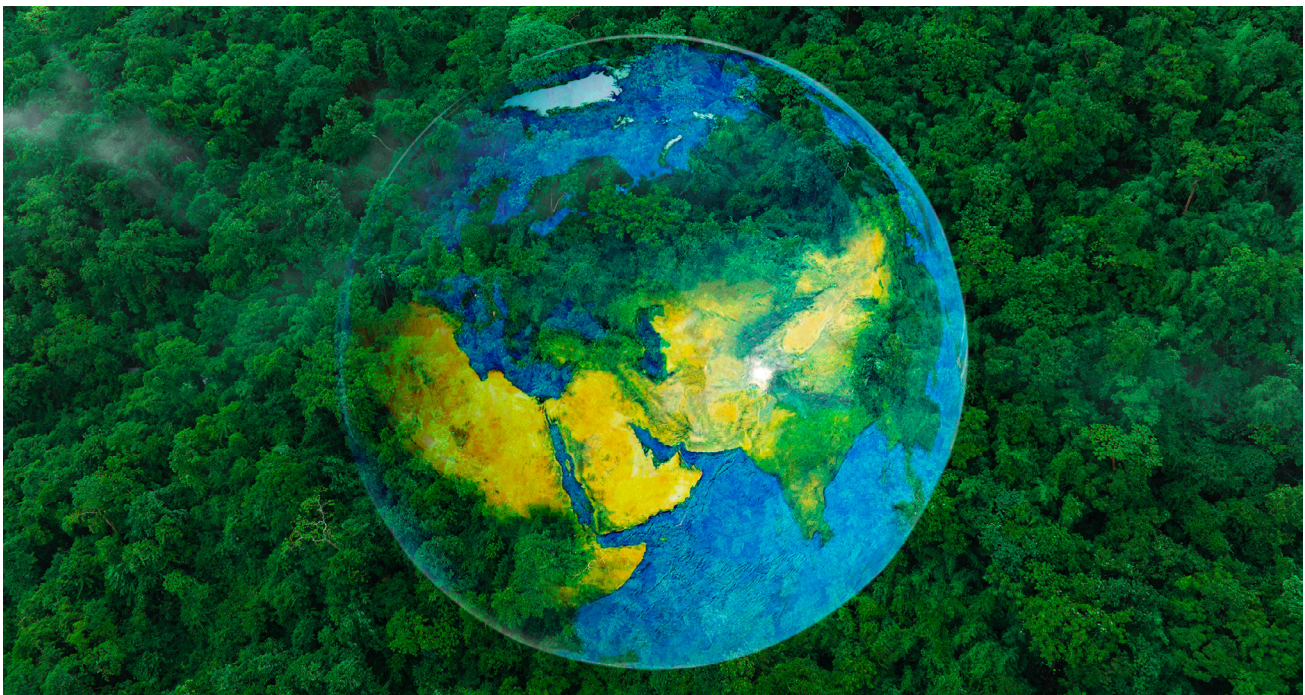


India's Climate Diplomacy: New Priorities and Policy Options

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Key Takeaways

- Post the Paris Agreement, despite fractious geopolitics and varying horizons of climate transition, India has emerged as a positive global player. It is not only achieving its domestic targets but also generating international solutions that align climate transition with economic development priorities.
- By experimenting and innovating beyond the traditional multilateral, UN-centric Conference of the Parties (COP) model, India's climate diplomacy is now also increasingly active across minilateral, triangular and bilateral tracks, furthering climate cooperation.
- India will need to prioritise and concentrate on a few objectives, including developing new ways to generate climate finance, especially by shaping international standards and engaging the private sector. Additionally, it needs to find new ways to partner in offering climate-centric development solutions for the Global South.
- While India's institutional innovations have advanced rapidly, including the establishment of new organisations such as the International Solar Alliance and a host of new climate partnerships, New Delhi must develop commensurate institutional capacity and coordination mechanisms. This is essential to ensure that its climate diplomacy is equipped to operate more strategically abroad.

Abstract

Over the past few years, India has significantly expanded and diversified its climate diplomacy. It has become an active and positive force across various levels, including multilateral, minilateral, triangular, bilateral tracks. These moves reflect New Delhi's adaptability and sophistication, straddling and balancing different institutional burdens and priorities. However, the current focus should shift towards evaluating how these varied climate engagement tracks coalesce into a coherent low-carbon strategy leading up to 2030 and 2070. This policy brief provides an overview of the analysis from the recently published report — *Tracks to Transition: India's Global Climate Strategy and* outlines key recommendations. These include 1) identifying priority areas for India such as climate finance, private sector involvement, and the Global South; and 2) policy options to bolster domestic coordination and institutional capacity to augment India's climate diplomacy internationally.

Background

India has emerged as an indispensable force in global climate politics. New Delhi works with and leverages existing and emerging international regimes and frameworks to advance widening climate interests. Concurrently, international climate politics has fragmented beyond Conference of Parties (COP) settings, as countries seek new ways to catalyse climate mitigation and adaptation. As noted by one of India's foremost climate experts, Nitin Desai, "*climate diplomacy has become a major feature of international relations*" (2019, p. xiii).

Climate and energy issues—concerning both mitigation and adaptation—are becoming core foreign policy issues, as countries realise the importance of domestic climate action to minimise pernicious effects of climate change and negotiate climate partnerships with other countries. (Nachiappan & Xavier, 2023).

The recent CSEP [report](#) identifies four principal tracks through which India's climate diplomacy has been playing out: multilateral, minilateral, triangular, bilateral.

India is working across these multiple tracks to secure financing, technology, and capacity to drive domestic decarbonisation.

Coordinating actions along these tracks is a necessity. India's climate diplomacy is locked into a variety of international initiatives. That said, it would be a mistake to see these initiatives as tentative and exploratory. India has invested considerable resources in such engagements, including by creating new institutions like the International Solar Alliance (ISA) or the Coalition for Disaster Resilient Infrastructure (CDRI).

All these engagements across many, parallel tracks will therefore be a necessary—though not necessarily sufficient—way to facilitate India's climate transition to achieve half of its electricity requirements from renewable energy by 2030 and net-zero emissions by 2070 (Ahluwalia & Patel, 2022).

That said, engaging and exploring different tracks does not make a strategy. It appears that tactical engagements may not entirely sync with the long-term institutional engagement with COPs, which has changed since the Paris Agreement. As India took a bold political position to shift and approximate goalposts, it will now have to ensure that these commitments are realised through strategic choices and commensurate institutional capacity to accelerate its transition pathways.

In *Tracks to Transition*, we argue that New Delhi's current pace and adaptive posture(s) across these various tracks are not sustainable, warranting a strategic reassessment of diplomatic resources, internal-external policy coordination, and institutional reforms. Rather than taking a presentist approach, one needs to start with 2030 and 2070 targets and work backwards to assess and fill gaps in India's climate diplomacy.

This policy brief i) reviews the four tracks we identify based on several case studies in the CSEP report and ii) identifies two priority areas and four policy options for India to prioritise and upgrade its climate diplomacy to build institutional capacity that is in line with its growing international engagements.

1. India as a Positive Climate Player

We discern four transition tracks in India's global climate strategy. These parallel climate diplomacy dimensions include i) multilateral adaptation by working within the United Nations Framework Convention on Climate Change (UNFCCC) regime and existing institutions, ii) minilateral innovation

by tailoring climate and geopolitical competition, iii) trilateral bridging by positioning India as a 'triangular' South-South-North climate hub, and iv) bilateral expansion by connecting climate to economic cooperation through new green partnerships.

1.1. Multilateral Adaptation: Working within the Existing Regime and Institutions

India's first strategic track is characterised as multilateral adaptation, which involves seeking opportunities to work within the UNFCCC, engaging with multilateral institutions, such as the International Energy Agency (IEA). India may not always have been comfortable with the existing UN-centric global climate architecture. So far, India has contributed to the fragmentation of climate governance by establishing new frameworks around the UNFCCC. Yet this approach should not be confused with India neglecting, ignoring, or undermining the FCCC. On the contrary, evidence points to India's renewed climate activism and contributions that have strengthened the FCCC regime, which remains central to international climate politics.

1.2 Minilateral Innovation: Tailoring Climate and Geopolitical Cooperation

India has pivoted to create alternate climate frameworks. India's institutional entrepreneurship—through the ISA or the CDRI—accelerates the transition to a low-carbon economy by enabling clusters of states to focus efforts on specific sectors and geographies. These minilateral initiatives largely complement, and even reinforce, multilateral climate frameworks. India presents its minilateral innovations, such as the ISA or CDRI, as its contribution to the global public good, especially for the Global South, while advancing its geopolitical and economic interests. They are seen to increase options for states to engage in *à la carte* cooperation, depending on incumbent transition requirements.

This approach is not entirely new. In 2005, India co-founded the Asia-Pacific Partnership on Clean Development and Climate together with Australia, China, Japan, South Korea, and the United States (US). Similarly, the CDRI is one example where India has taken the initiative to develop new frameworks beyond—but still aligned with—the FCCC that bridge climate adaptation interests of developing countries to their growing demands for infrastructure modernisation. Concurrently,

India is pushing for more informal minilaterals, which are evolving as climate-centric clubs for policy coordination like the Quad (with the United States, Japan, and Australia), the Leadership Group for Industry Transition (LeadIT), which India co-founded with Sweden, and, more recently, the Global Biofuels Alliance (GBA), which was co-developed with Brazil and the US.

1.3 Trilateral Bridging: Positioning India as a South-South-North Climate Hub

A third track is to spur climate action through engineering developmental solutions for emerging economies. India is reviving "triangular" development partnerships with a particular focus on climate in the Global South. This position was effectively communicated during the G20 presidency and the Voice of the Global South summit, both of which India hosted in 2023. New Delhi used these platforms to promote the image of an India that acts as a bridge between the Global North mitigation-focused agenda and the Global South's particularised adaptation interests. Through this agenda, India aims to forge a new climate identity, positioning itself as a hub for the co-development of green technologies. This strategy is intended to attract and deploy finance, thereby accelerating global climate action.

India's core objective through these triangular South-South-North climate partnerships is two-fold. On the one hand, South-South climate partnerships are expected to i) coordinate transition plans between developing countries, especially Brazil, Indonesia, and other rising economies; and ii) increase political and diplomatic support to enhance India's legitimacy and leverage at global climate negotiations. On the other hand, South-North partnerships with India at the centre could i) attract climate finance, technology transfer, and investors to use India as a hub for co-development and innovation; and ii) position India as a springboard for international climate finance for developing countries.

1.4 Bilateral Issue Linkage: Connecting Climate to the Economy

The fourth track is bilateral climate partnerships. As 2030 targets loom large, India has stitched specific country climate partnerships with select industrialised economies like the US, the European Union (EU), Germany, and Japan. Of late, the Gulf economies have emerged as potential climate partners: in 2023, the joint statement with the United Arab

Emirates (UAE) on climate change, as well as the Memorandum of Understanding (MoU) with Saudi Arabia on energy cooperation, feature a growing emphasis on renewables, including hydrogen, and broader steps to accelerate the climate transition.

These bilateral frameworks witness India strategically link climate transition targets to other issues, including cooperation to generate investments for the energy, technology, infrastructure, and transportation sectors. This track allows India to yoke mitigation and adaptation as part of a larger economic agenda coinciding with its developmental imperatives.

2. Priority Areas and Policy Options to Enhance Institutional Capacity

The four policy tracks are coalescing as pillars of India's global climate strategy. How can India pursue an effective international engagement strategy across these four tracks? What should be the priority areas of engagement? What institutional, human, and financial capacity is in place at home to operate abroad? How should relevant ministries coordinate internally to ensure India's climate interests are protected?

Here we identify i) two broad priorities that will be central to India's ability to convert climate commitments into action, ii) specific policy options to increase foreign policy coordination and capacity to align domestic and external priorities towards 2030 and 2070 targets.

2.1 Growing Centrality of Climate Finance and Private Sector Networks

Our first takeaway emphasises the vital role of climate finance across all four tracks of India's climate diplomacy, especially through Multilateral Development Banks (MDBs) and emerging private capital, asset owners, and industry networks given the costs required to execute the climate transition.

Both the MDBs and other emergent climate finance cooperation frameworks are critical for India's climate transition. They are capable of mobilising and deploying more finance to India, reducing the cost of capital for projects, enhancing the creditworthiness of climate projects which will reduce risks and bring additional sources of capital to the table, and driving regulatory change by forcing domestic climate

agencies to adhere to higher standards and rules vis-à-vis climate risk and transparency.

Given its economic size, its growing contribution to carbon emissions, and potential to absorb financing to accelerate the development of low-carbon energy through technologies and public and private investments, India will be a key player in these discussions. Financing aside, getting MDBs to transform their lending operations to focus more on climate will also require institutional change, including rules and conditions which India will have to shape and influence (Ahluwalia & Patel, 2022). Beyond MDBs, India will have to increasingly engage the International Monetary Fund and other related green banking and green finance frameworks. For example, compared to China, Malaysia, Singapore, and other Asian countries, India remains largely absent from the work streams and task forces of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

India's climate diplomacy must also engage the private-sector and industry-led climate finance networks. The Singapore-based Asia Investors Group on Climate Change (AIGCC), for example, which is part of the Paris Aligned Asset Owners initiative, has worked closely with Chinese and Japanese stakeholders to build benchmarks for the green transition but its Indian engagements remain limited. Other such private frameworks warranting greater attention include Climate Action 100+, the Leadership Group for Industry Transition, and the Glasgow Financial Alliance for Net Zero (GFANZ).

2.2 Growing Centrality of the Global South

The second takeaway pertains to the increasing importance of the Global South in India's climate diplomacy. The report shows that India's long-term climate diplomacy has generally involved engagement with larger, wealthier, industrialised countries, focusing on access to foreign technology innovation and financial investments. This approach comports with India's traditional stance that countries historically responsible for the majority of the emissions should support the low-carbon transitions of emerging countries. More recently, India has started to recognise that to become a climate leader, it needs to reposition itself and rethink its engagements to deepen partnerships within the Global South.

The motivations are twofold. First, there is a pressing need for the Global South countries to unite in demanding concrete financial and technical assistance for climate action. Second, India wants to expand its influence across countries in terms of market access and soft power. Currently, New Delhi's engagements with the Global South tend to involve one-off projects that are small-scale, often in least developed countries or small island nations. However, with rapid advancement in renewable energy, energy efficiency, and smart agriculture initiatives, India has demonstrated how a large emerging economy can proactively address climate change. These policies, technologies, and financing innovations could serve as models for other large economies to emulate. Third, India remains acutely vulnerable to the calamities of climate change. This condition presents an opportunity for India to create collaborative platforms to champion more funding for climate adaptation research and development with other vulnerable countries.

2.3 Climate Diplomacy: Coordination and Institutional Capacity

India's strategic engagements abroad will be hard to achieve without reforming domestic capacity. It is necessary to have designated officials with the mandate and expertise on global climate issues who can draft, manage, and coordinate India's climate policies. Key competencies should include tracking India's progress vis-à-vis its Paris commitments and paying adequate attention to climate adaptation, not just mitigation. Engaging with international financing institutions (IFIs) and MDBs, as well as the private sector, to unlock climate financial flow is crucial. Additionally, supporting clean energy innovation efforts bilaterally with key partners and through IFIs like the World Bank and understanding the climate implications in sectors such as aviation, biodiversity, health, and trade are also essential.

We propose four measures to bolster India's climate diplomacy and support the strategic reassessments outlined in this report across the four international tracks towards transition.

- *Appoint a prime minister's special envoy for climate cooperation.* Such a high-level, senior expert, and cabinet ministerial-ranked position would significantly aid India in voicing and defending its global climate interests and coor-

inating climate positions between domestic and international actors. While other countries, such as Brazil, and until recently, the United Kingdom, have preferred a foreign-ministry level representative, the envoy's direct connection to the Prime Minister would provide greater international standing and domestic legitimacy.

- *Institute a new division on climate cooperation at the Ministry of External Affairs (MEA):* In line with other divisions created in recent years for new policy issues (such as the Indo-Pacific and emerging strategic technologies), the MEA could establish a climate division. This division would concentrate on international climate cooperation and led by a Joint Secretary. It would include dedicated staff from the Indian Foreign Services, along with personnel on deputation from other ministries and civil services.
- *Create a secretary-level position dedicated to climate diplomacy in the MEA:* This position would be at par with the four existing secretary-level positions instituted in the MEA, which currently focus on East, West, economic relations, and consular/diaspora affairs, in addition to the Foreign Secretary. The individual in this secretary-ranked role would be responsible for defining, coordinating, and implementing India's climate diplomacy in coordination with the Ministry of Environment, Forest and Climate Change (MoEFCC). This role would align the holder's efforts with those of other secretary-ranked officials from various nodal ministries involved in India's climate transition efforts.
- *Establish a 'climate wing' at India's principal diplomatic missions abroad to track and accelerate key bilateral climate partnerships:* In major missions like Washington DC, Brussels, and Tokyo, India has specialised wings including political, economic, defence and military, trade and commerce, and science and technology affairs. The MEA could introduce a specialised climate wing in these important missions to monitor and aid the progress of the increasing number and scope of bilateral green partnerships. These climate wings in key capitals could also lead outreach to MDBs and other multilateral climate institutions — areas where India is often thinly represented, if not absent.

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