

**Global Climate Change Challenges ahead of Copenhagen:
An Indian Perspective?**

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I wish to thank the Centre for European Policy Studies for providing me with a welcome opportunity to share with its very distinguished audience, India's perspective on the global challenge of Climate Change. I had the privilege to speak once before at the Centre in April 2007 and quite coincidentally the subject then was a related one – How India is tackling the twin challenges of securing Energy Supply and Climate Change. Since then, the international focus on climate change has become far more intense. Since our interaction two years ago, a number of significant developments have taken place. These include the following:

1. Publication of the Report of the 4th Intergovernmental Panel on Climate Change (IPCC) (*17 November 2007, Valencia, Spain*).
2. 13th Conference of Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC) at Bali in December 2007 and the adoption of the Bali Action Plan (BAP).

3. Inauguration of new Administration in the United States and the return of Climate Change on the US national agenda.
4. 14th COP to the UN Framework Convention on Climate Change (UNFCCC) at Poznan, in December 2008.
5. Establishment of the Energy and Climate Forum of the Major Economies at the initiative of the United States with its first Preparatory Meeting in Washington on April 27-28, 2009.
6. Worsening of the global financial and economic crisis with consequent impact on resources availability for tackling climate change.

Let me begin by saying a few words about the Bali Action Plan. The 13th Conference of Parties took place against the background of the publication of the report of the 4th IPCC, which established, beyond reasonable doubt, that climate change is taking place due to the anthropogenic causes, chiefly the growing concentration of Green House Gases (GHG) in our earth's atmosphere. The report also pointed to the threat this poses to the fragile life-sustaining eco-systems of the Planet. The Bali meeting witnessed somewhat intense and sometimes fractious debates concerning the nature and urgency of the global action required to deal with the challenges so starkly delineated by the IPCC report. In the end, however, the Conference did come up with the Bali Action Plan, whose elaboration is the subject of our current multilateral

negotiations, leading up to the 15th COP in Copenhagen in December this year.

It is clear that the objective of the ongoing negotiations is not to conclude a new climate change treaty but rather seek the enhanced implementation of the principles and provisions of the UNFCCC. This is important because the UNFCCC is the only legal document on Climate Change which represents international consensus. It is easier to work on the basis of a document that represents such consensus rather than to plunge into un-chartered waters seeking to arrive at a new but elusive consensus for global action.

It is true that the situation today is much more critical and urgent compared to the year 1992 when the UNFCCC was concluded. But the situation is different only in the sense that the principles and provisions of the Convention require enhanced and speedier implementation. This is why the BAP not only reaffirms the validity of the Convention, but mandates the “enhanced” implementation of the 4 inter-connected pillars of the Convention, i.e. mitigation and adaptation supported by technology and finance, in a long term vision of cooperative global action. At the same time, under the Kyoto Protocol, the developed Annex I countries were to indicate their emission reduction targets for the second commitment period commencing 2013. India and almost all other developing countries strongly believe that success at Copenhagen would be possible only if we adhere closely to the mandate clearly

provided in the BAP and refrain from ill-conceived departures from the Convention and its Kyoto Protocol.

We have engaged in the multilateral negotiations in this spirit. Bali gave negotiators a period of two years in which to fashion an outcome that would meet the expectations of the international community and satisfy the requirements of the BAP. We had a clear cut time-table before us. We would spend the first year in exchange of views and a deliberative process aimed at seeking convergence among our respective positions and evolving practical measures relating to the 4 pillars mentioned above. The 14th COP at Poznan was expected to mark a transition between a deliberative phase and a subsequent, substantive negotiating phase. Unfortunately, we have not been able to adhere to this time-table. The deliberative phase continues and we do not yet have negotiating texts on which we should have been working already to ensure a successful outcome at Copenhagen.

Let me try to give you a sense of what the outstanding issues are and how we in India believe these could be resolved.

The key to a successful outcome at Copenhagen would be the clear and explicit commitments for GHG reductions by the developed industrialized countries. This includes both signatories to the Kyoto Protocol of 1997 as well as to the United States of America, which has endorsed the BAP. It is only on the basis of such an exercise that there can be some credibility

attached to the setting of a long term goal for mitigation as provided for in the BAP. To put forward a goal say of 50% reduction by 2050 as some countries have proposed, without indicating the pathways to reach this goal, would not carry credibility with the international community.

It is also important that targets for emission reductions have a clear baseline. This should be 1990 as provided for in the UNFCCC.

It is also our contention that parallel to the long term goal we agreed upon, there must also be explicit interim reduction targets, for example, for the year 2020, and no less than the 25-40% reduction indicated in the IPCC itself.

It is our earnest hope that in the remaining months, sooner rather than later, we will have a clear indication of the commitments which our development country partners are ready to assume. These targets must take into account the fact that the situation today is more urgent and compelling than it was envisaged a few years ago. They must also make up for the failure to achieve even the modest targets that had been agreed upon in the first commitment period of the Kyoto Protocol, which will conclude in the year 2012.

This brings me to the issue of what responsibilities developing countries are prepared to assume for mitigation in particular large developing countries such as India and China. Under the

UNFCCC and its Kyoto Protocol, developing countries are not expected to assume any GHG reduction responsibilities. This is in recognition of the fact that the concentration of GHG's in the earth's atmosphere are chiefly the responsibility of the developing industrialized countries and who therefore bears a historical responsibility in taking a lead in mitigation efforts. The Convention recognises that for developing countries, the pursuit of their economic and social development objectives would inevitably lead to a rise in their emissions before these plateau and begin to decline. Nevertheless, developing countries too have a responsibility which is to pursue a path of ecologically sustainable development. Mitigation for this category of countries would be a consequence of pursuing sustainable development and not that sustainability would be the consequence of their emission reduction. This is an important distinction. Capping development is not the answer to climate change.

India has, however, declared unilaterally that its own per capita emissions will never exceed the average per capita emissions of the developed countries. This is a significant commitment.

It would be possible for developing countries to take concrete measures for mitigation provided the incremental costs of these measures are fully met by the transfer of resources, both financial and technological, from developed to developing countries. This is not a unilateral demand of developing

countries on their developed country partners. Rather this is what was agreed upon by consensus within the UNFCCC and reiterated as recently as the Bali COP in December 2007.

I would like to point out here that at Hokkaido, during the G-8+G-5 Summit, India along with Brazil, China, Mexico and South Africa, committed itself to a significant deviation of their emissions from businesses as usual, provided this would be supported by the transfers of adequate financial and technological resources.

The other issue in the negotiations concerns Adaptation. Climate Change has already begun to impose adaptation burdens on developing countries, in particular, and it is estimated that India is spending about 2% to 2.5% of its GDP currently on Adaptation measures. This burden is likely to increase in the ensuing years. It should be appreciated that even if, by some miracle, carbon emissions could be reduced to zero tomorrow, climate change would continue precisely because it is caused by the stocks of GHGs in the atmosphere, and these will decline only gradually overtime.

Against this background, it should come as no surprise that India, and other developing countries, attach as much importance to Adaptation as we do to Mitigation. We welcome the setting up of the multilateral Adaptation Fund under the UNFCCC, but it is severely hampered by the lack of sufficient and predictable resources. Currently, the funds come from the

2% levy on CDM revenues, which have yielded only 200-250 million dollars. This barely enough for a handful of projects.

Let me give you our view on the Technology pillar. No one would disagree that technology provides the only way to tackling climate change on an enduring basis. There are two components to the technology parameter. Firstly, there are already a range of clean and climate friendly technologies available, whose rapid and widespread diffusion could make a significant impact on both mitigating Climate Change and in adapting to its consequences. Take, for example, solar water heating systems which are already well-proven and commercially viable. Or photo-voltaic lighting systems, especially for rural applications. A global response must come to grips with the challenge of making these technologies freely available, even as public goods, and create capacities and infrastructure, particularly in developing countries, for their rapid assimilation.

A second component is focused R&D on certain key technologies. For example, if cheap, convenient and readily available power storage systems for Solar energy could be developed, this could lead to a quantum jump in the use of solar power. Coal is a major energy source today for several countries, including the US and India, and in Europe, Poland. It is unlikely that, in the foreseeable future, we will witness a major shift from our current reliance on coal. Therefore, whatever we can do, collectively and collaboratively, to develop clean coal technologies and for the conversion and use of flue

gases from coal-based thermal plants, could make a major contribution to reducing carbon emissions. India has proposed that we set up such collaborative R & D projects among countries that have an interest as well as capability, under the aegis of the UNFCCC backed by a global Venture Fund. The technology products emerging from such publicly funded collaboration, could then be diffused rapidly and on a large scale, as public goods. This approach reflects our view that market forces alone will not deliver the scale of response we require.

Finance is, of course, the critical issue. We can talk about a lot of things that need to be done to tackle Climate Change. The structural changes that are required to shift current production and consumption patterns in developed, industrialized countries, from carbon-based fossil fuels to renewable and clean energy sources, will cost money. To enable developing countries, to pursue sustainable development, which would avoid carbon emissions as well as help them adapt to climate change, also require resources. Where will these resources come from? For developing countries, particularly, the answer to this question is of paramount importance.

Our view is that the funding mechanism must be set up under the UNFCCC itself and financed through assessed contributions on developed countries, based on a set of criteria which could include historical responsibility, current overall and per capita emissions, per capita incomes, among others. The

funding needs to be predictable and must be governed through a multilateral structure that takes into account the priorities of the developing countries themselves. These funds are not in the nature of overseas development assistance and should not be donor-driven.

Market mechanisms, such as a Cap and Trade system, which could generate revenues for such funds, have been favoured by our developed country partners. They are welcome to use such mechanisms, but we have doubts whether the market alone can be a reliable and predictable source of funding for the kind of global effort we are talking about. The willingness to deploy resources has, so far, not matched the rhetoric on climate change.

In the remaining months leading upto the Copenhagen meeting, these are some of the key issues that will need to be resolved. India and other developing countries are participating actively and constructively in these negotiations and are also fully engaged with our partners in Europe and with the U.S. I have just come back after attending the first preparatory meeting of the Energy and Climate Change Forum of the major economies, which the US has initiated. The focus of the Forum was on building trust and confidence among the major economies, so that they could together, at the highest political level, contribute to the multilateral negotiating process. The other objective was to seek collaborative projects among the major economies which could help the world deal with the

Climate Change challenge. We are off to a good and encouraging start, but two more preparatory meetings will be held before the leaders meet on the sidelines of the forthcoming G-8 Summit in Italy in July this year. The fact that the participants in the Forum were received by President Obama at the White House is a sign of the importance the US attaches to this initiative. Our response will be positive.

India has welcomed the lead the European Union has taken in indicating clearly the willingness of its members to achieve 20% reduction in emissions by 2020 compared to 1990 as the base year. This would be increased to 30% if other industrialized countries assumed comparable commitments. We would, of course, urge even more ambitious targets but at least the EU has not shied away from its responsibility in this regard.

Nevertheless, since a significant part of EU's emission reductions appear to be premised on finding offsets in developing countries, the real impact of these commitments are somewhat unclear.

We are also unable to agree to the manner in which the EU has prescribed deviations of 15% to 30% from BAU for developing countries, diluting the requirement for financial resources to support such deviation, and giving the EU the right to assess the adequacy of the strategies for low carbon growth pursued by these countries. We believe that the full incremental

costs of mitigation measures undertaken by developing countries, should be compensated.

These are some of the issues we will need to discuss further with our European friends.

There is limited time available, so I will not dwell in detail on India's own National Action Plan on Climate Change. To give you a summary – this is a Plan which was announced by the Prime Minister on June 30, 2008. It consists of Eight National Missions, covering both mitigation and adaptation and each with a significant R & D and technology component. These Missions are:

- (1) National Solar Mission
- (2) National Mission on Enhancing Energy Efficiency
- (3) National Mission on a Sustainable Habitat
- (4) National Mission on a Sustainable Agriculture
- (5) National Water Mission
- (6) National Mission on Safeguarding the Himalayan Ecology
- (7) National Mission on “Green India”
- (8) National Mission on Strategic Knowledge

Just to give you the level of ambition in these missions – we propose to increase energy efficiency by 20% during the current 11th Plan period, leading to an annual saving of 10,000 MW of power, which, in fossil fuel terms, would be equivalent of avoiding 50 million tonnes of CO₂ each year.

In the Green India Mission, we propose to increase our forest cover from the current 22% of land area to 33%, thereby creating a huge carbon sink.

And the Solar emission is also aiming at very ambitious targets for 2020, but we have yet to finalise the figures.

I would also like to point out that with India now fully engaged in international commerce in civilian nuclear energy, we are aiming at a capacity of 60,000 MW by 2030/31 which would mean avoided emissions of 300 million tones of CO₂ per year.

I am happy to report that India and the EU have a strong bilateral engagement, since several years, on both Climate Change and Energy. These include:

1. An EC-India Joint Working Group on Environment (JWGE) has been set up and the JWGE has had five meetings so far, the last one being in Sept, 2008 at Mumbai. DG Environment (DG ENV) of the European Commission and Ministry of Environment and Forest (MOEF) of India are co-chairs of this Group. Sixth meeting is scheduled to be held in Brussels this year.
2. During the latest India-EU summit held at Marseille on 30th September, 2008, the two sides adopted a Joint Work Programme on Energy, Clean Development and Climate

Change. Among other things, the Work Programme envisages “organising climate change workshops in areas such as Modelling Mitigation Options, deployment of climate-friendly technologies and on the future of the Clean Development Mechanism”.

3. Environment Forum (EF) brings together Indian and European business, academia and civil society to exchange views and information on specific environmental issues of common interest. Three events of the EF have been organised so far.

We look forward to further enhancing our interaction on climate issues, including at the multilateral negotiating Forum itself.

Mr Chairman, ladies and gentlemen. India believes that Climate Change poses an elemental challenge to our common humanity and can, therefore, not be treated in the manner that we address trade or even security issues. These involve negotiations that are essentially adversarial, with each country or group of countries protecting its own turf, while seeking to maximise what it can get from others. This will inevitably yield least common denominator result. Instead we should aim for an ambitious outcome at Copenhagen, based on a genuinely collaborative effort on a global scale. Our common planetary home deserves nothing else.

Thank you for your attention.
