

# EXCERPTS: SPEECHES-SHRI SHYAM SARAN

## SPECIAL ENVOY TO THE PRIME MINISTER ON CLIMATE CHANGE

### “From Bali to Copenhagen – Tackling Climate Change with Renewable Solutions”

#### Bled Forum

September 1, 2008

India welcomes the opportunity to share with this prestigious Forum, its vision for tackling Climate Change as a collaborative Global Mission.



1. Such a Global Mission requires us to recognize that what we face, as humanity, is an extraordinary challenge and this requires an extraordinary response. While there is talk of Climate Change being an extraordinary challenge, what we have seen so far in multilateral negotiations, is best described as “under-ordinary”.
2. An extraordinary response cannot be delivered by a traditional negotiating process, which is by its nature, adversarial, in which each negotiating partner or a group of negotiating partners, seeks to safeguard and advance its own perceived self-interest and the result is usually a least common denominator outcome. This may be appropriate for less challenging areas such as trade or even security-related issues. A least common denominator outcome to the Bali Process will not be appropriate to the elemental challenge that Climate Change poses to collective humanity.
3. What we need is a collaborative approach based on a common and shared vision, but one which can only succeed if it incorporates the principle of equity and fairness.
4. As India sees it, the Copenhagen Outcome must be based on the principle that each citizen of the globe has an equal entitlement to the global atmospheric space. This is similar to the principle recognized, for example, in the Outer Space Treaty, that Outer Space “shall be the province of all mankind”. Therefore, our objective should be to aim eventually for a per capita convergence of greenhouse gas emissions.

The Prime Minister of India has solemnly declared that even while India pursues its economic and social development goals, it will not permit its per capita GHG emissions to exceed, at any point of time, the average per capita emissions of developed countries.

5. A successful outcome, which is equitable, must take into account historical responsibility. It is not current levels of emissions alone which are responsible for climate change. Climate change is taking place as a consequence of accumulated GHGs in the atmosphere, as a result of several decades of carbon-based industrialization in the developed world. Therefore, as the UNFCCC itself acknowledges, it is the developed countries who occupy the limited carbon capacity of the earth's atmosphere, who must achieve urgent and significant reductions in their emissions.

6. Developing countries have the responsibility to engage in sustainable development but their emission reductions will be the result of sustainable development, not the other way around. This is an important distinction. To enable enhancement of sustainable development in developing countries, there has to be support in terms of technology transfer and financial resources.

7. What developed and developing countries together need to achieve is an accelerated and substantial shift from fossil fuels to non-fossil fuels and from non-renewable sources to renewable sources of energy. There must be a global plan to change the very nature of growth, from one based on carbon that has remained virtually unchanged since the dawn of the industrial revolution to one based on clean and renewable sources of energy. This radical and in a sense revolutionary shift is the extraordinary response required to an extraordinary challenge. We are prepared to be a part of this global effort, but I repeat, this must be on the basis of equitable burden-sharing.

8. India has announced its own National Action Plan on Climate Change on June 30, 2008. It is, in essence, our own strategy for sustainable development. It is based on the recognition that both in terms of energy security and tackling climate change, India must achieve a graduated shift from reliance on carbon-based fossil fuels to non-fossil fuels and from non-renewable to renewable sources of energy. Therefore, the pride of place has been given to a National Solar Mission to promote the use of the sun's energy, which is available plentifully in tropical India. There is also a focus on other renewables such as bio-mass and bio-fuels as also nuclear energy. We would welcome international collaboration to accelerate the implementation of this strategy.

9. The extraordinary nature of the global challenge of climate change also leads us to recommend other collaborative agreements on technology transfer, technology collaboration and financing instruments. If there are current patented technologies, whether from the developed or developing countries, whose widespread diffusion would make a significant impact on climate change, then let us acquire these

patents through a global fund and make them available widely as public goods. We as a developing country, are prepared to contribute to such a fund in accordance with our economic capacity.

10. Similarly, we must put in an unprecedented effort in collaborative R&D to generate technological innovations that are cost-effective and convenient. This too, can be financed through a Global Venture Fund to which we are also prepared to contribute, and whose results similarly could widely be diffused as public goods.

11. There is no doubt that the financing required to achieve a substantial shift from a carbon-based economy to a renewables-based economy, will be of an unprecedented scale. Given the current economic gloom world-wide, this may seem unrealistic. I would, however, argue that deploying resources to tackle the global challenge of climate change, is itself a means of “energizing” the world economy. It will unleash a veritable surge of innovation, enterprise and development unmatched in history.

12. The capital required must be deployed nationally as well as on a multilateral basis to support sustainable development in developing countries. The location and disbursement of these funds are best achieved through the UNFCCC framework itself rather than in a traditional donor-driven approach, where the priorities of developing countries tend to be ignored. This will require a mind-set change both among developed and developing countries. Financing for climate change should not be seen as another form of ODA but rather payments for ‘entitlements’ of developing countries under an equitable global regime.

13. India is prepared to work actively and constructively for an ambitious, equitable and effective outcome from Copenhagen.

### **“Climate Change: Will India’s Growth Story Confront a New Constraint?”**

**India International Centre,**

**July 26, 2008**

There are two ways in which climate change could impact on our economic development.

Firstly, there will be additional costs due to the unavoidable need to adapt to climate change that has already taken place, and will inevitably take place, as a result of the cumulative and continuing accumulation of greenhouse gases (GHG) in the atmosphere. The economy will need to be made more resilient to face unpredictable weather patterns. It will have to evolve more thermal resistant crops and botanical strains. There may severe water stress both for agriculture and human consumption. There

may be health consequences due to the spread of viral and bacterial strains in higher temperatures and more humid conditions. The poorer the country, the greater the risks and, therefore, greater the costs of adaptation. Even currently, it is estimated that India is already spending about 2.5% of its GDP on adaptation and this percentage is likely to go up significantly in the coming years.

Secondly, there will be costs to be incurred if concerns over climate change compel a significant and accelerated shift in the energy mix of the country, away from the current reliance on fossil fuels to non-fossil fuels. The patterns of economic activity, in agriculture, industry and sciences, will need to undergo a transition which will require investments in new technologies and equipment. The economic and social development of the country and the prospects of eradicating poverty within a generation would be seriously and adversely impacted.

Let me also emphasize at this point that ability to adapt to climate change is also linked to the level of development. Richer and more advanced states are better equipped to cope with climate change than are poorer countries. Therefore, development is the best form of adaptation, even if development in a developing country results, in the foreseeable future, to an increase in its GHG emissions.

There is much talk in our civil society today of the urgency of India taking on commitments to reduce its GHG emissions. Some argue that it is developing countries like India which will be worst affected by climate change and hence should take the lead in significantly reducing its GHG emissions. Some of our friends, both in Europe and North America also argue that unless countries like India and China take on ambitious commitments to reduce their GHG emissions, their own efforts will not yield the results we all hope for in mitigating climate change. Let us examine these arguments in the light of science and on the basis of equity.

Climate Change is taking place not as a result of current GHG emissions but as a result of cumulative accumulation of greenhouse gases in the global atmospheric space, as a result of anthropogenic activity, mainly fossil-fuel based industrial activity over the past 200 years. True, current emissions are adding to this accumulation on an incremental basis. But looked at in a comprehensive perspective, the total stock of GHG in the atmosphere, in particular CO<sub>2</sub> emissions, is almost entirely the responsibility of developed, industrialized countries. Even if one were to take 1900 as the baseline and calculate cumulative emissions upto 2004, the U.S. share in global cumulative CO<sub>2</sub> emissions is 28.03%, of Russia 7.85%, of Germany 6.47%, of Japan 4.02%, of China 8.37 and of India, only 2.44%. (These figures are based on the Carbon Dioxide Information Analysis Centre of the U.S. Department).

Against this backdrop, whatever be the stabilization targets for CO<sub>2</sub> emissions, that is considered essential for mitigating climate change, there will be a corresponding carbon space which will need to be equitably shared among different countries in the world. It is clear from the figures that I have

placed before you that equity demands that CO<sub>2</sub> emissions, which constitute the most significant part of GHG emissions, must be drastically reduced by the developed, industrialized countries, even while those of developing countries like India will inevitably rise, at least in the foreseeable future. If developing countries like India must mitigate their CO<sub>2</sub> emissions, then the costs involved must be fully compensated for, by the developed countries, and the required technology transfer must take place in the nature of public goods. This is based on the simple principle: The Polluter Pays.

In fact, what I am saying here today, has already been accepted by consensus in the UN Framework Convention on Climate Change, adopted in 1992 at Rio de Janeiro. The Convention recognized the historical responsibility of the developed countries for the phenomenon of climate change taking place. It is for this reason that only developed countries were expected to take on emission reduction targets and not developing countries.

An argument is sometimes advanced that in 1992, the rapid growth of emerging economies like China, India, Brazil and others, had not been foreseen. The situation, today, is different and, therefore, requires new measures. In fact, the UNFCCC clearly anticipated that, as developing countries pursue their goals of economic and social development, their emissions would inevitably rise.

As for **current emissions**, again India has no reason whatsoever to be on the defensive. I refer to the Climate Scorecards brought out by WWF and prepared by Ecofys, on the eve of the recently concluded Hokkaido G8 and G8 + G5 Summits. If you look at current emissions per capita in tonnes of CO<sub>2</sub> equivalent, the figures are revealing. Canada has 23 tons, Germany 12, Japan and the UK 11 each, Russia 15 and the United States 24 tons per capita. China, by contrast has 5.5 and India only 1.7 tons per capita. Even in the macro terms, India lags far behind the U.S., for example, accounting for only 4% of global emissions as against 20% for the U.S. And despite their commitments in the UNFCCC to reduce CO<sub>2</sub> emissions by 6.2% in 2012 compared to 1990, most developed countries have in fact recorded a significant rise instead. This is because fossil fuel consumption is rising everywhere. In the 1990-2005 period, US emissions have risen by 19%, Japan's by 22% and even the EU 15 by 7.8%. If you consider incremental CO<sub>2</sub> emissions on a per capita basis in select countries during 1990-2005, then the U.S. leads with 3.2 tonnes, China follows with 2.3 tonnes, Japan with 1.7, the EU 15 by 0.7 and India with only 0.5 tonnes. Therefore, it is absurd to talk of India being a "free-loader" or being given a pass. The problem is elsewhere.

I have gone into some detail in this regard because we must not accept a global climate change regime which is inequitable and imposes unfair economic burden on us as a developing country. Climate Change will become a constraint on India's growth story if we do not work together with other developing countries to ensure a global regime that takes into account historical responsibility,

recognizes the overriding imperative of economic and social development and the eradication of poverty and is based on the principle that each citizen of the globe has an equal entitlement to the global atmospheric space.

Despite history and equity being on our side, we have not avoided our responsibilities as enlightened global citizens. The Prime Minister has committed India to never exceeding, during our development process, the per capita emission of developed countries. This is a major contribution to the global effort to deal with climate change.

I have so far argued that our negotiating strategy must be directed towards an outcome that does not constrain India's growth prospects by limiting our energy choices through emissions reduction commitments. I have also demonstrated that adaptation costs to India, as a result of current and prospective climate change, will be increasingly significant. In multilateral negotiations, our effort is to ensure funding of adaptation costs through an Adaptation Fund.

What, therefore, are **our conclusions?**

Firstly, we must negotiate to establish a global climate change regime that does not restrict our energy options, nor imposes on us the costs of adjustment to a low-carbon economy. We are not in a position to meet these costs of adjustment unless these are fully covered by transfers of finance and technology from developed countries.

Secondly, even while we ensure that we keep our energy options open, we must recognize that India's energy security necessitates a graduated shift from fossil fuels to non-fossil fuels, such as nuclear, and from non-renewables to renewables, such as solar energy and bio-mass. The high and rising costs of oil, gas and coal and our increasing dependence on their imports, necessitates such a shift, and the sooner we achieve this, the better it is. Our ability to do this will also be greatly enhanced through international collaboration which we welcome. India's strategy for achieving energy security will also become its answer to the challenge of climate change, with benefits both for India itself and for the world.

**“Climate Change – From Back Room to Board Room – What Indian Business Needs to Know About India's Approach to Multilateral Negotiations on Climate Change”**

**April 21, 2008**

How does India respond to this threat, despite the knowledge that its own contribution would probably make only a modest difference? Our total emissions are only a fraction of the global figure – just 4% compared to 20% for the U.S. and 16% for China. If you take per capita figures, then the differences are even more stark. India emits about 1.1 tonnes of CO<sub>2</sub> per capita while the corresponding figure for the U.S. is more than 20 tonnes. Furthermore, the energy intensity of India's economy has been

consistently declining and today, we are able to deliver 8% plus annual growth with only 4% increase in energy consumption. This trend is likely to continue and could even accelerate if government and industry were able to work together on improving industry standards in a host of energy intensive sectors.

For India, the most important argument in favour of adopting climate friendly technologies and embracing an environmentally sustainable strategy of growth stems from a very compelling and practical reality i.e. unless we are able to develop economically viable and new sources of energy, energy will become a major constraint on our growth. If we continue to rely on fossil fuels to underpin our growth, and fossil fuels become increasingly more scarce and expensive, as oil has already become, there is little doubt that our ability to sustain high levels of growth of our economy over the medium and medium to long-term, could face severe constraints. Therefore, even if there were no climate change argument, we would still need to evolve an energy strategy that, over time, would involve a shift from fossil fuels to non-fossil fuels, non-renewable sources of energy to renewable, and conventional to non-conventional sources of energy. Such a strategy would, by definition, also be climate friendly.

There is no escape from the reality that as India develops; its consumption of commercial energy is bound to increase. Therefore, realistically speaking, even with continuing decline in the energy intensity of GDP growth, carbon emissions will rise in the years to come, before they flatten and decline as new and hopefully renewable sources of energy kick in. It is to our advantage to build a low-carbon Indian economy and to be even ambitious in this regard. But this is a national effort dictated by our own growth choices. When it comes to multilateral negotiations on dealing with climate change, the dynamics are different.

**India's stand in international negotiations**, as also that of most developing countries, is based on the simple principle – “The polluter pays”. If we consider the period between 1850-2000, cumulative CO2 emissions will show how the available carbon space is currently occupied. The U.S. leads with 30%, the EU-25 with 27.2%, China with 7.3% and India with only 2%. It is for this reason of historical responsibility that in the UNFCCC, negotiated in 1992, it was agreed by consensus that emission reductions would only be required of the developed countries. The ensuing Kyoto Protocol formalized this understanding by setting targets for emission reductions by so-called Annex I countries, or developed countries during the first commitment period lasting upto 2012, with the promise of even deeper cuts in the subsequent commitment period post-2012. The explicit understanding has all along been that developing countries would not be required to undertake legally binding mitigation targets. Their mitigation efforts, according to UNFCCC, will have to be fully compensated through transfer of financial resources and technical know-how from developed countries.

Therefore whatever action we take domestically to pursue sustainable development, let it be clearly understood that there is no legal obligation on the part of India, under existing international instruments, to take on binding emissions reduction obligations, now or in the post 2012 period.

I say this, because considerable and sometimes deliberate confusion has been sown in the minds of our civil society and business and industry through the use of terms such as “post-Kyoto regime” or negotiation of a “new international framework for climate change” or a “post-2012 climate treaty.” What we are currently engaged in are multilateral negotiations within the existing UNFCCC and its Kyoto Protocol. The principles underlying these agreements have been reaffirmed most recently at Bali in November 2007. What is currently being negotiated is (i) fresh emission targets that the developed countries must adopt – post 2012 in the second commitment period under the Kyoto Protocol; and (ii) an Action Plan that would enable the more effective implementation of the objectives of the UNFCCC, including through measurable reportable and verifiable action on the transfer of financial resources and technology from developed to developing countries.

Let me now turn to issues relating to the **transfer of financial and technological resources** from developed to developing countries to enable the latter to pursue environmentally sustainable strategies of growth. This, again, is a fundamental principle underlying the UNFCCC and has been reiterated in the recent Bali Action Plan. The transfer of such financial and technological resources is not conditioned by any mitigation actions to be taken by recipient countries. In actual fact, the record on this score has been dismal, and with an economic down-turn looming large on the horizon, the prospects are not very encouraging. India has argued for additionality of funds for climate change related activities in developing countries. For technology transfer, we have argued that since climate-friendly technologies are in the nature of public goods, addressing an urgent global challenge, the IPR regime in respect to such technologies must be adjusted to enable them to be adopted by developing countries at affordable prices. A global Climate Change Venture Capital Fund could be set up, which could purchase patents on such technologies and enable their transfer to developing countries. We have also suggested an international collaborative effort among major developed and developing countries to promote new climate friendly technologies. This could be called CLEAN-NET. Unfortunately, none of these proposals have received a serious response from the developed countries.

**Let me summarize India’s negotiating position on Climate Change:**

(i) The UNFCCC remains the multilateral, legally binding instrument available to the international community to deal with the challenge of Climate Change. Its principles and objectives continue to be fully valid and must govern all our future activities on this subject. The Bali Action Plan has removed any ambiguity on this count.

(ii) The Kyoto Protocol to the UNFCCC will remain in force post-2012. What is under negotiation is the setting of emission reduction targets by developed country parties in the second commitment period which commences in 2012. The Kyoto Protocol does not expire in 2012, nor are developing countries expected to take on reduction commitments in post-2012 period.

(iii) The responsibility to support sustainable development strategies in developing countries, through the transfer of financial resources and technology from developed countries, is not linked to any conditionalities.

(iv) While developed countries are free to adopt sectoral approaches as a means to achieve their national emission reduction targets, there cannot be an imposition of industry-wide norms on a global basis, nor recourse to arguments about maintaining trade competitiveness or a level playing field.

Irrespective of what happens in international negotiations on Climate Change, it is important that we evolve and pursue a strategy of environmentally sustainable development, for reasons of our own vital national interests. An India which is heavily dependent on fossil fuel imports to sustain its high level of growth, is an India which will be increasingly vulnerable. In the short to medium-term there may be few alternatives to fossil fuels and our strategy must, therefore, be to secure such supplies from a diversity of sources to ensure predictability as well as affordability. We can also increase supplies of energy by further improving energy efficiency standards, through technological up gradation, improved management and adoption of best international practices. A Vice-President of Dow Chemicals recently said – “..... improving energy efficiency is the cheapest and most renewable fuel of all.” We will need to accelerate the development of renewable and non-conventional sources of energy including nuclear energy, wind energy, bio-mass and solar energy.

India can play a leadership role on the subject of Climate Change, because it has its own particularities. It is heir to a civilizational legacy which places high value on the preservation of the environment and the maintenance of ecological balance. We look upon Nature, instinctively, as a source of nurture, not as a force to be subdued. This is a very powerful asset. India also has a wider spectrum of choice precisely because we are not already locked into a specific pattern of development. We can chart our own course, if we so choose. In making our choices, we must always observe Gandhiji's wise dictum: The earth has enough to meet our needs, but will never have enough to satisfy our greed.

**Shyam Saran, former Foreign Secretary, was named the Prime Minister's Special Envoy on Climate Change in March 2008.**