

Recovering Key Strategic Concepts in India's Climate Policy: Reply to "Paris Agreement" by Kirit S. Parikh and Jyoti K. Parikh

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The article "Paris Agreement" by Drs. Kirit and Jyoti Parikh (EPW, April 9, 2016) usefully takes forward a complex discussion on the Paris Agreement on Climate Change, and India's interests in that agreement. The article also cites some of our recent work on the same subject. This comment is intended to deepen the discussion, and also to clarify a mis-reading of our own views. While the mis-reading is relatively minor, we think that the very framing of the problem their article -- around the two important issues of co-benefits and historical responsibility --- is incomplete and therefore problematic.

The minor mis-reading of our work pertains to the cost of India's climate actions, as represented in India's official intended nationally determined contribution (INDC) submitted before Paris. The INDC assesses the cost of mitigation and adaptation action, and therefore the need for support, at \$2.5 trillion (2014-15 prices) between now and 2030 (UNFCCC, 2015). In their article, the Drs. Parikh cite us as arguing that this is an overestimate because co-benefits of climate actions are not accounted for. Not quite.

We do not assess whether this figure is an over or under-estimate, because the information simply does not exist with which to do so. Our central message on this issue is that we need more clarity and transparency failing which numbers such as these risk lacking credibility. For example, the INDC document cites adaptation costs of \$206 billion (2014-15 prices) and mitigation costs of \$834 billion (2011 prices), which adds up to substantially less than \$2.5 trillion, but provides no accounting of the remaining difference. Further, there is no citation to enable deeper analysis into these numbers.

But quite aside from accuracy and clarity, the issue of cost is worth raising because it is a doorway to two larger issues that have been central to India's climate policy, and are the focus of the article by the Drs. Parikh: co-benefits and historical responsibility. We suggest their article incorrectly underplays the idea of co-benefits, and treats over-simplistically and out of legal context the idea of historical responsibility. India's interests would be better served by more appropriate engagement with both these key ideas.

*Co-benefits*

The Drs. Parikh claim that the "notion of co-benefits is not strictly applicable to conditions in India." This is surprising, because India is arguably the country that has used the concept most, and most effectively, in international and domestic debates. Co-benefits -- the idea that development actions can sometimes bring climate gains -- is at the core of our National Action Plan on Climate Change (PMCCC 2008). It figures prominently in our 12<sup>th</sup> Plan, and the Expert Group on Low Carbon headed by Dr. Kirit Parikh, and on which one of us was a member through to the submission of the Interim Report. But more important than precedent, co-benefits as a concept has been extremely useful to India's political stance on climate change: development outcomes are the priority and we will pursue climate mitigation when it coincides with promotion of nationally determined development outcomes. So it is unclear why the article seeks to undermine the notion.

Substantively, the basis on which the article seeks to do so is thin and incomplete. In essence, the Drs. Parikh analysis asks: how prevalent are co-benefits, and do they raise or lower overall costs, i.e. are the trade-offs between climate and development objectives more or less than the synergies? To

make the case, their article examines the relative merits of renewable energy (RE) and coal-fired power in achieving three objectives: carbon reduction, reduction in local air pollutants and jobs. And the authors argue that there are cheaper ways of reducing local air pollutants than switching to RE and that coal brings more jobs than RE. Both these are important issues to explore, and the analysis presented is reasonable, even if only indicative. The problem, however, lies in their over-drawing conclusions from this limited analysis.

The relative merits of coal versus RE do not rest on local air pollution and jobs alone; a more complete analysis would examine a larger set of possible objectives, including issues such as the implications for energy security from reducing reliance on coal given India's high fuel import bill, the impacts on water as a result of expanding coal mining and power plants, and land requirements for both alternatives. Some of these, such as the first two, would likely favour RE, while the last could favour coal. But the point is, to be useful, a co-benefits approach requires arriving at answers about potential trade-offs and synergies by following a well-developed methodology (Khosla et al. 2015). Our own argument is not that co-benefits exist in all cases; rather it is that energy and climate policy should be informed by a careful and thorough analysis to identify where they exist, and where they do not.

Consequently, it is unfortunate that the entire concept of co-benefits, or multiple objectives as they are increasingly termed, is dismissed in this article based on one, incompletely worked out example. In our own work we have undertaken an initial analysis for the buildings sector and for cooking fuel provision, both of which show interesting patterns of synergies (with fewer trade-offs) across multiple objectives (Khosla et al. 2015). Other evidence from global modelling studies suggests the existence of persistent co-benefits for South Asia (mainly driven by India) across energy security, local air pollution and climate mitigation (Rao et al. 2015). And studies also suggest the prevalence of co-benefits globally (von Stechow et al. 2015)

The point is that there are at least some cases where co-benefits of policies are likely to be high -- for example, public transport is likely to bring gains for urban liveability, local air pollution, and fuel imports, and a possible trade-off with jobs. And there are cases where they will be low -- for example, plantation forests as a mitigation option are likely to exacerbate pressures on scarce land and displace communities. We argue that we need better and more analysis to understand where co-benefits exist, and can be realized, and where trade-offs exist, and can be avoided, in order to prioritize across national policy options.

Notably, this analysis is also a starting point for determining where infusions of global finance and technology can be helpful (and we agree with the Drs. Parikh that they can indeed be helpful). Secondarily, such analysis also helps inform more accurate estimates of India's climate mitigation costs, for use in international negotiations. Seeking to undermine an important strategic concept, particularly on the back of incomplete analysis is deeply problematic, and perhaps even harmful. It risks weakening the rigour of our domestic policy debate, which should be our first priority, and, of depriving India of a key strategic concept for international negotiations.

### *Responsibility for Climate Change*

Perhaps the central argument put forward by the Drs. Parikh is as follows: India's effort should be judged entirely by its historical responsibility for causing the climate problem; India's responsibility (as measured by the analysis in their paper) is effectively zero; and therefore any mitigation effort at all by India can be considered ambitious. This is a seductive argument, because it would appear to free us from the hard work of advancing our interests in the real world of the international

negotiations. However, following this line of argument amounts to playing the game according to the rules we wish had been agreed, not the rules we ultimately were able to negotiate. And this risks decreased effectiveness in promoting India's interests.

We fully agree that historical responsibility is an important concept in promoting India's interests, but, it needs to be used appropriately. In brief, the counter argument to the Drs. Parikh as we see it is this: India has unfortunately not been able to win agreement on historical responsibility as the agreed centre-piece of determining what countries should do to address climate change; the resultant Paris compromise was a framework of 'nationally determined' actions intended to lead to effective global action, which includes some mitigation actions by developing countries and with the ultimate aim of leading to effective collective global action; whether or not a country's actions are ambitious or appropriate cannot be judged by any single uniform benchmark because no agreed benchmark exists, but has to be argued on a country by country basis, including but not exclusively by skilful use of the idea of historical responsibility. We discuss each in turn.

Historical responsibility has a long and contentious history in the United Nations Framework Convention on Climate Change (UNFCCC) process. The UNFCCC references historical emissions (in the preamble), along with the phrase "on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities" in the section on principles. Although many developing countries claim this principle is inspired by historical responsibility, developed countries have consistently rejected this assertion (Rajamani 2011). Consequently, the term 'historical responsibility' itself has only been used once, in the preamble of the decision from the Cancun climate meeting of 2010, to state that "owing to ... historical responsibility, developed country Parties must take the lead..." (UNFCCC 2011). However, precisely specifying what 'taking the lead' means, and what, if anything it implies for developing countries, has remained contentious.

The Paris Agreement reflects the fact that the global community has been unable to agree on a uniform principle-based approach for explicitly allocating future greenhouse gas emissions. Instead, the Paris Agreement is built around 'nationally determined contributions,' in which each country placed on the table what it could do with regard to mitigation actions, but also adaptation, and finance and technology support, based on its own definition of national interest. The Paris Agreement specifies that "Developed country Parties should continue taking the lead... (and) Developing country Parties should continue enhancing their mitigation efforts..." (Paris Agreement Article 4.4). Notably, every country has to act, but, consistent with historical responsibility (although it is not explicitly stated), developed countries should take the lead. Within this framework, which India too has agreed to, there is no collectively agreed benchmark for what counts as ambitious and appropriate action; each country has to put forward its own rationale.

Since this is the actual framework within which Indian climate policy has to operate, how best can India preserve and advance its interests? As a deeply vulnerable country to climate impacts, India should be on the side of an effective climate agreement, and argue for more collective global mitigation. However, as a developing country, India cannot sacrifice its development potential. This is precisely where the ideas of co-benefits and historical responsibility are so salient.

Co-benefits helps define how far India can go toward mitigation without sacrificing development. By aggressively and fully pursuing actions that promote development while also contributing to climate mitigation – India can enable development, but also contribute as much as possible to building a global virtuous cycle of enhanced mitigation action (Dubash 2015). Being seen as contributing is important because it enables India to put further pressure on developed countries to undertake even more serious mitigation commitments. However, if there is undue pressure on India to

enhance action beyond the limits of co-benefits (which could be likely given that current global contributions are inadequate to stave off the worst effect of climate change), then historical responsibility is the primary tool through which to ensure that such additional pressure is not displaced onto India. In particular, India should argue that historical responsibility should play an important role in the UNFCCC's global 'stocktake' or periodic process of evaluating country pledges. In our view, this is the framework through which to view these two key concepts.

However, given its importance, India's calculations on historical responsibility have to be carefully argued and robust, with reference to the substantial global literature. Here, the Drs. Parikh's back of the envelope effort at computing historical responsibility risks over-simplifying the matter. While a full review is beyond the scope of this paper, there is a substantial literature discussing, for example, the differences between burden sharing and effort sharing approaches to allocating responsibility, the benefits or not of combining responsibility and capability into a single index, the merits of using flow based versus stock based approaches, and so on (Rao 2011; WBGU 2009; BASIC experts 2011; EcoEquity and Stockholm Environment Institute 2016).

To point to one shortcoming in the Parikh's approach, their approach allocates the increased absorption of CO<sub>2</sub> that results from increased emissions equally to every person on earth. But why would, for example, heavily forested countries with a larger land sink not stake an enhanced claim to that absorptive capacity, since in practice their lands would absorb more than others? Why would high emitting countries not say, perversely but logically, that since their higher emissions have led to higher absorption, they should have more of a claim to the enhanced sinks? Given the contentious nature of the issue, it is important that when India puts forward historical responsibility arguments, it does so on the basis of careful and well-grounded computations and arguments.

In sum, historical responsibility *is* critical for India and should be robustly used to make sure that global pressures remain on the developed world for more aggressive action. But focusing on responsibility alone, as the Drs. Parikh do, ignores the reality of the Paris Agreement, and the fact that India is a deeply vulnerable country that stands to gain from more effective global mitigation efforts. In other words, historical responsibility is necessary but not sufficient to frame India's climate approach, and has to be used in ways that are relevant to the current legal context.

### *Conclusion*

Climate change policy-making and diplomacy are complex and indeed growing in complexity. With the conclusion of the Paris Agreement on climate change the rules of engagement have become somewhat clearer, but the pathway to engagement no less challenging. In particular, the name of the game in the future is careful articulation of nationally determined contributions -- articulating where India's chosen development path is coincident with climate mitigation and adaptation, and where it diverges, requiring international support. To do so requires more careful application of the idea of co-benefits, not its rejection. And similarly, in the context of the Paris Agreement, historical responsibility -- carefully computed with reference to the existing literature -- has to be harnessed to an argument supporting India's right to space to pursue its nationally determined development trajectory. Finding answers to the complexities of climate policy and negotiations is important. But the first step is asking the right questions and framing them appropriately.

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