

India Climate Watch

Spotlight on India and the climate negotiations



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From the Editor's desk

2009 could well be the most important year in human history. Not for the global economic recession, which will in time pass. But because 2009 must mark a turning point on action on climate change. After decades of dilly-dallying, when global CO2 emissions have risen not fallen, the need for action has become acute. With every week that passes, new scientific data reveals just how close our planet is coming to 'runaway' climate change. When respected scientists make statements such as "civilisation will end in our grandchildren's time", we need to sit up and take note. The global scientific community is increasingly nervous at the lack of a serious political response. As Dr Rajendra Pachauri, chair of the Intergovernmental Panel on Climate Change (IPCC) has said, we have less than 10 years to act if we are to avert catastrophic climate change. All eyes this year will be on the Copenhagen Climate Summit (COP15) from 7-18 December 2009, when governments come together to chart a way forward on climate change. Held under the auspices of the UN Framework Convention on Climate Change (UNFCCC), the Copenhagen meeting could be the last chance to forge a serious collective response to dangerous climate change.

2009 matters therefore a lot. But one would be hard-pressed to reach this conclusion

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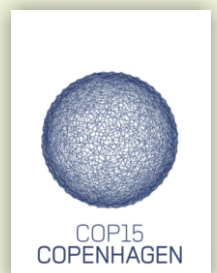
From Bali and Poznan to Copenhagen...

The climate change meeting in Copenhagen in December 2009 the so-called fifteenth meeting of the 'Conference of Parties' (COP) to the UN Framework Convention on Climate Change will draw on the two preceding COPs for its agenda. COP13 held in Bali, Indonesia, in December 2007 which resulted in the Bali Road Map, and COP14 held in Poznan, Poland, in December 2008. According to the UNFCCC, the Poznan conference ended with a "clear commitment from governments to shift into full negotiating mode next year in order to shape an ambitious and effective international response to climate change, to be agreed in Copenhagen at the end of 2009. Parties agreed that the first draft of a concrete negotiating text would be available at a UNFCCC gathering in Bonn in June of 2009."

At Pozna, the UN reports that "finishing touches were put to the Kyoto Protocol's Adaptation Fund, with Parties agreeing that the Adaptation Fund Board should have legal capacity to grant direct access to developing countries. Progress was also made on a number of important ongoing issues that are particularly important for developing countries, including: adaptation; finance; technology; reducing emissions from deforestation and forest degradation (REDD); and disaster management."

...via Bonn

It has been agreed that during the course of 2009 there will be at least three major



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What the latest climate science says ...

Since the publication of the IPCC's influential 4th Assessment Report in 2007, there have been a number of developments further hardening scientific knowledge of climate change. They make for worrying reading. The most recent gathering of distinguished climate scientists took place at the **International Scientific Congress Climate Change: Global Risks, Challenges & Decisions** on 12 March 2009 in Copenhagen. Attended by more than 2,500 delegates from nearly 80 countries, the conference provides the latest scientific evidence on climate change. During the conference, the organisers issued the following as the key preliminary messages emerging from the latest scientific findings:

Key Message 1: Climatic Trends

Recent observations confirm that, given high rates of observed emissions, the worst-case IPCC scenario trajectories (or even worse) are being realised. For many key parameters, the climate system is already moving beyond the patterns of natural variability within which our society and economy have developed and thrived. These parameters include global mean surface temperature, sea-level rise, ocean and ice sheet dynamics, ocean acidification, and extreme climatic events. There is a significant risk that many of the trends will accelerate, leading to an increasing risk of abrupt or irreversible climatic shifts.

Key Message 2: Social disruption

The research community is providing much more information to support discussions on "dangerous climate change". Recent observations show that societies are highly vulnerable to even modest levels of climate change, with poor nations and communities particularly at risk. Temperature rises above 2C will be very difficult for contemporary societies to cope with, and will increase the level of climate disruption through the rest of the century.

Key Message 3: Long-Term Strategy

Rapid, sustained, and effective mitigation based on coordinated global and regional action is required to avoid "dangerous climate change" regardless of how it is defined. Weaker targets for 2020 increase the risk of crossing tipping points and make the task of meeting 2050 targets more difficult. Delay in initiating effective mitigation actions increases significantly the long-term social and economic costs of both adaptation and mitigation.

Key Message 4 - Equity Dimensions

Climate change is having, and will have, strongly differential effects on people within and between countries and regions, on this generation and future generations, and on human societies and the natural world. An effective, well-funded adaptation safety net is required for those people least capable of coping with climate change impacts, and a common but differentiated mitigation strategy is needed to protect the poor and most vulnerable.

Key Message 5: Inaction is Inexcusable

There is no excuse for inaction. We already have many tools and approaches – economic, technological, behavioural, management – to deal effectively with the climate change challenge. But they must be vigorously and widely implemented to achieve the societal transformation required to decarbonise economies. A wide range of benefits will flow from a concerted effort to alter our energy economy now, including sustainable energy job growth, reductions in the health and economic costs of climate change, and the restoration of ecosystems and revitalisation of ecosystem services.

Key Message 6: Meeting the Challenge

To achieve the societal transformation required to meet the climate change challenge, we must overcome a number of significant constraints and seize critical opportunities. These include reducing inertia in social and economic systems; building on a growing public desire for governments to act on climate change; removing implicit and explicit subsidies; reducing the influence of vested interests that increase emissions and reduce resilience; enabling the shifts from ineffective governance and weak institutions to innovative leadership in government, the private sector and civil society; and engaging society in the transition to norms and practices that foster sustainability.

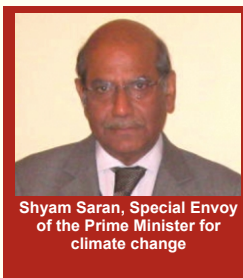


Know your Delegation

The Government of India's official delegation to the UNFCCC negotiations comprises a range of ministries, agencies and institutions such as the Ministry of External Affairs, Ministry of Environment & Forests, Bureau of Energy Efficiency, The Energy Research Institute (TERI), etc. Here we provide a glimpse of some of the leading figures on the Indian delegation. The Climate Challenge India Portal will be podcasting a full-length interview with Shyam Saran, the Prime Minister's Special Envoy on climate change, shortly. Interviews with members of the GoI Delegation will be reported in future editions of ICW.

Shyam Saran, Special Envoy of the Prime Minister for climate change.

"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."



Shyam Saran, Special Envoy of the Prime Minister for climate change



Vijai Sharma, Ministry of Environment & Forests (Head of the Indian delegation at Poznan COP14.)



Surya Sethi, Senior Energy Adviser, Planning Commission



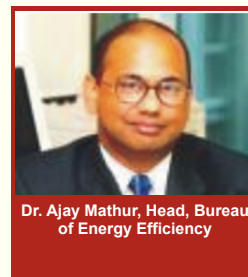
R.R. Rashmi, Joint Secretary, Ministry of Environment and Forests (MoEF)



Dr Prodipto Ghosh, TERI; Member of the Prime Minister's Council on Climate Change



Chandrashekhhar Dasgupta, Distinguished Fellow, TERI; former Ambassador to EU, Belgium, Luxembourg and China



Dr. Ajay Mathur, Head, Bureau of Energy Efficiency

From the Editor's desk

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Judging from the Indian press. Climate change barely figures in reporting with notable exceptions and is largely absent in political debate even in an Election year. This situation must change. India is on the frontlines of climate change. We are extremely vulnerable and climate impacts are already devastating communities across the country. Equally, climate change represents an opportunity to radically decarbonise our economy and promote smarter, more sustainable growth and development. India will be a key player in the global climate talks. Yet the voices of Indians have been largely absent. The Government of India has been engaged in the negotiations, but that is not the same thing as Indians being engaged. As Indians we all have a stake in the negotiations and the outcome of COP15. It is time for us to become more involved and help secure a strong, effective and just outcome to the global climate talks. With this bulletin we start the process of greater engagement.

India Climate Watch (ICW) will bring a spotlight on the government, the process, the players and the issues involved. This first edition lays the groundwork with an introduction to the Government of India's position, key Indian officials, and the views of some of the Indian groups who were at the last UNFCCC meeting in Poznan (December 2008). The ICW bulletins will come out regularly over the coming year with future editions focussing on particular issues, providing independent analysis, interviews and coverage of all the major meetings.



Indian non-governmental voices at Poznan

A number of Indian NGOs attended COP14 at Poznan in December 2008. We approached many of them for their views on COP14 and below provide the responses received. Many more NGOs, including CSM and members of the CCI Coalition, will be engaged in UNFCCC meetings throughout 2009 including as members of the umbrella NGO organization Climate Action Network (CAN). We will provide regular reporting on the views of Indian and other South Asian groups including business lobbies, scientists and others - in future editions of ICW.

Srinivas Krishnaswamy, Greenpeace India

I was part of the fairly large delegation of Greenpeace at the Meeting/Conference of Parties to the UN Framework Convention on Climate Change held in Poznan in December 2008. As is the practice in Greenpeace, the delegation members are assigned to track specific negotiation streams in addition to actively lobbying with their country delegation and also other country delegations as and when required and issue based.

In Poznan, I was tracking the key negotiations on "Shared Vision of parties to address climate change" involving critical issues such as the extent of industrialised countries emission reduction as well as the extent to which the non-industrialised countries will address mitigation issues. In addition, I was also tracking negotiations on technology transfer and financial mechanism. Being from the South, I was also on a number of NGO delegation to lobby a number of industrialised country delegations in addition to gathering intelligence from our own Indian delegation.

My experience as far as the negotiation went in Poznan was that it was highly sluggish and seemed to give the impression that countries, particularly the industrialised countries were buying time and not really interested in taking the negotiation to the next level in order to get a

successful agreement in Copenhagen. I also realised that the non-industrialised countries were taking more interest and seemed to be taking an initiative to ensure a good Copenhagen agreement. I particularly found the Indian presentation and submission on technology transfer as very innovative.

Tirthankar Mandal, CENTAD

The recently concluded COP once again exposed the difference of interest between the developed and the developing world. The progress made from BALI was really slow, however, the fact that the Adaptation Fund Board has been given the legal status is a welcome one and it will make the developing countries have their say in the decision making process equitable. While number of ideas regarding the two most contentious issues namely the technology transfer and financing were put in place by the developing countries, the developed countries followed the non-engagement principle, and this has been the major cause of concern. The progress we made through the formulation of the BALI Roadmap gave a kickstart to the problem of correcting the climate change, but the Poznan COP was unable to make any substantial move on that. However, in a post Poznan scenario, we need to pull ourselves up to secure the equity and development goals in a climate resilient way for the coming year.

Who's Who in Climate Change in India Poznan 2008 edition

Launched on December 9th 2008 at the United Nations conference on climate change in Poznan, Poland, this is CSM's most recent contribution to building a movement on climate change in India. This is an invaluable resource connecting people and institutions on the greatest challenge of our age.



Now running close to 400 pages, the 'Who's Who' provides details on climate change initiatives taking place at virtually every level and in most parts of India. From community organizations to large multinational corporations, action on climate change is growing in response to concerns that the country needs to urgently address climate risks.



Published with support from the Heinrich Boell Foundation and the Khemka Foundation.

To order the book, please send email to sumana@csmworld.org

Sunita Narain, Centre for Science and Environment (from 'Down to Earth')

I spent a week at the climate change conference in Poznan, and realized the world is in deep trouble and deeper denial. Worse, the denial is now entirely on the side of action. It is well accepted that climate change is a reality. Scientists say we need to cap temperature increases at 2° C to avoid catastrophe, which means capping emissions at 450 ppm. We know global average temperatures have already increased by 0.8° C and there is enough greenhouse gas in the atmosphere to lead to another 0.8° C increase. There is still a window of opportunity, a tiny one, to tackle the crisis.

But where's the action? In the 1990s, when the world did even not understand, let alone accept, the crisis, it was more willing to move to tackle climate change. Today, we are in reverse gear. The rich world has realized it is easy to talk big, but tough to take steps to actually reduce emissions. The agreement was that these countries would reduce so that the developing world could increase. Instead, between 1990 and 2006, their carbon dioxide emissions increased by a whopping 14.5 per cent; even green countries of Europe are unable to match words with action.

So it was that, at the Poznan conference, rich countries aggressively pushed a new climate-tack. They cannot reduce at home, so they have decided to find every way to (1) 'offset' their fossil fuel emissions by buying emission reduction certificates in developing countries; or (2) pay to protect emission-absorbing forests; or (3) simply pump their carbon deep into the ground. Indeed, every dirty way not to cut, but to pay, bribe and cajole others to cut will do. Then if all this fails there is the easy fallback: use China and India as punching bags as well as excuses for not taking on hard reductions at home.

Debajit Das, Winrock International India

I attended Poznan to share Winrock International's work on Energy Efficiency Interventions at the Re-Rolling Mills located at Bhavnagar. Initiated by International Center for Environmental Technology Transfer (ICETT), the side event was held during COP14 on 5 December 2008. The event was chaired by Elmer Holt, Chair of CTI executive committee and the panels for the discussion were Ms. Wanna Tanunchaiwatana, Manager, Technology, UNFCCC secretariat and Mr. Peter Storey, CTI PFAN co-ordinator including myself. Mr. Holt gave the welcoming remarks and an Introduction and overview of CTI. I talked about the Energy Efficiency Intervention which has been undertaken by WII at Re-rolling Mills of Bhavnagar, Gujrat. I explained in detail how a systematic approach of conducting Energy Audit study has been proved very useful in coming out with measures for the demonstration units in building up

the whole cluster into an energy efficient one. The results were highly appreciated by the many representatives from various countries and enquiries were also received in terms of technical and financial support for carrying the project to a more effective destin of implementation. I also attended many of the other main and side events related with climate change at COP-14 and it was really a knowledge enriching experience in terms of collecting and feeling the various countries stands and expectations for adaptation and mitigation under Kyoto protocol and outcome of various negotiations will go a long way in formulating climate change policies worldwide.

Kartikeya Singh, Indian Youth Climate Network

The UN Climate Talks held in Poznan continued to display that the sense of urgency is lost in the labyrinth process of the negotiations itself. With two lame-duck administrations of major emitters, United States and Canada, and luke-warm responses both from the European Union climate package and the Australian emissions targets, shows that the industrialized countries are still not showing the kind of leadership that the hour requires. Still we are seeing more concrete actions taken on by the devleoping countries in the form of targets to reduce deforestation in the global south and commitment towards building green economies (as displayed by China). The youth threw their forces behind the voices of the AOSIS and the LDCs to ensure that the underlying principal of the new framework be to "ensure the survival of all peoples and all nations" to reignite the kind of urgency that is required to make a just and equitable global deal on climate change.

Richie Ahuja, Environment Defense Fund

Environmental Defense Fund initiated engagement with India a few months before the COP 14 in Poznan. EDF has always focused on US policy which is where it has most responsibility and influence, but especially in Poznan, global leadership shifted distinctly to the South. EDF had three main efforts in Poznan. First was helping long-time Brazilian indigenous allies express their views on protecting the rainforest. Second was ensuring the world the US is definitely going to cap carbon and, sooner or later, that means low-carbon technologies will take hold. Third was supporting the leadership role that Brazil, Mexico and other emerging economies took in moving toward national carbon caps.

Considering the urgency around the issue of Global Warming, the results from the conference were barely adequate. More could have been done. The talks provided clear mandate and guidance to move forward, but there is a lot to do and less than a year to do it. Global leadership, both from the North and South, will be necessary to get this done. We remain cautiously optimistic.



Govt of India Position on Climate Change in Q & A style

In February 2009, the GoI released a document laying out the Government's position on climate change with reference to international negotiations. Here we reproduce in full this document. In future editions of ICW, we will encourage readers to engage with this document and offer their views so that the GoI's negotiating position can be informed by what other Indians think.

Q1. What are India's expectations with regard to the Copenhagen outcome?

Ans. 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.

Q2. 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?

Ans. 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.**

...via Bonn

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meetings leading up to COP15 in December. Those planned include two in Bonn (Germany), and one in Bangkok (Thailand). If negotiations are not on track there may well be need for more. The next major official meeting will take place from 29 March to 8 April 2009 in Bonn called 'Bonn 1'. At these meetings, the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) and the Ad Hoc Working Group on Long-term Cooperative Action under the UNFCCC (AWG-LCA) will get into full swing with negotiations opening up on their respective agendas.



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.

Q3. 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.

Ans. 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.

Q4. 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?

Ans. 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.

Q5. 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.

Ans. 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.

Q.6. 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.

Ans. 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.

Q.7 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?

Ans. 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.

Q. 8 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.

Ans. 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 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.

Q.9 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?

Ans. India believes that investment in addressing Climate Change, specially 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.

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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