

To: Assistant Secretary-General Orr
From: Adam Rein (mailbox #364, 991 words)
Re: "U.S. First": India's Climate Policy
Date: April 28, 2008

India's climate position is framed by three facts:

- India has the lowest per-capita and per unit GDP carbon emissions of all major countries.
- India requires rapid economic growth to alleviate widespread poverty.
- India arguably faces the greatest natural harms from continued climate disruption.

The Indian government will continue to resist any mandatory GHG emissions reductions in a post-Kyoto agreement, unless the U.S. first reduces emissions and offers India significant financial, technological or diplomatic incentives.

INDIA'S OFFICIAL POSITION

India's climate position has been clear and unwavering. Prime Minister Singh's Council on Climate Change will announce India's official roadmap within months, likely reaffirming India's current three-pronged stance:

1. **U.S first** - India rightfully argued in Bali that under the "common but differentiated responsibilities" FCCC clause, it need not commit to reducing emissions until countries that historically emitted most--meaning the U.S.--take the first steps.
2. **Development first** – India will not agree to emissions limits that risk slowing the economic growth needed to lift millions from poverty. India already promotes policies-- renewables, energy efficiency and clean coal--that both stimulate growth and sustainably reduce emissions. Only 3% of Indian households own a car. As India's large youth population adopts more energy-intensive goods, India's energy demand is forecast to increase three- to four-fold over the next 25 years, increasing GHG emissions by 3-5% annually.
3. **Per-capita framework** – Despite emitting 4.6% of the world's GHGs, India's carbon emissions of 1.2 tonnes per capita are 30% of the global average and only 6% of U.S. levels. India's emissions intensity is approximately 30% below average Annex 1 levels. In Bali, India repeatedly argued that it should be exempt from emissions-reduction obligations because of its low per-capita emissions, aggressive renewables targets, and strict fuel-efficiency standards. India defends this position using two ethical arguments: "Survival emissions" are more justified than Western "luxury emissions"; and India pollutes less than the West did during

its historical development. Prime Minister Singh promises to keep per-capita emissions below average developed-world levels indefinitely, a questionable promise but one projected in almost all scenarios for the next half century.

INTEREST GROUPS

India’s climate policy is driven by three major constituencies:

- **Environmentalists / foreign-policy elites** want India to be treated as a respected partner in climate negotiations. They are anxious to preserve future bargaining power by not agreeing to commitments until the U.S. does. The *Times of India* portrayed India’s tough Bali negotiating stance as a “hard-fought win,” despite few measurable gains.
- **The rural / urban poor** are generally unaware of global warming. Only a minority of surveyed Indians believes that human activity causes climate change, significantly lower than in the U.S. or China. The poor are concerned about India’s recent spike in heat waves and natural disasters. The 2007 IPCC report highlights the perfect storm threatening to hit India: (a) monsoon disruptions causing drought, water shortages and up to 30% decreased crop yields, spreading diarrheal disease and malaria (b) northern flooding and heat waves in urban centers (c) rising sea levels, potentially displacing millions of southwestern Indians (d) biodiversity decline in central forests. Poor Indians countrywide want the government to mitigate these climate disruptions while creating opportunities for economic growth, including wide-scale new coal generation to fulfill the government’s promise of universal electricity across India by 2012.
- **Businesses** see lucrative opportunities in a post-Kyoto agreement. Industry supported the Kyoto Protocol to access the estimated \$1 billion annual CDM industry, which has grown to 240 projects, the most of any country (although far surpassed by China in value). In Bali, India risked stalling talks to ensure that any “measurable, reportable and verifiable” mitigation was contingent upon “technology, financing and capacity-building” from developed countries. Most sectors (e.g. clean energy, finance, agribusiness) support a climate deal that attracts these incentives and mitigates climate risk, but the heavy industry sectors will oppose any deal that puts a price on carbon.

POTENTIAL POLICY CHANGES

India’s “U.S. first” policy will remain a deal-breaker issue for India’s government. But most Indians view climate change as a “very serious” problem. Three mechanisms could alter India’s official policies within five years:

A. Change of Power – India’s general election by 2009 will pit the growth-oriented incumbent Congress Party against the more populist opposition BJP. Climate change is not currently a major issue, but the BJP may seek popular support by linking India’s development policy with increased shortages and natural disasters. If the BJP wins power, it may move away from “development

first” and agree to limit emissions if developed countries offer large adaptation funding to reduce harms to the agricultural sector and India’s rural poor.

B. Large financial incentives – Seeking growth, India desires the billions of dollars in potential climate-related incentives, including technology transfer, new CDM/REDD projects, and capacity-building financing. Since 2002, India has unsuccessfully pushed for stronger international institutions, clear performance indicators and real financing for technology transfer. The REDD program could reward India for its current forestation efforts, which since 2001 have greatly expanded forest cover, three-quarters of which is threatened by livestock production. Although India’s “per-capita framework” has widespread moral support, the U.S. will likely never accept it, especially since India will surpass the U.S. in absolute emissions within three decades. India may bargain this per-capita position to gain financial benefits with business sector support. If developed countries provide substantial aid, polls show that 48% of Indians would be willing to limit emissions compared to 29% opposing.

C. U.S. pressure – India might change its position under strong U.S. diplomacy. The U.S. exerted significant pressure to get India to accept CDM under Kyoto, offering a broad energy partnership. The U.S. recently strengthened its relationship with India through a broad nuclear partnership. Beyond more carrots, the U.S. will likely threaten a border tariff on imports from countries without emission reduction targets. India places great importance in being a global player, and may agree to emissions targets in a post-Kyoto agreement under strong U.S. pressure at the negotiating table.