brouhaha the inconvenient fact that even 2 degrees Celsius does not represent a 'safe' upper level for humanity given the gravity of climate change (much as GoI officials still challenge scientific consensus on this) did not cut much ice. Also ignored was the plea from the Alliance of Small Island States (AOSIS) and vulnerable nations such as India's neighbours Bangladesh and the Maldives for a more ambitious 1.5 degrees upper limit to warming.

The ruckus brought home for many the need for a less politically motivated and better informed debate on climate change in the Indian media and Parliament. The Prime Minister did the right thing in agreeing to 2 degrees as an upper limit – it was hardly a revolutionary move but it did show leadership. It is regrettable that he paid the price of leadership - we will need much more of it in the days to come.

India at the Major Economies Forum/ G8

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technology, and capacity-building.” The text on 2 degrees echoed language subsequently adopted by the G8's official Communique. The MEF statement read: “We recognize the scientific view that the increase in global average temperature above pre-industrial levels ought not to exceed 2 degrees C. In this regard and in the context of the ultimate objective of the Convention and the Bali Action Plan, we will work between now and Copenhagen, with each other and under the Convention, to identify a global goal for substantially reducing global emissions by 2050.”

This was all good stuff and a victory for groups which had lobbied for years for 2 degrees as a safe upper limit – including CSM and Avaaz which had lobbied the Prime Minister Manmohan Singh on this issue (see below). But as the IPCC Chair, Dr Rajendra Pachauri, and others pointed out, while the MEF and G8 agreed to 2 degrees as the upper limit for global warming, they did not draw out its logical conclusion which, according to the IPCC, was that global emissions must necessarily peak by 2015 if even a 50/50 percent chance of staying within 2 degrees was to be met. Instead the MEF issued a motherhood-and-apple pie statement saying “The peaking of global and national emissions should take place as soon as possible, recognizing that the timeframe for peaking will be longer in developing countries.” If the MEF process is to truly deliver the goods in Copenhagen it will have to embrace the inevitable and recognize the need for peaking by 2015 for industrialized countries. Anything short of this will be justifiably seen as consensus-driven waffle.



Hilary Clinton Visits India

From 18-20 July, Hilary Clinton paid her first official visit to India as Secretary of State as part of a regional tour taking in Thailand and China. The visit was intended to signal the importance the Obama Administration attached to a strong relationship with India as a global player – in Clinton's words “We see India as an economic power, a strategic partner, a country that has an unlimited potential.” Accompanying her was Todd Stern, the President's special envoy on climate change. Although the visit encompassed defense cooperation, health, education, agriculture, science & technology partnerships – the issues that hit the headlines were Pakistan, civil nuclear cooperation, and climate change. Keen to not appear to be preaching, Clinton admitted the responsibility of the USA for climate change: “... we have made mistakes ... and we, along with other developed countries, have contributed most significantly to the problems that we face with climate change. We are hoping that a great country like India will not make the same mistakes.” She also emphasized the opportunity agenda for India: “... just as India went, from a few years ago, having very few telephones to now having more than 500 million mostly cell phones by leapfrogging over the infrastructure that we built for telephone service, we believe India is innovative and entrepreneurial enough to figure out how to deal with climate change while continuing to lift people out of poverty and develop at a rapid rate.”

During a visit to the ITC Green Building, an Indo-US collaboration and one of only 11 platinum-certified LEAD buildings in India, Todd Stern similarly admitted the 'special responsibility' of the US as the largest historic emitter of greenhouse gases, asserting “we are taking strong action, in light of that responsibility.” But he also pointed to future emissions, noting “It is still true that over 80 percent of the growth in emissions as we go forward is going to come from developing nations like India and others.” It was the response by Jairam Ramesh, Minister of State for Environment & Forests, that hit the headlines and stayed there for weeks.

In what was seen as a political rebuff by some and India standing tall by others, the Minister accused western countries of pressuring India to take on targets and stated categorically “I would like to make it clear that India's position is that we are simply not in a position to take on legally binding emission reduction targets.” Keen to underscore that this did not mean that India was running away from her responsibilities he singled out India's ambitious newly-adopted \$3 billion forest regeneration and restoration programme as an example of leadership. Many saw Ramesh's reference to emissions targets as setting up a straw man argument for domestic political purposes. Not that a politician playing to a domestic audience should come as a surprise anyone, but as the Minister would have known, neither the UNFCCC, nor the MEF nor other multilateral processes call for legally binding emissions reductions from India. (Although these are eternally suspected by the Gol through the back door.) Under the Convention, legally binding targets are at present only required for Annex1 (industrialized countries) and this is widely accepted. What is being asked by some of major economies such as India is a deviation from business-as-usual – i.e. a change in the trajectory of national greenhouse gas emissions not absolute emissions cuts. As the negotiations heat up, no doubt we will see more such 'war of words' that cloud rather than clarify.

The last word on the visit should perhaps go to the host, Minister Ramesh, who promised a number of partnerships between the U.S. and India on specific areas such as environmental management, forests, energy efficiency, clean coal, solar energy, biomass, and energy efficient buildings, noting he had made specific proposals to the Secretary of State. We will stay tuned for details on these and hope there will be scope for stakeholder engagement so that citizens can be fully involved.



CSM/ Avaaz 2 Degrees Action

Prime Minister Singh: Agree to 2 Degrees

On 8th July 2009, Prime Minister Manmohan Singh was urged by fellow Indians to play a leadership role on climate change at the G8+5 Summit at L'Aquila, Italy. The biggest polluters in the world had gathered at the world leaders' summit in Italy, to take a massive step towards tackling climate change. They were on the verge of committing to a global warming limit of 2 degrees Celsius over pre-industrial levels

For the first time, Indian citizens issued a call on their government to exert leadership on climate change and say **'yes'** to a demand that scientists and civil society have long been calling for across the world. CSM, a leading force on climate advocacy, was the Indian NGO partner for the initiative, in association with Avaaz.org, a community of 3.5 million global citizens (including 80,000 Indians) who take action on major issues facing the world today.

In less than 24 hours, more than 2021 Indians signed the Avaaz.org petition calling on Indian Prime Minister Manmohan Singh to show leadership on climate change. The petition was submitted directly to the Prime Ministers' office by CSM a day before the meeting in Italy.

India is a country heavily dependent on its natural resources and the monsoon, and has already been victim to disastrous climate change. However, the Indian government is standing in the way of this important agreement by which, practically all heavyweight leaders of the world would agree to keep global warming to below 2 degrees C. They would, in effect, agree (although currently non-binding), to emission cuts that will help the world stay below the 2 degree mark.

The simple call on the PM was to **"take immediate and serious steps towards a global climate deal and call on you to agree a 2 degree limit agreement now."**

We want a climate deal that is:

AMBITIOUS: enough to leave a planet safe for us all.

FAIR: for the poorest countries that did not cause climate change but are suffering most from it.

BINDING: with real targets that can be legally monitored and enforced.

With the PM now having delivered on this at L'Aquila a letter of thanks has been sent to the Prime Minister's Office. In the face of resistance to his move by sections of the Indian media and Parliamentarians, it is important to send the PM an unequivocal signal that many Indians – especially young ones – are mobilizing for leadership and will not only welcome it but reward it.

How Green was the 2009-10 Budget?

In a year that is supposed to be about action on climate change and when even the usually conservative United Nations has committed to an unprecedented campaign to 'Seal the Deal' at Copenhagen, how green and climate-literate was the government's Budget announced in July?

Does the 2009-10 budget have any elements that 'decouple' carbon and development? Does it bolster India's position in the fast emerging global clean technology market? Does it take the opportunity to attract green investments, prop-up 'green' exports or move faster towards energy efficiency?

The 2009-10 budget comes at a time when the IMF predicts the global economy is expected to



register a contraction of 1.3 percent in 2009 - with projections by the World Bank being more pessimistic. This clearly has had adverse impacts for India's capital inflow and exports. However, the Indian economy is showing signs of revival. In large part due to government expenditure which accounts for 38 percent of GDP in 2008-09.

As expected, the budget focuses on the key issue of economic revival, while ensuring medium-term (financial) sustainability – trying to bring the economy into the green.

According to ratings agency, CRISIL, several social and infrastructure initiatives are expected to provide a key demand driver for 2009-10. These include the following:

- National Highways Authority of India (NHAI) under National Highway Development Programme (NHDP) up by 23 percent
- Jawaharlal Nehru National Urban Renewal Mission (JNNURM) up by 87 percent
- Accelerated Power Development and Reform Programme (APDRP) up by 160 percent
- National Rural Employment Guarantee Act (NREGA) up by 144 percent
- Allocation for Bharat Nirman (a four-year plan for rural infrastructure) up by 45 percent

But there is little concerted and directed planning through the budget to bring development into the 'green'. The budget revealed a lack of directed incentives for a low-carbon budget, when though the yearly Economic Survey for 2009-10, tabled in Parliament days before the budget, indicated that over 2.6 percent of India's GDP is currently spent on adapting to climate variability.

So far, none of the schemes mentioned above actively focus impetus for clean technology or renewable energy development/deployment.

A further angle contributing to lack of incentive by the government to incorporate a green push is tactical reasons. India will not take on any hard emission targets at the UN climate negotiations unless there is financial aid in technology transfer and R&D. This makes it all the more difficult to incorporate a low-carbon push for the economy into the budget.

India's budget 2009-2010 showed that the government has still not understood the economic implications of climate change. At a time when the world's leading economies – led by China and South Korea – have embarked on green stimulus packages and are looking at a climate led-economic recovery programme, the GoI has offered little innovation. We have a Budget that reveals little of any green thinking within the government – business as usual it seems, rather than a change in approach.

Environment and Climate Change

- In furtherance to the National Action Plan on Climate Change (NAPCC), eight national missions representing a multi-pronged long-term and integrated approach to be launched.
- National Ganga River Basin Authority set up. Budgetary allocation under National River and Lake Conservation Plans increased from Rs. 335 crore in B.E. 2008-09 to Rs. 562 crore in B.E 2009-10.
- Special one-time grant of Rs. 100 crore given to Indian Council of Forestry Research and Education, Dehradun.
- Rs. 15 crore each to be allocated to the Botanical Survey of India and Zoological Survey of India. An additional amount of Rs. 15 crore to be allocated to Geological Survey of India.



Customs duty cut: On biofuels to 2.5 percent from 7.5 percent, and a customs duty cut on Permanent Magnets, a key component of wind turbines down from 7.5 to 5 percent.

Source: Budget 2009-10

Climate Reporting - Indian Style

How clued-in is the Indian media on climate change? What have they been reporting about the issue this past month?

Headline and Prime-time news:

Off late, climate change has gained sufficient importance to be on par with defense, Indo-Pak relations and other high-importance news.

- Early July: India at the MEF. Prime Minister Manmohan Singh along with the 15 other MEF leaders gives out a joint statement on climate change. A key statement includes preventing global temperatures from rising above 2 degrees C
- India-Japan agree to cooperate on climate change
- Budget 2009-10 and Economic Survey 2009-10 released. Budget has minimal green sops, Economic Survey says current GDP expenditure on adapting to climate variability is 2.6 percent. Agriculture, water resources, health and sanitation, forests, coastal-zone infrastructure and extreme events are specific areas of concern.
- Mid July: US Secretary of State Hillary Clinton visits India along with the US special envoy on climate change Todd Stern. Sparks fly at a joint press conference. Meeting is not as successful as hoped.
- India said it will not commit to any legally binding targets, takes firm stance on climate change – unmoved by US pressure.
- Minister of External Affairs S.M. Krishna and US Secretary of State Hillary Clinton agree to bilateral cooperation on energy security, energy efficiency and climate change. Agree to set up a panel on climate change.
- India seeks cooperation with US on R7D for technology transfer, asks to remove barriers on technology and R&D.

India's special envoy on climate change Shyam Saran: defends the Prime Minister's MEF joint statement on climate change, but reiterates that stand on climate change same, not changed. Says details of two of the eight missions under the National Action Plan on Climate Change have been finalized.



Minister of Environment and Forests Jairam Ramesh:

- India's National Action Plan on Climate Change a domestic policy, not for international scrutiny.
- Makes strong comments at a joint press conference with US secretary of state, that India 'simply cannot take on emission cuts'
- Makes presentations to the Rajya Sabha, presents information on national temperature rise of 0.52 degrees C in past hundred years, no evidence of monsoon variations being related to climate change.

India International: UN Chief Ban Ki Moon and Intergovernmental Panel on Climate Change (IPCC) Chief support India's stand – want rich nations to take emissions cuts fastest and first.

- Pachauri: climate change massive security threat to India
- Pachauri: cautions US against import tariffs and carbon tax on imports

Ministries and State Departments: Ministry of Environment and Forests, BEE and MNRE all in the news this month.

- MoEF and experts unable to define 'Business As Usual (BAU) for India
- Karnataka Govt set up committee to combat climate change
- Government proposes to launch new scheme on afforestation. SC releases money for forestry-related schemes
- MNRE defines wind energy target of 10,500 MW for XIth Five-year plan
- Minister for New and Renewable Energy Farooq Abdullah says US-India need to cooperate on technology transfer and R&D for clean tech sector
- Master plan to make Chandigarh a Solar City in the pipeline

Businesses:

- Wipro enters green-space with EcoEnergy
- Indian cleantech companies raised \$131 million last quarter
- Smart metering set to come to India
- Astonfield to invest \$2bn into renewable energy sector in India, most in solar, part in electricity generation from solid waste



Climate Science - India

India is now making concerted efforts to improve its climate change research and to upgrade meteorological data gathering. Funds from the 2009-10 budget for the Ministry of Earth Sciences, which oversees the country's climate change, ocean and weather research has doubled to Rs. 12 billion.

Indian Meteorological Department data suggests that maximum and minimum temperatures have been above normal over most parts of the country, and that average annual temperatures have gone up by 0.52 degrees C (Source: IMD)

Rainfall patterns are likely to shift with climate change, and that has serious implications for dryland agriculture in India. ICRISAT's studies in Indian dryland agriculture villages since 1975 indicates that a drought mitigation strategy might be useful. ICRISAT has created an advanced biotechnology laboratory to enhance breeding of drought tolerance in key.

Climate Action at the State Level

Karnataka: green energy leadership plans

The Government of Karnataka has, in recent years resolved to cater to the ever-increasing demand of power through encouraging generation from renewable energy sources. It has therefore been considering the formulation of a comprehensive policy, directed towards greater thrust on overall development and promotion of renewable energy and energy efficiency technologies – called the **Karnataka Renewable Energy Policy 2009**.

The aim of this policy is to harness clean, green renewable energy sources in the state for environment benefits and energy security, with the aim of renewable energy power generation from 2400 MW to about 6600 MW by 2014. A twin goal is to conserve 7901 MU of energy by 2014 through energy efficiency and energy conservation measures in all sectors.

The policy is extensive in covering all issues on renewable energy, and is set to be applicable from 2009 to 2014, within which time span 6600 MW of energy from wind, mini and small hydro, cogeneration in the sugar industry, biomass/ biogas, waste to energy and solar PV/CSP/thermal are expected to be generated. Detailed strategies are outlined for all power generation projects.

Project financing for the various projects, estimated to cost 22,950 crore over the next five years, is expected to come from a Green Energy Cess of 0.05 paise per kWh levied on industrial and commercial consumers (expected to rake in 55 crore); a public private investment trust; suitable land to be made available from government land and through land identification projects; a portion (10 percent) of the Special Economic Zones also to be use only for renewable energy projects.

To enhance speed of project clearances and implementation, a single window clearance mechanism will be made more effective and a mandatory time limit for project completion. In addition, there are a slew of other mechanisms including the feed-in tariff, a solar tariff, roof-top solar tariff, and a facility for banking electricity, net metering.

Energy Conservation and Energy Efficiency: The second goal of energy efficiency ties in with the national level Energy Conservation Act 2001. KREDL is to be the Designated Agency for this portion of the project. Specific programmes to be implemented during 2009-10 include residential high efficiency lighting program, school/ college capacity building and training, public buildings partnership programme, solar/LPG water heating and energy efficiency financing. Other



programmes chalked out for 2011 to 2014 include agricultural efficiency programmes. Street lighting, green buildings and municipal energy efficiency programmes.

It is hoped that this policy will soon be implemented, but also that the Karnataka Renewable Energy Department Limited (KREDL) has sufficient powers to execute and follow through on this sound but ambitious policy. e desert moving closer.

West Bengal pioneers Asia's largest solar power plant

West Bengal is all set to become the first state in India to implement a 2 megawatt, grid-connected solar power project at Asansol in West Bengal. On average, West Bengal receives 1600 kWh/m² of solar energy per year, with an average of 250 sunny days and 60 partial sunny days.

The plant has been built on the premises of a thermal power plant that shut down in 1997. With an actual capacity of 1.25 MW, will produce 3 million units annually, taking into account 300 sunny days in a year. This plant is set to be Asia's largest solar power plant, and is expected to save ten tones of carbon dioxide per day.

The project has been pioneered by director of WBREDA, Dr. Gon Choudhury, and has been executed by the West Bengal Green Energy Development Corporation (WBGEDCL) – a company formed by the WB State Electricity Distribution Company and the West Bengal Renewable Energy Development Agency (WBREDA).

The Central government is providing assistance for this project through a Power Finance Corporation (PFC) loan. The loan will be paid off through a generation-based incentive of Rs. 10 per unit for three years from the Ministry of New and Renewable Energy (MNRE). The company has entered into a power purchase agreement with WBGEDCL.

Dr. Choudhury, director of WBREDA, says the solar power plant is only awaiting an inauguration date, but that a major challenge facing the project is the lack of confidence in the project, owing to the absence of any prior examples of solar power projects of this scale in India in the past. In an exclusive interview with CSM's Dolan Chatterjee, he said another difficulty they faced in implementing the project was in obtaining clearances from the various government agencies, and changing the mindset of the coal lobby.

Dr. Chaudhury said West Bengal has been working on implementing solar energy projects since 1983, and said that states like Gujarat, Maharashtra and Rajasthan have shown interest and approached WBGEDCL to assist them with detailed project reports for replication.



About the Centre for Social Markets (CSM):

CSM is an independent non-profit organization dedicated to making markets work for the triple bottom line - people, planet and profit. Through offices in India and the United Kingdom, and an international network of partners and associates, CSM promotes responsible entrepreneurship, ethics and accountability worldwide. Founded in 2000 by Indian social entrepreneur, Malini Mehra, CSM is a values-based organisation committed to sustainable development and human rights.

From 2007 onwards, CSM has focused its attention on three major programme areas where it will seek to bring challenge and leadership:

- (1) Climate Change - lead a major public engagement initiative - 'Climate Challenge India' - to promote a pro-active domestic response to climate change in India;
- (2) India as a Global Player - examine India's emergence as a player on the global stage with particular reference to sustainability and human rights issues; and
- (3) Corporate Responsibility - focus on core research, education and policy dialogue on issues such as diversity and climate change as India Inc. goes global.

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