

Press Release

Time for India to change its stance on emission reduction targets: Montek Singh Ahluwalia

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In the wake of the dire warnings about global warming issued by the Intergovernmental Panel on Climate Change (IPCC), India should consider modifying its traditional position of not committing to any emission reduction targets. This is because changes in technology now make it possible to pursue our own development objectives while reducing emissions over time, said Montek Singh Ahluwalia, former Deputy Chairman of the erstwhile Planning Commission of India and Distinguished Fellow, CSEP, at a [Flagship Seminar](#) organised by the Centre for Social and Economic Progress (CSEP) on '[Getting to Net Zero: An Approach for India at CoP-26](#)'.

Ahluwalia was in conversation with **Naushad Forbes**, Co-Chairman, Forbes Marshall; **Shyam Saran**, former Foreign Secretary of India and Senior Fellow, CPR; **Surjit Bhalla**, Executive Director for India, Bangladesh, Bhutan and Sri Lanka at the IMF; and **Sunita Narain**, Director General, Centre for Science and Environment. The discussion was moderated by **Vikram Singh Mehta**, Chairman and Distinguished Fellow, CSEP.

The panellists largely agreed that a common goal of reaching net zero by 2050 was not viable, as different countries are at different levels of development. "Studies suggest that India could peak by 2035 and reach net zero between 2065 and 2070. We could offer a target along these lines, provided other countries make similar commitments," Ahluwalia added. He suggested that the IPCC could examine the commitments of the countries and evaluate how they would together affect the 1.5°C target -- if they are not good enough, subsequent CoP meetings should discuss and modify these targets in a fair manner.

The discussion focused on a new CSEP paper authored by Ahluwalia and Utkarsh Patel (Associate Fellow, CSEP). The paper reviews the recent studies that estimate the extent of emission reduction that is possible over the next three to five decades, highlights the structural and policy changes needed for the transition and outlines a possible new negotiating strategy for India at the forthcoming G20 and CoP-26 meetings.

Shyam Saran defended India's traditional position on emission reduction, arguing that India has consistently said consensus at UNFCCC must be adhered to. "Any energy transition is going to be costlier for developing countries than for developed countries. Adoption of new technologies will be expensive," Saran said. "I am pessimistic about funds coming from developed countries to ease this transition for developing countries."

Sunita Narain emphasised that India should reject net zero targets put out by the West since they are flawed and inequitable for developing countries. "The target of 2050 is too far away. We need to keep our focus on 2030, with sharp and real targets," she said. "We need disruptive action, not disruptive technology."

Bringing an industry perspective, Naushad Forbes said that it was critical for the Indian industry to remain competitive as this transition to renewables and a low emission pathway unfolds. "I think it is very important that the discussion moves on to seeing climate change as something in India's interest, in Indian industry's interest and the collective interest of all of us citizens, and not something we need to be defensive about in international circles," he added.

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Surjit Bhalla pointed out that India had done overall well on its climate commitments. Calling the climate crisis a “world war” that must be led by advanced countries that did the most damage, he emphasised that funds must flow into developing countries. “Tax mechanisms should be used to transfer funds and technologies for climate change mitigation from advanced to developing economies,” he said.

Ahluwalia agreed on the importance of funding this transition. “The global community has to recognise that it needs to provide a credible framework of financial support which can assist these countries both to mobilise funds themselves, to mobilise private funds abroad plus straightforward long term finance at reasonable interest rates,” he said.

The paper, Getting to Net Zero: An Approach for India at Cop-26, is due to release soon. Key takeaways include:

1. India could modify its stand of not making any commitment to reduce emissions due to its developmental obligations, because changes in technology now allow meeting the energy needs of development through renewable energy while also reducing emissions.
2. A strategy of increasing energy efficiency, substituting fossil fuels with electricity wherever possible, shifting to renewable sources of electricity, mainly solar and wind, and removing residual emissions through natural carbon sinks supplemented by afforestation and, if possible, carbon capture and storage, will help to cut emissions while our energy use grows.
3. The cost of energy from renewables is now competitive with conventional energy sources, making it economically feasible to switch from polluting to non-polluting sources of energy. However, since renewable sources tend to be intermittent, the costs of balancing also need to be accounted for – thankfully even those are falling, suggesting a shift to renewables is possible in the foreseeable future.
4. The transition to net zero will involve deep structural changes in the different areas of the economy with implications for policy actions falling in the domain of the central, state and local governments, requiring close cooperation between them. Some of these large-scale transitions include building new power transmission infrastructure, creating more robust electricity markets and more urgently improving the state of our discoms, phasing down coal consumption in all the sectors (particularly power) and consequently production which has implications for employment, and shifting to electric vehicles for public and private transport.
5. We should emphasise in CoP-26 that it is not necessary for all countries to reach net zero by 2050. Climate justice would suggest that developed countries reach net zero before 2050 while developing countries get there later. Further, the climate commitments cannot be limited to net zero dates. They should take the form of emissions trajectories which can then be studied to see if they keep the global cumulative emissions within the global carbon budget. The extent to which the trajectories submitted to CoP-26 are consistent with global warming targets can be assessed by the IPCC and modified in subsequent CoP meetings keeping in mind the need for fair burden sharing.
6. Based on available studies on the scope of emissions reduction in India, we could conclude that India can peak emissions by 2035 and get to net zero between 2065 and 2070. However, the commitment should be based on a national assessment. The NITI Aayog could take a consolidated look at the many studies of emissions trajectories, consult all stakeholders including state governments, and come up with a trajectory for India. The resulting trajectory could be our offer at CoP-26.

7. An aspect of climate justice is the willingness of the developed countries to help finance the transition needed in developing countries. It will require massive investments – the estimated requirement for India in the energy sector alone is about 2% of GDP per year. Instead of focussing on the \$100 billion that was promised to developing countries in Paris and not delivered, we should work towards a new global compact with mechanisms to ensure effective monitoring and delivery. While low-income countries may need aid, middle-income countries will need long term finance at low interest rates which can be delivered through various channels. It is important in this context that arbitrary limits on flows to individual countries that exist in some institutions are raised. Bilateral and multilateral flows which can take the form of direct finance or funds aimed at risk mitigation will help to leverage much larger private flows.

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