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DEBATE

SUSTAINABLE DEVELOPMENT AND CLIMATE CHANGE

RIO+20 OUTCOME AND THE CLIMATE NEGOTIATIONS

The Conference on Sustainable Development, popularly called Rio+20, was held in Rio de Janeiro during 20–22 June 2012. The +20 denoted the intervening twenty years since the original Earth Summit held in Rio in 1992. It was also emphasized that it was a process separate from the UNFCCC Climate Change talks, though the concept of sustainable development and climate change are interlinked.

The official document "National Inputs of India" for the Rio+20 meet stated that the meet "provides an opportunity to refine and fast-track global efforts towards sustainable development". It clearly defined India's basic approach to "Green Economy in the Context of Sustainable Development and Poverty Eradication (GESDPE)". It opined that "Green economy should be seen as one of the means to achieve these fundamental and overriding priorities and not an end in itself." It emphasized that GESDPE should be based on the accepted Rio principles of equity and "Common But Differentiated Responsibilities" (CBDR) "which continue to be the bedrock of the international discourse on sustainable development", and that "there should be no rewriting or negotiation of the Rio Principles".

After much drama and extended negotiations, that pitted the developed world against the developing nations, the latter seem to have prevailed, albeit marginally. The attempts by the former to obliterate even the twenty-year-old Earth Summit commitments were thwarted. Rio+20 was on the brink of being converted into Rio-20, as some commentators noted, but in the end, the basic principles of 1992 were reaffirmed. CBDR, missing in the Copenhagen/ Durban meets, found its way back in the outcome document.

The breaking of ranks amongst the developing nations – seen earlier during the Climate Change talks (into many interest groups like small island states, oil-producing nations, etc.) was reversed. G-77+China in general, and BASIC countries in particular, spoke in unison; and the developed world, which seemed to have come prepared to dilute the outcome of the meet, had to give in. The outcome document was of course a compromise, consisting of the "common minimum positions" of the two camps.

A bulky (283 paragraphs, 49 pages) final declaration, entitled "The Future We Want", was adopted by the Summit. It brought back the principle of

"Differentiated Responsibility" that emphasized the "common" responsibilities (that had been eroded in the Durban outcome documents). "Sustainable Development Goals" (SDGs) are likely to supplant the Millennium Development Goals (MDGs) adopted by the United Nations in 2000. Rio+20 has recommended that the UN General Assembly set up a Committee of Thirty, nominated by member states, to prepare a roadmap for the SDGs, which could be adopted in 2013. Some environmental activists have rightly been critical of the outcome that it is too mild and not enough. But it needs to be remembered that the deep cleavage between the developed and developing states was threatening a consensus outcome and the meet could have become "a step back". This was arrested and a few modest forward steps were taken.

India's role at the summit – as in similar meets earlier, came in both for criticism and praise. How did India fare during the meet? Did it achieve its stated aims? What else could have been done? Where does GESDPE go from here? How does it influence the Climate Change negotiations? What is the nature of the compromises?

The *Indian Foreign Affairs Journal* posed these and related questions to four eminent scholars and policy practitioners.

Mukul Sanwal, who represented India in the Rio negotiations in 1992, and was a Director in the UN during 1993–2007, states:

Laying Down the 'Red Lines' for Successful Outcomes

Rio+20 provides a framework for a new climate regime, by commitments only by developing countries. The United States, which did not ratify the Kyoto Protocol, continues to insist on a framework with nationally determined emissions reductions. The unresolved issue is multilateral agreement, on the basis of a political decision, where one criterion does not suit all countries. If there is no agreement on equity as the guiding principle, for national actions rather than for accountability norms, the next best solution would be to develop a review process with qualitative, rather than quantitative, indicators of the modification of longer-term trends. This arrangement will reorient the deliberations in the annual meetings away from the current finger-pointing to areas that would benefit from further international cooperation. The lesson of Rio+20 is that laying out the red lines leads to a successful outcome.

Uttam Kumar Sinha, Fellow at the Institute for Defence Studies and Analyses (IDSA) and Adjunct Professor at the Malaviya Centre for Peace Research, Benares Hindu University, comments:

Post Rio+20 Plan does not Inspire Confidence

If there was any particular reason to host the Rio+20 meet, two decades after the original Earth Summit in 1992, it was probably to provide a sobering assessment on why many of the pledges and decisions of 1992 have been tragically ignored and actions never seriously undertaken. That apart, in an age of intensified environmental stress, discussions on the linkages between nature conservation and economic development are always good and in Rio it generated some expected steam. Yet while introspection is essential, the action plan post-Rio+20 does not arouse much confidence. Global governance sounds a well-rounded phrase but is stymied by short-term political gains. Few countries either have the will or the capacity to take responsibility upfront; and electoral politics thwarts any effort to make necessary compromises for a "fairer and more stable world". In a world where self-interest takes precedence, game-changing resolutions are hard to achieve.

Nikhil Seth, Director of the Division for Sustainable Development, Department of Economic and Social Affairs (DESA), United Nations, in this *exclusive commentary to the Indian Foreign Affairs Journal*, says:

Tackling Climate Change – Rio+20 Shows the Way

In this debate, what I want to argue is that scientific evidence is in our face. We are heading towards catastrophic climate change. We need actions now and Rio+20 has shown us how. The work of government negotiations on finding the right expressions to fix obligations and commitments, establishing historical liability, working out monitoring, verification, review, and defining funding modalities and technology transfer mechanisms can and should go on in an accelerated framework. But it is only through a people's movement, a small part of what we saw at Rio+20, that real change can be effected. We cannot wait till the climate negotiations have dotted the last 'i' and crossed the last 't'. We need actions now to counter the perils of climate change.

Chandrashekhar Dasgupta, former Ambassador and, currently, a Member of the Prime Minister's Council on Climate Change and a Distinguished Fellow at The Energy and Resources Institute (TERI), New Delhi, writes:

The Future of the Global Climate Regime

A question frequently posed by Western academics is whether rising powers, also known as "emerging economies", will be content to work within the rules of existing global agreements or whether they will use

their new-found influence to press for major revisions of these international treaty regimes. A close look at the facts reveals, however, that great powers in relative decline are just as likely as rising powers to press for changing the rules of the game. The climate change negotiations provide an excellent example. "Emerging economies" such as India, China, Brazil and South Africa are calling for *enhanced implementation of existing agreements*, while the United States, European Union and Japan are stridently demanding a *new or drastically revised regime*. The rising powers are seeking to defend the current treaty regime, comprising the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, against the sweeping changes proposed by OECD countries.

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Laying Down the 'Red Lines' for Successful Outcomes

Mukul Sanwal*

Introduction

Rio+20 provides a framework for a new climate regime, by commitments only by developing countries. The United States, which did not ratify the Kyoto Protocol, continues to insist on a framework with nationally determined emissions reductions. The unresolved issue is multilateral agreement, on the basis of a political decision, where one criterion does not suit all countries. If there is no agreement on equity as the guiding principle, for national actions rather than for accountability norms, the next best solution would be to develop a review process with qualitative, rather than quantitative, indicators of the modification of longer-term trends. This arrangement will reorient the deliberations in the annual meetings away from the current finger-pointing to areas that would benefit from further international cooperation. The lesson of Rio+20 is that laying out the red lines leads to a successful outcome.

Keeping within global ecological limits is no longer guaranteed by military strength or economic wealth alone, but by the ability to shape collective action through a rule-based approach. Rio+20 recognized that the complex political problems of global sustainable development cannot be addressed through treaties but through a new vision. India would do well to respond to the pressure to act as a responsible power by stressing shared responsibility and prosperity in shaping the new sustainable development global goals, because they will impact on all the major ongoing negotiations, for example, in the UNGA, UNFCCC and the WTO.

Sustainable development goals and the related criteria for a new GDP, rather than the criteria proposed by the Intergovernmental Panel on Climate Change (IPCC), will shape the contours of the new global agreement on climate change, because "solutions" and not "science" are at the centre of the negotiations. Rather than become complaisant that the principle of common but differentiated responsibilities has been reaffirmed – the US will again record a reservation – India should build on its hard-won sustainable development concepts related to poverty eradication as the overriding priority, importance of economic growth for eradication of poverty and energy

*__The Author__ represented India in the Rio negotiations in 1992, and worked at the Director level in UNEP and UNFCCC between 1993 and 2007.

requirement for raising standards of living to reframe the climate negotiations.

The new category of middle-income countries that has been recognized at Rio+20 – that includes India, China and Brazil – will also need to review their approach to the negotiation process. Hitherto, the emphasis of G-77 has been on seeking finance and technology. But in the new global consensus, there is no commitment for these to be provided solely through public sources. Resultantly, the Least Developed Countries (LDCs) are now recognized as being more vulnerable, with a prior claim on scarce resources, doing away with the glue that has kept them together. This provides the opportunity to put economic growth, seeking a comparable standard of living with developed countries rather than just eradication of poverty, at the centre of the negotiations. The old North-South divide has now shifted in the climate negotiations to a three-cornered deliberation, of the US, EU and BRICS, which recognizes the new global power balance.

Where India is concerned, it now has the capacity to go it alone, and must do so to secure its national interest. It is the only BRICS nation whose per capita emissions are well below the global average. It earlier gave little importance to the work of the IPCC, and ended up criticizing rather than shaping its output, resulting in extreme pressure on it in the final negotiations at Copenhagen. The UNGA meeting in September is to designate a body to operationalize the programme on consumption and production, and this is best done by the new high-level forum. The UN has begun technical work on the sustainable development goals, currently defining them narrowly in terms of natural capital and not making a distinction between global (energy) and local (water, food) ecosystems, and this has to be checked in the UNDP and UNEP.

We can no longer avoid the question how a continually growing economic system can fit within a finite ecological system. Natural resources underpin the functioning of the global economy and the quality of life of all citizens, and the concern over limits is not new. What is new is the scientific evidence that the global commons will soon not be able to absorb the waste carbon dioxide of industrial activity, urbanization and excessive consumption. Therefore, the core principle for the new climate regime is no longer balancing responsibility and capacity related to costs, but equality, where each human being has equal rights or, more broadly, must have equal opportunities for well-being, and an equal entitlement to the natural carbon sinks.

In a multipolar world it is not possible to preserve the natural environment by keeping living standards low for half of humanity. Keeping within global

ecological limits is only guaranteed by collective action to share the global carbon sink, also considered as a global good, resource, or carbon budget, through a rule-based approach. The climate negotiations are a part of the process that began at the Rio+20 World Conference on Sustainable Development, held in June 2012, just as the Climate Treaty, with commitments for developed countries, emerged out of the Rio Conference on Environment and Development in 1992.

New Paradigm

Since the last climate negotiation on the Kyoto Protocol, ending in 1997, we have moved from understanding the problem – links between concentrations of greenhouse gases, mean global temperatures, and climatic changes – to seeking solutions analysing the activities that have led to the problem. The key scientific insight, according to an international consultative process conducted by the International Council for Science and the International Social Science Council, is that social and biophysical subsystems are intertwined such that the system's conditions and responses to external forcing are based on the synergy of the two subsystems. Consequently, the full global system has to be studied rather than its independent components, as none of the challenges can be fully addressed without addressing the other challenges.

Recent research establishes that growth and climate protection are rival objectives only in developed countries. Consequently, when policies focused on economic growth have confronted policies focused on emission reduction, it is economic growth that wins out every time. At the global level this has led to downplaying the fact that the largest emission reduction potential consistent with human well-being worldwide is on the consumption side, in the building and transportation sectors. Consequently, developed countries have to modify lifestyles, with substantial costs, while developing countries have to modify their growth pathways, without the need for market mechanisms to offset mitigation amounts and costs, as is evident from the transformative impact of the rise of China.

For example, a recent review of China's actions to reduce energy and carbon intensity refutes the many analyses projecting continued exponential growth for that country, as energy demand will plateau around 2030 and 2040 because of the saturation effects (appliances, residential and commercial floor area, roadways, railways, fertilizer use, etc.), deceleration of urbanization, low population growth, and change in exports mix to high-value-added products. Carbon dioxide emissions will stabilize around 2030 owing to

continuous energy efficiency improvement as well as decarbonization in the power sector.

In developing countries, societal notions of well-being, and consumption patterns, very different from those in industrialized countries, will lead to per capita energy use remaining below most other countries with similar GDP levels (around that of Spain), and per capita carbon dioxide levels are not likely to increase significantly, despite rising per capita GDP. Clearly, for developing countries the critical issue is policy space for building infrastructure till the saturation level, or equitable access to sustainable development.

In this paradigm, the choice is not between preservation and exploitation of nature. Rather the stress is on conservation through modifying patterns of resource use. The new vision for the climate regime should stress adoption of patterns of resource use that are in principle common for all countries. The implication for the global rule-based system is that for industrialized countries frameworks will be needed to change particular kinds of resource consumption, not middle-class lifestyles or human well-being, and for developing countries the type of infrastructure to be established will largely determine emission levels in 2050. The key global challenge is making energy available to those who do not have it at present in an environmentally sustainable manner.

The Rio+20 text reflects the emerging political consensus for international cooperation, with the agreement that "people are at the centre of sustainable development", creating the needed policy space for developing countries in defining the global goals in terms of human well-being rather than ecological concerns. The text also incorporates the understanding that "economic growth in developing countries is a key requirement for eradicating poverty and hunger", and not just eliminating extreme poverty (as the United States was pressing). The requirement of "adequate energy services" includes manufacturing and infrastructure, laying a broad claim for using the limited atmospheric space for their waste carbon dioxide as part of the global goals. To get this, the developing countries had to give up any notion of entitlements to concessional finance and technology based on historical responsibility; and there is no mention even of the need for developed countries to take the lead.

This paper is in three parts, based on an analysis of the outcome of the Workshop on Equitable Access to Sustainable Development, held in Bonn in May 2012 (and whose report was issued on 6 August, FCCC/AWGLCA/2012/INF.3). The first part indicates the divergences over the global vision, as this was also the first discussion on equity since the negotiation of the Convention in 1992. The second part discusses the basis for the level of

ambition in terms of the evolving scientific and political understanding of solutions to climate change and the transition to sustainability since the negotiation of the Kyoto Protocol in 1997. The third part suggests elements of an accountability framework for the new regime that should support international cooperation. Though the deliberations are informed by science, the outcome will be a political decision.

Vision

The unresolved issue is multilateral agreement, on the basis of a political decision, when one criterion does not suit all countries. Neither in the UNFCCC nor in the Kyoto Protocol have countries articulated the precise meaning of equity, and related obligations among countries. They had, however, agreed on general guidance as to the allocation of obligations among countries, by identifying categories of countries based primarily on per capita income and assigning them distinct obligations. The notion of equitable access to sustainable development was introduced in the Cancun Agreements, in the context of a timeframe for global peaking of greenhouse gas emissions, which recognized that the timeframe for peaking will be longer in developing countries and that social and economic development and poverty eradication are the first and overriding priorities of developing countries (Decision 1/CP.16, paragraph 6). The World Conference on Sustainable Development, held in Rio de Janeiro in June 2012, and the Workshop on Equitable Access to Sustainable Development, also recognize that "eradicating poverty is the greatest global challenge", and "that social and economic development is the overriding priority for developing countries and that no country can be asked not to develop".

Though the centrality of equity as a guiding principle of the Convention is recognized, at the conceptual level the dispute is whether "fairness" or "equality" should be the guiding principle of the negotiations. The Kyoto Protocol was based on "fairness", which has reference to outcomes, and included provisions for easing the costs of measures through the Clean Development Mechanism, for example. The United States has argued that a fair distribution of effort will not compromise development, and along with the EU has stressed that a stand-alone discussion on equity will not be productive.

Developing countries continue to insist that their commitments should be based on "equality", which refers to "equitable access to sustainable development" or access to adequate global ecosystem resources, or the

atmospheric commons, necessary for infrastructure, industrialization and urbanization in the form of sharing the global carbon budget to enable comparable levels of development, rather than notions of an environmental debt or grandfathering of emissions. The unresolved issue is why developed countries are reluctant to accept equity as a guiding principle at the multilateral level for determining who has to do what and how much, and want it to be applied to mitigation (graduation of efforts) and adaptation (levels of vulnerability and poverty) leading to convergence of per capita emissions in the long run, subject to national circumstances.

These conceptual differences are based on two competing visions between countries, reflecting their national interests and circumstances, for considering the way climate negotiations review the use of natural resources outside national boundaries, or global commons.

The environmental case, supported by developed countries, is based on the deterioration of global natural ecosystems. It focuses on the outcomes and the assertion that limiting increase in global temperature and determining the timeframe for peaking of emissions is the most important global goal. However, according to the Climate Change Treaty, which was ratified by all countries including the United States, emissions of developed countries are to have peaked in 1990. Article 4.2(a) of the treaty has the "aim" of developed countries (Annexe I Parties) returning to their 1990 levels by the year 2000. Therefore, any peaking year that is now agreed (the EU has suggested 2020) will apply only to developing countries (non-Annexe I Parties), fixing an arbitrary emissions reduction target on them, and shifting the burden of the transition as this will happen well before their standards of living would have converged with that of developed countries.

The sustainable development case, supported by developing countries, is based on analysis of patterns of resource use that have led to high concentration levels of greenhouse gases in the atmosphere, and the recognition that the total amount of net greenhouse gases that can be emitted to the atmosphere is constrained by the agreed global climate stabilization goal. Therefore, the ability of the earth to absorb emissions constitutes a finite common resource, and users of this resource should be accountable for that use since it depletes the resource and precludes the access of others, whether that use is current or historical, and their focus is on the pathways of the transformation. The Climate Treaty, in Article 2, also seeks stabilization of concentration levels, which is different from the emissions reductions of the Kyoto Protocol, because fairness in the level of reductions by equitably distributing costs will not ensure equality; that countries get equitable access to sustainable development

or their equitable share of the global commons for eradication of poverty and economic growth. International cooperation will, therefore, require much more severe reductions in emissions from developed countries than the 80 per cent they are currently suggesting by 2050, because equity is now being expressed in terms of equal opportunities for convergence of living standards, or equitably sharing the carbon budget, and not eventually achieving equal per capita emissions unrelated to stages of development.

The issue is intensely complex because the way the global goal is defined will have differentiated implications for countries. Over twenty years of annual meetings in the Conference of the Parties have failed to resolve the differences because the participant countries had been focusing on responsibility and capacity, and potential transfers of finance and technology as a driver for sustainable development. Currently, because of the global ecological limits they have to focus on the limited carbon space and equal right to the natural sinks. As developing countries take on commitments, without addressing the root causes robust solutions will not be possible.

Ambition

The level of ambition of all countries, reflecting their respective vision of the future, will need to be increased from what they have indicated so far. As India has pointed out, that level should be based, in accordance with the principles of equity, on resource sharing (sharing the available carbon budget), rather than effort sharing (sharing the necessary effort – tonnes of reductions, costs).

Since the scale of emissions from different countries is expected to grow in the future at different rates, an assessment of various countries' responsibility will vary depending on the point in time at which it is assessed. For example, global emissions grew from 36 to 48 Gt CO2 eq from 1990 to 2010, with faster growth occurring in developing countries. However, over two-thirds of global emissions of carbon dioxide occurred in industrialized countries in the period after 1970, and they account for more than half the increase in global emissions since 2005. A qualitative concept will have to be converted into criteria on how the effort will be shared between countries on the basis of a political decision.

In operationalizing equitable access to sustainable development, as the measure of equity, the United States has stressed that the focus should be on reducing per unit emissions and not on division of the carbon space. China

has argued that developed countries had completed their industrialization in the early 1970s, but their carbon dioxide emissions have not yet peaked, and imposing the requirement for developing countries to peak their emissions prematurely, and to decline dramatically, is neither plausible nor feasible, owing to the impact on poverty eradication and economic and social development. Singapore has pointed out that national circumstances must be taken into account in applying the per capita principle. Others have stressed that in interpreting equity broadly, both historical responsibility since 1850 and 'grandfathering' current emissions should be replaced with responsibility for the concentration of greenhouse gases, through a framework seeking agreement on the period of the global carbon budget that has to be equitably shared.

There is growing consensus that the carbon budget should be from 1970 till at least 2050, because climate change first came onto the global agenda in the Stockholm Programme of Action in 1972, and over two-thirds of global emissions have occurred subsequently. It is also legitimate to discuss the treatment of the overuse of the carbon space after 1990, when emissions of developed countries should have stabilized according to the UNFCCC. This will need technical work to determine developing-country requirement of the global carbon budget till 2050, and what is available and overused, making that the "red line" in the climate negotiations. Three lines of enquiry are already clear in the determination of allocation criteria acceptable to all.

First, we now know that human-induced climate change can be explained by historical and current patterns of socio-economic development and resource use. The global consumption of goods and services has increased dramatically over the last decades, in both absolute and per capita terms, and is the key driver of global warming. Mobility, food and housing are responsible for about three-quarters of consumption-related environmental impacts in developed countries, and sustainable consumption and production studies and policy initiatives prove the existence of a large unrealized potential for safeguarding the climate.

Second, making development pathways more sustainable can go a long way towards responding to climate change, because of the declining use of natural resources per unit of economic output in developing countries. Mitigation and adaptation are sectoral strategies more appropriate for developed countries, which have already built their infrastructure. However, understanding how to transition between pathways remains a major scientific challenge; particularly in the context of technology transformations complete transition to a low-carbon economy is likely to be very slow. Sustainable

development pathways could potentially be as important for climate mitigation as implementing "climate" policies.

Third, GHG accounting has traditionally focused on emission sources, but in recent years there has been growing interest in consumption-based accounting, analysing the drivers of emissions by calculating the GHG emissions that occur along the supply chain of a functional unit such as a product or household (Glen. Peters, 2010, Carbon Footprints and Embodied Carbon at Multiple Scales, *Current Opinion in Environmental Sustainability,* 2:pp. 245-250). For example, in Western Europe, net imported emissions are 20 to 50 per cent of consumption (they are half this amount in the US). In the United Kingdom, for example, from 1992 to 2004, the share of "net imported emissions" increased from 7 to 34 per cent of domestic production emissions over the period, and comprised 40 per cent of the country's consumption emission in 2004.

Further complexity arises because of a number of distinct but related political factors. These are: how evolving socio-economic realities in developing countries will be reflected; the kind of adaptation goal and elements of an international mechanism to address loss and damage to the poor; the form international cooperation will take in the absence of agreed transfers of financial grants and innovative technology; and how to treat overuse of carbon space by developed countries since 1990. However, these are essentially matters of technical detail, which will be resolved once there is a political agreement on the criteria determining the level of ambition.

Accountability

It has now become clear that international cooperation based on multilateral agreements around long-term economy-wide issues, like climate change, is different from sectoral issues like the ozone problem, as alternative patterns and processes in the human use of nature in developed and developing countries result in trade-offs for socio-economic systems that are very different from those focusing only on environmental systems.

Clearly, the global goal will be met in incremental steps and stages. If there is no agreement on equity as the guiding principle for national actions, applying equity to accountability norms will require the review process to be based on qualitative and not quantitative criteria, and commitments of developing countries would be under Article 4.1 and the specific assessment modality for this article prescribed in the UNFCCC.

Immediately, as Brazil has suggested, assessment of the overall aggregate effect of the steps taken by all parties, in accordance with Article 10.2(a) of the UNFCCC, will provide information on the mitigation and adaptation gap assessed on the basis of the effects of the measures, rather than in terms of emissions reduction. In the absence of multilaterally agreed targets, either for sharing the carbon budget or emissions reductions, it would be necessary to develop a review process with qualitative, rather than quantitative, indicators of the modification of longer-term trends. This arrangement will reorient the deliberations in the annual meetings away from the current finger-pointing to evolving criteria for comparability of the measures being taken by countries based on different paradigms for sharing responsibility and prosperity; better understanding of the scale and speed of the required transition; and, the areas that would benefit from further international cooperation

The annual meetings of the COP would then address the root causes, dimensions of the energy transition, ecological issues and modification of consumption and production patterns to understand how best to make the required transformation. The outcomes will be periodically assessed as an input into the deliberations on the scale and speed of the transition. As countries are likely to adopt different paradigms, these qualitative assessments will serve to disseminate information on national actions and facilitate a peer review process, meeting a gap in the current quantitative review process where there is no discussion on the pathways to a transformation to sustainable development.

In a multipolar world, with China and India beginning to shape the global agenda, a resolution of the differences has become more difficult because all the powerful countries recognize the strategic importance of access to limited global ecosystem services for economic growth, making the global commons both a borderless environmental crisis as well as a shared economic resource. The global goal of limiting increase in temperature by an identified date applies only to developed countries. For developing countries that goal will be conditioned by the global consensus that poverty eradication remains their overriding priority, and will be in terms of sharing the global carbon budget to achieve stabilization at the end of that period. According to the Climate Treaty, one criterion does not have to fit all countries, but the arrangement must support ongoing deliberations for international cooperation.

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Post Rio+20 Plan does not Inspire Confidence

Uttam Kumar Sinha*

If there was any particular reason to host the Rio+20 meet, two decades after the original Earth Summit in 1992, it was probably to provide a sobering assessment on why many of the pledges and decisions of 1992 have been tragically ignored and actions never seriously undertaken. That apart, in an age of intensified environmental stress, discussions on the linkages between nature conservation and economic development are always good and in Rio it generated some expected steam. Yet while introspection is essential, the action plan post-Rio+20 does not arouse much confidence. Global governance sounds a well-rounded phrase but is stymied by short-term political gains. Few countries either have the will or the capacity to take responsibility upfront; and electoral politics thwarts any effort to make necessary compromises for a "fairer and more stable world". In a world where self-interest takes precedence, game-changing resolutions are hard to achieve.

But there was an outcome: *The Future We Want*, a 49-page declaration, was adopted. Free of genuine commitment, the document was a please-all affair with plenty of hopes and aspiration for saving the planet! One-third of it comprised a reaffirmation of the decisions of the past. One would argue that at least the commitments are not dead and buried! The next one-third focuses on the development path – nothing path-breaking except spelling out what good development comprises. The remaining part of the text identifies wide-ranging priorities, with stress on "sustainable consumption and economic development".

The two central themes of the Rio+20 summit, "green economy" and "sustainable development governance" came in, not unexpectedly, for some rough weather. Not only are these difficult to define but are highly contestable. "Green economy" – mentioned in the text and offered as an option for countries to consider – as the new mantra of economic development was looked upon with a great degree of circumspection by the developing countries, fearing it as a garb for resurgence of trade protection and conditions for transfer of technology. Differences of perception apart, many regard the notion of "green economy" as the initiator of new thinking, if not an agent of change. Financial institutions and banks consider "green economy" as a dream plan. According

*__The Author__ is a Fellow at the Institute for Defence Studies and Analyses (IDSA) and Adjunct Professor at the Malaviya Centre for Peace Research, Banaras Hindu University.

to this sector, Rio+20 by legitimizing and giving credence to green economy has made ecosystems commodified, thereby giving them the opportunity to finance ecosystems as "priced or monetized services". In fact, at Rio+20 a great projection was given on how about 700 government agencies, business and corporate houses, civil society groups and even universities had voluntarily committed to promote sustainable development amounting to over US$ 500 billion.

The issue of "sustainable development governance" equally failed to make an impact – not an easy proposition in any case. A commitment to chart the new sustainable development goals (SDG) by 2015 was directionless and lacked any specificity. Assertive blocs of developing countries were fidgety and nervous about commitment to such goals which would run contrary to their growth. However, a process was put in place. The text says, "We resolve to establish an inclusive and transparent intergovernmental process on SDGs that is open to all stakeholders with a view to developing global sustainable development goals to be agreed by the United Nations General Assembly (in September)." Any success towards achieving these goals will depend on how sincere and accountable countries are. But if the past is any guidepost, then clearly the policies towards sustainable development have been inefficient and unresponsive.

Essentially, not much has changed since the UNGA established the Brundtland Commission in 1983 to prod countries to pursue sustainable development. Gro Harlem Brundtland had argued that "the 'environment' is where we live; and 'development' is what we all do in attempting to improve our lot within that abode. The two are inseparable." Yet three decades on, the world still approaches environment and development in separate ways. William Gaddis, the American novelist, used to say, "… the birth of the binary world where there is no option other than yes or no and where there is no refuge."

Rio+20 was a collective disappointment, given that no new terms of engagement for sustainability came about. But why blame Rio? The disappointment is not an isolated case and mirrors, for example, the climate change summits in Copenhagen, Cancun and Durban as well as the recent WTO ministerial meetings. Most of the global intergovernmental processes these days lack the feel-good factor and seem headed into a blind alley; and since most of these processes require consensus on economic policy, which is difficult to attain, the public expectation is extremely low. The environment is so much related to economics and business that reaching a meaningful agreement is always difficult.

A few positives that emerged at Rio+20 were to strengthen the UN environmental decision-making bodies like the UNEP, as well as the protection of oceans beyond exclusive economic zones. The latter in particular will be interesting to observe. It is interesting how things come back full circle. Four decades ago, at the 1972 UN Conference on the Human Environment in Stockholm, the US had blocked an effort to make the UNEP a full-fledged UN agency.

What Rio+20 showed was that with active participation of the civil society and business groups, public pressure and mass mobilization can become important catalysts for change and wake up slumbering governments. The pressure, if accelerated, would go a long way toward easing the challenge of reaching a global deal at some stage. But in the more immediate, climate change is about power relationships and the intricate linkages to issues of economics, politics, security and science. There is thus a perceptible divide between perceptions of the problem and perceptions of the solution. Perceptions are by no means driven only by facts and evidence (as science tells us) but also by images, narratives and values (which are unquantifiable). So far, global efforts lack answers to critical questions such as which solutions will be acceptable; who will support them and who will resist; the cost involved, etc. In a nutshell, what the environment-economy debate tells us is whether a collective need through multiple actions is achievable.

So why the failing? First, negotiations today as witnessed in climate change and development issues are highly divisive and emotive and hence complex – very difficult to reach consensus. There is a structural flaw in the process of global environmental diplomacy. Stalling, rather than reaching an agreement, is an objective that many countries would like to achieve. Negotiations are framed in the business-as-usual format, keeping in mind the gains for the business elites. For example, it is well known that the US strategy in such summits is to sabotage equity issues. In the COP17 meet at Durban, this strategy was far more aggressively pursued by the Obama administration. Groupings too have more often clashed than come to consensus. Earlier, the affluent OECD countries could together hijack the agenda and dictate the terms. It is no longer so. Similarly, the G-77 developing countries find it difficult to hold on to their common objectives. Likewise, the BASIC and BRICS groupings have very little in common except that Brazil, China and India are emerging economies. Each of these countries has very different foreign policy interests and they lack cohesiveness as a negotiating group. At Rio+20, G-77+China and BASIC showed resilience in working towards a common minimum position but it would be fair to assess that these bondings

are temporary. There is, broadly speaking, a negotiation failure on climate change and development meetings.

Second is the basic inequity in the international system that has been dominated by many conflicting values and interests. The developing countries clearly perceive the past interaction with the rich developed world as predetermined and non-beneficial. For them the norms, particularly on morality and justice, still remain unchanged and thus the whole context of rich-poor relations is perceived to be not beneficially defined. Impatience and frustration in not seeing the international system radically restructured has led many developing countries to block or stage protests on trade, development and climate negotiations. Not surprisingly, the principles of equity were equally contentious in Rio+20. It is crucial that any forward movement on sustainable development governance will address the glaring gaps between rich and poor countries as well as rich and poor within countries. Sustainable development cannot be achieved without equitable growth.

Third, there is excessive dominance of state machineries and governmental agencies in the negotiating process. Intergovernmental structures are getting increasingly out of sync with the growing innovations in our societies and are unable to tap creativity. It is time to think of processes that are not exclusively government-based and that include the corporate sector and civil society in their diversity. The intergovernmental aspiration for a global deal on climate change or sustainable development is uninspiring. Having long tried and failed, it is time for renewed attention and actions in provinces and municipalities and for national governments to act regionally. Rio+20, like other recent multilateral gatherings, exposed the existing mechanisms in dealing with environmental pressures and the unequal distribution of resources.

The *IFAJ* asks specific questions on India's position at Rio+20: on how India fared; whether the stated position was achieved; and how will India approach climate change negotiations in the future.

To begin with, India was far better prepared for Rio+20 than it was in Durban. There was a sense of purpose and clear objective, as reflected in the "National Input of India for Rio+20". In Durban, the spotlight was on India for all the wrong reasons and the country was depicted as a "grim reaper" along with the US, Canada and Japan. For a country that has always voiced and stood strongly on equity and CBDR principle (common but differentiated responsibility and respective capability), to be "named and shamed" as a climate change denier with uncompromising and rigid positions was a poor reflection of India's approach to the meeting. Conversely, one could argue that India

needed to defend aggressively its position to stop any movement towards a legally binding emissions reduction that included itself. There was of course a political cost of having to lose the goodwill of the Alliance of Small Island States (AOSIS) and the Least Developed Countries (LDC), a cost that India considered was not permanently damaging.

Irrespective of the two views mentioned above, India at Durban could have done much better by influencing a negotiating position where it could recognize its responsibilities to the global commons and work with the developed countries to bridge the divide. Constantly harping on "equity and justice" and taking a moral high ground with an almost sermonizing attitude is hardly refreshing. On the contrary, it is very off-putting especially for a country where it is said that there are more billionaires than in Japan, and where there are more mobile phones than toilets. India's growth story has also been blown, and in spite of the 8 per cent GDP growth, income inequality has doubled in the last two decades. India's articulation needs to be tempered with its facts and all-round progress. On the climate debate, the last thing that India can afford is to lose in public relations. So while on the one hand India's growth-driven position is legitimate and it has a right to resist constraints on its development in a global regime, on the other hand, the development path that it has charted runs often contradictory to what it says. Changes and correction would be required – what is referred to as "smarter development". Not only mitigation and adaptation to inevitable climate changes will be necessary but equally, political adaptation with its neighbours is important in managing the climate consequences in South Asia.

Since 1972, India has been in the forefront of the global discourse on sustainable development and climate negotiations. Indira Gandhi in Stockholm in 1972 and Kamal Nath in Rio in 1992 became iconic figures in the environmental debate. India's principled position on the "right to develop" and the "poor being the most vulnerable to climate impact" has been convincingly argued. It became a clarion call in the North-South divide that rallied the developing world for standing up for equity and justice in an unfair world. But what seemed like a big opportunity for intellectual and leadership role for India now seems to have fizzled away. It is an irony that India is being viewed and talked about in the same breath as the US and China (G-3) in the climate forum. Countries that looked up to India now have formed splinter groups and alliances to articulate their own agendas and priorities. Many of the countries in G-77+China, frightened, isolated and fearing the worst, have bunched together with the AOSIS, desperately pushing for a global mean temperature rise not to exceed 1.5 degrees Celsius (the current global consensus

is 2 degrees Celsius). Another such formation has been the "Cartagena Dialogue for Progressive Action", a grouping of developed and developing countries including Bangladesh, Maldives and Indonesia on the one hand and UK, the Netherlands and Norway on the other. India could well be feeling a bit peeved especially regarding Bangladesh and Maldives.

Like it or not, India will now have to contend with various "cross-over alliances" in the climate and sustainable development debate. During the Durban meet, the LDCs along with AOSIS and the EU came together and pledged to undertake obligations to manage climate change. Abandoning leadership once makes it difficult to reclaim it. Though India may rework its strategy on other aspects of climate negotiations, the company it will walk with will be significantly different. Having made the choice and now cast away its leadership role and voice of the developing world, India, as in Durban, will insist that negotiations on a binding agreement to reduce GHGs emissions should commence only from 2020.

Per capita emission, an important methodology to determine equity and justice in climate negotiations, is another important hook on which India hangs its argument. It is similar to "one person, one right" principle. For example, China is the biggest emitter but in per capita terms it is probably 95th. Likewise, India, 4th in total emissions, is well below even China in per capita emissions. The equity principle, where everyone in the world would get the same quota of emissions permits, has undoubtedly helped India to firm up its negotiation position. But then again, the lid blows off when it comes to its domestic policies, as critics repeatedly point out that India "hides behind its poor" and that there is hardly any equity and justice domestically. How else can one explain that India's 800 million poor keep the per capita emission around 1.2 tonnes per year and that the rich's carbon emissions are as high as the global average of 5 tonnes?

India can do well to remove this "practise what you preach" image it has fast acquired. Sad! From 1972 to 1992 India's global articulation on environment and sustainability had a striking point and was convincing – whether it was Indira Gandhi's "poverty is the greatest polluter" or Kamal Nath's strong opposition to rich countries' bullying tactics and intransigence at Rio in 1992. Now the ground has slipped away. India does not sound convincing and often the impression is that it is sheer grandstanding and posturing than concrete action.

The Prime Minister at Rio+20 stressed the need to find "new pathways for sustainable living", and mentioned that current consumption patterns in the industrialized world are unsustainable. But in an open letter to him,

representatives of various NGOs pointed out:

> India is no exception to the global trends (of massive hunger, poverty, unemployment, and various forms of deprivation). Recent evidence suggests we too are beyond our natural limits, and we too have glaring inequalities that are only getting worse. Our own "development" path, in particular over the last 20 years, has shown scant respect for either environment or for communities dependent on nature. And the only response to repeated ecological and economic crises is conventional strategies and "reforms" … in other words, more of the same poison that has created or worsened the problem in the first place. (Ketki Angre, "Rio +20 – The Indian Perspective", www.ndtv.com, 23 June 2012)

For sure, even rhetorically, the fundamental principles that India lost at Durban were regained at Rio+20. CBDR and poverty eradication remain critical in the negotiation process. Therefore, to have it restored, the point needs to be repositioned that economic and social development is crucial in the climate debate. In Durban the emphasis was on "common" and not on "differentiated", which was pushed aside. With Rio+20 the principles of Agenda 21, guided by multilaterally agreed norms, were reinstated. It is to be hoped in this context that a new paradigm will evolve that rebalances state, society and economy and focuses strongly on consumption and production patterns. This gives India space to rework its policies as the negotiations on "green economy" and sustainable development unfold. The new phase of negotiations would include patterns of resource use that are common for all countries as well as laying emphasis on human well-being. It is thus essential that India regulates its domestic activities and even corrects its development path. There is much to be gained by arresting ecological degradation.

One of India's main thrusts at the global level of discussion and negotiation on "green economy" should be to raise the pitch on financial commitment and transfer of technologies from the rich industrialized countries. Financial and technological resources are critically vital for developing countries to pursue the sustainable path. The Rio+20 declaration talks about setting up a thirty-member intergovernmental committee to advise the UNGA on ways to mobilize resources: this again reinstates Agenda 21 of 1992. To recall, the Global Environment Facility (GEF), which was established in 1991 as a programme of the World Bank to assist the sustainable development programmes, was reformatted in 1992 as a financial mechanism for both the UN Convention on Biological Diversity and the UN Framework Convention on Climate Change. It subsequently served as a financial mechanism for the

Stockholm Convention on Persistent Organic Pollutants (2001) and the United Nations Convention to Combat Desertification (2003). The decision to make the GEF independent and a permanent body not influenced by the World Bank structures enhanced the involvement of developing countries in the decision-making process and in implementation of the projects – from a developing-world perspective one of the most important decisions of 1992.

The GEF is truly the action centre, where the developing countries can demand technological help and funding and it is in this body that they can equally expose the developed countries' commitment and promises. At COP14, the GEF identified technology transfer as a long-term priority and was renamed as the Poznan Strategic Program on Technology Transfer. In a decision, it noted that it was "a step towards scaling up the level of investment in technology transfer in order to help developing countries address their needs for environmentally sound technologies" and recognized "the contribution that this strategic programme could make to enhancing technology transfer activities under the Convention."

At both levels – mitigation strategy as well as for adaptation – the transfer of low-carbon technologies should be seen as a strategic objective. At the global level the argument should be channelled at strengthening the GEF climate change strategy. Developing countries, irrespective of their groupings and alliances, should come together strongly on this to make technologies accessible at affordable prices. The GESDPE should help in the facilitation of transfer of technologies at concessional terms. As the modalities of "green economy" and global partnership for sustainability get underway, creation of an additional sustainable development fund would be appropriate, an idea that India has mooted. GEF is already a streamlined body but needs to improvise its communication strategy and its engagement with potential donors. One has to be careful, however, that technological dependence does not become a technological burden and spill into trade-off and bargains, which is quite likely.

India's future approach is unlikely to see support towards any quantitative targets, whether related to emissions or sustainable development. Equity and poverty eradication will continue to phrase our negotiating stance. With the CBDR reinstated in the debate, the developed countries will witness a renewed cry, particularly from India, to take on commitments first and reduce their ecological footprints through rationalization of consumption patterns. But with this position and argument, India will have to plan how it will approach and tackle the world trading system, where there will be more hostility to an equitable global trade regime or to enforcement of differential treatment

provisions of the WTO. Interesting times!

Rio+20 did not deliver "the future we want" but has certainly assisted in catalysing a better prospect. The bottom line is that a country like India will have to seriously look at the fundamentals like public health and primary education when it thinks equally seriously on sustainability. Maybe it is time to think about "Prosperity without growth" (to quote Tim Jackson)? At the end of the day there can be no better policy than one that keeps human ecological footprint within planetary boundaries.

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Tackling Climate Change – Rio+20 Shows the Way

Nikhil Seth*

Rio+20 was the largest UN conference ever. Estimates put the figure of total participation at over 50,000, three times the estimate of the "Earth Summit" twenty years ago. I had the fortune of participating in both, as an Indian delegate twenty years ago and more recently as Head of the UN's Rio+20 Secretariat, spearheading the logistical and substantive preparations. This large number included over a hundred Heads of State and Government, their official entourages, journalists, business and civil society, the UN system, scientists and academics, activists and social entrepreneurs and the general public. An awesome turnout indeed! This reflects not only a renewed sense of global commitment to sustainable development but also an enhanced expression of global concern on the direction we are heading, including towards the creation of a perfect storm of economic, social and environmental crises.

UN processes are often judged by the political outcome document alone. But for Rio+20, the evaluation has to be made on the basis of the plurality of outcomes. Let me begin with the political outcome document and highlight the significant firsts and game changers and then summarize the other outcomes.

First, "The Future We Want" – the title of the political outcome document – negotiations saw the strong emergence of the BASIC countries in a collective leadership role. In fact the Brazilian electronic poster at the entrance to the main plenary hall with flashing images of the leaders from Brazil, India, China and South Africa said it all. Brazil in particular played its strongest political/ diplomatic hand helping forge a consensus before the start of the conference, unusual for sustainable development negotiators, including a strong contingent from the climate process who are in the habit of negotiating even after their conferences are officially over!

Secondly, all delegations and interest groups showed a spirit of give-and-take, which is becoming more difficult in multilateral processes. Instances abound where extraneous and incidental political issues have swerved negotiations from a consensus. In these difficult political times agreeing, by

*__The Author__ is a former member of the Indian Foreign Service. He is currently Director, Division for Sustainable Development, and Head of Rio+20 Secretariat, United Nations. Views expressed in this exclusive commentary to the *IFAJ* are of the writer and do not reflect the views of the United Nations.

consensus, to a fifty-three-page outcome document is a tribute to the potential and triumph of multilateralism.

Thirdly, the outcome document has pioneered an agreement on a "green economy", the heart of which is efficiency in production, awareness in consumption, and social inclusion. The outcome has agreed to develop further the idea of Sustainable Development Goals (SDGs) which will be transformative, inspiring, aspirational, and provide the means for measuring our collective progress towards sustainable development. Inherent in the goals is the strategy to meet today's needs without jeopardizing future needs. This means care of people and living within the boundaries of the Earth's finite resources and in harmony with nature. The document has outlined ways of strengthening the institutional architecture for sustainable development, for moving beyond GDP to measure national wealth and prosperity. It has adopted a ten-year framework of programmes for sustainable consumption and production and launched new processes on financing sustainable development and technology transfer. It has highlighted the importance of corporate sustainability reporting and the role of partnerships and multi-stakeholder involvement. It has stressed the importance of action on a range of sectoral and cross-sectoral issues – on water, energy, agriculture, cities, disaster resilience, oceans, gender equality, education, health. These are but a handful of the golden nuggets in the outcome document. I would strongly recommend a serious reading of all the fifty-three pages.

Let me briefly mention the other outcomes. Rio+20 was the first UN conference engaging hundreds of millions of people around the world through social media and was a remarkable testament to the power of new media. Rio+20 also saw a record 700 voluntary commitments, totalling more than $500 billion, registered by governments, business, civil society groups, the UN system, intergovernmental organizations, universities and others. These commitments will be a lasting legacy of Rio+20. In assessing Rio+20, it is easy to forget the voluntary efforts, the new partnerships forged, the policymakers who were inspired and the agents of change who left Rio with ideas and determination to make changes in their spheres of actions. These may be limited individually but are profound in the aggregate.

Before plunging into the heart of the linkage between Rio+20 and the climate process, let me also briefly touch upon the policy approaches and orientations which are scattered through the text but which I summarize in three words – integration, coherence and implementation. The document stresses the need for integration of decision-making by bringing together all three dimensions of sustainable development – the economic, the social and

the environmental, breaking the silos which characterize our processes at all levels. There is also the strong underlying call for *coherence* of the institutional framework of decision-making as well as the call to focus on *implementation*, especially at the country level.

Let me then use this overall evaluation to link the Rio+20 outcome and the climate negotiations. The UN General Assembly and Summit processes have outcomes which are aspirational and recommendatory in nature. They are intrinsically collective moral suasion to do certain things and not do others. They are not binding "soft law" that articulates the compromise of 193 member states. Conventions and treaties are binding with dos and don'ts, with an assessment of the costs and benefits and their fair distribution informing the agreements. Principles such as common but differentiated responsibility (CBDR) and equity thus have a greater operational relevance in defining and operationalizing hard agreements. Some may remember that before we had the principle of CBDR, we had the principle of "main responsibility" of developed countries. From this principle came the obligations of these countries as the main liability, which along with the principle of "polluter pays", generates a whole series of obligations. But this principle lost its way in the early 1990s under the onslaught of lawyers and environmental politics giving rise to CBDR. It is a fuzzy legal concept when applied to liability, and gives everyone the flexibility of innovative interpretation, depending on which part of the development ladder a country is on. This was codified by the lists drawn up in the UNFCC, which differentiated between developed, transition, and by exclusion, developing economies. Naturally, any attempts to delete, dilute or reinterpret this cause justifiable concern. It is for this reason that the presence or absence of CBDR becomes such a divisive and important issue at meetings which discuss sustainable development. It is only natural therefore for assessments of UN meetings to obsess on CBDR.

In this debate, what I want to argue is that scientific evidence is in our face. We are heading towards catastrophic climate change. We need actions now and Rio+20 has shown us how. The work of government negotiations on finding the right expressions to fix obligations and commitments, establishing historical liability, working out monitoring, verification, review, and defining funding modalities and technology transfer mechanisms can and should go on in an accelerated framework. But it is only through a people's movement, a small part of what we saw at Rio+20, that real change can be effected. We cannot wait till the climate negotiations have dotted the last 'i' and crossed the last 't'. We need actions now to counter the perils of climate change.

Let me then link the main actions in Rio+20 and link these to the climate change agenda. During the entire process, the critical areas for action that were emphasized included water, energy, agriculture, sustainable cities, disaster resilience, and oceans. I would argue that all these critical areas are in a deadly embrace with climate change. They are negatively influencing each other. Breaking out of this spiral needs a whole series of national actions, not governed by less tangible global concerns but governed by the interest of our own citizenry. The nexus between water, energy use and agriculture is the most apparent. National governance of these issues has to break from the current silos of different ministries and different levels of governments making independent decisions on interconnected issues. Moreover, the orientation of integration among the three dimensions of sustainable development needs to be given operational significance. Let us take the example of one of the world's largest cash transfers – our very own NREGA. The guarantee of employment is desirable in itself, but were this twinned to the longer-term issue of water availability, it would have made the programme leave a permanent sustainable infrastructure. Using employed youth for the objective of integrated water resource management (wells, irrigation, rainwater harvesting, irrigation infrastructure) could have left a permanent contribution to long-term sustainability. Increased water availability has its direct impact on energy use and sustainable agriculture. With the appropriate design and implementation of large-scale public works programmes we can make a significant contribution to sustainable development. Could this then be one of the lessons we learn from Rio+20 – integrated decision-making?

The "green economy" chapter of the outcome document became the most difficult to negotiate. To recall, it was the parent resolution of the General Assembly establishing Rio+20 which made the "Green Economy in the context of poverty eradication and sustainable development" one of the two themes for the conference (the second theme was Institutional Framework for Sustainable Development). However, as the negotiations proceeded, developing countries, particularly from Latin America, became extremely concerned. Their worries were that the "green economy" would become a magic template which would be applied in a one-size-fits-all approach. It would lead to conditionalities in aid, trade and finance. It would further restrict the policy space for developing countries already burdened with a complex map of international obligations. The language of the chapter, as agreed, reflects these concerns, and without defining what a green economy is, goes to great lengths in defining what it is not. The focus is on how a "green economy" can serve as an "instrument" for sustainable development. With efficiency in production

and awareness in consumption, greater use of this instrument can significantly contribute to the climate agenda. Let me elaborate with some examples.

Mexico is currently developing a low-emissions development strategy in which it is identifying a number of options for negative and low-cost greenhouse gas abatement, including greater use of co-generation, renewable heat supply and efficient lighting.

India has launched a number of promising initiatives involving public transport that reduce CO2 emissions, including: (i) CNG-based public transport: New Delhi and other metros are in the process of mandating CNG along with tightening vehicle emission norms. (ii) The Delhi Metro Rail has provided a major boost to public transport, especially in the most congested sections of Delhi.

These are actions done voluntarily for the benefit of the people of Mexico and India. They are guided by the broader principles of the "green economy" and informed by success elsewhere tailored to suit national specificities. This is the essence of the "green economy" approach.

The selection of green economy as one of the two themes for Rio+20 was no accident. Green economy and related concepts such as green growth and low-carbon development have received significant international attention over the past few years, both within the context of climate change negotiations and as a policy tool to address the 2008 financial crisis. With governments today seeking effective ways to lead their nations out of related economic, energy, food and climate crises, green economy has become a means for catalysing renewed national policy focus on sustainable development and has been championed by various governments, UN agencies and international organizations as a means for "mainstreaming" sustainable development into economic and social development strategies.

Despite this growing international interest in green economy, negotiations in the lead up to Rio+20 were very challenging. This was partly due to the lack of an agreed definition or universal principles for green economy, a lack of clarity around what green economy policy measures encompass and how they integrate with national priorities and objectives relating to economic growth and poverty eradication, as well as a perceived lack of experience in designing, implementing and reviewing the costs and benefits of these policies.

Despite these difficulties, Rio+20 agreed for the first time that green economy policies are an important tool for supporting the transition to sustainable development. With regard to focal areas, the outcome document highlights the importance of the creation of decent work and green jobs,

resource efficiency, innovation and skills development.

Whilst the link between green economy and climate change is not made explicit, international experience in implementing the concept to date has had a clear focus on low-carbon and climate-resilient economic development. This can clearly be seen in the "green stimulus" expenditure of many G 20 countries in response to the global financial crisis, which included over $500 billion of expenditure on renewable energy, carbon capture and sequestration, energy efficiency, public transport and rail, and improving electrical grid transmission.

Deliberate policy and investment decisions will ultimately need to be taken by governments, including the identification of priority sectors and the selection of the most appropriate policy instruments to deliver desired outcomes. For example, governments will need to take into account the various costs, risks, benefits and opportunities of different policy options in accordance with their institutional and governance arrangements, level of development, and social, economic and environmental priorities. They should consider policies that support poverty reduction, human well-being and job creation, whilst also driving resource and energy efficiency, carbon emissions reduction, technological innovation and environmental protection.

The framing of green economy that was agreed at Rio+20 can help guide governments in this process as well as international cooperation that helps developing countries to build the capacity necessary to effectively design, evaluate and implement green economy policy measures. A key deliverable from Rio+20 in this regard will be the development of green economy policy toolboxes, best practices, methodologies and platforms for capacity building. This learning process is valuable and one of the key Rio+20 outcomes. Our challenge is to use our ingenuity, design and shape our economic, social and technological talent relevant to our factor endorsements, and use this tool as appropriate.

Let me briefly turn to the issue of sustainable and safe cities. Over the next 20–25 years, 70 per cent of the world will be living in cities and, all else equal, contributing to growing emissions of greenhouse gases. Through more strategic planning at the municipal and greater metropolitan levels, urban planners can address water, energy, transport, waste management, and disaster resilience in a way that addresses climate change and sustainable development objectives.

I could run through the entire document and the action areas defined therein – sustainable tourism, transport, health, employment, oceans and seas,

forests, biodiversity, desertification, land degradation and drought, mountains, chemicals and waste, consumption and production, mining, education, gender empowerment, means of implementation – to demonstrate how early national, regional and global actions can address, head on, the challenges of climate change. I might argue in favour of the importance of the right words but I must argue even more strongly for the right actions for our own citizens which will, in the aggregate, pull us back from the precipice. As the climate process negotiations roll on, we cannot but emphasize repeatedly that atmospheric CO_2 concentration and biodiversity loss are endangering our existence. Let us worry about CBDR in the diplomatic processes but let us act now for food, energy, water, liveable and sustainable cities, sustainable transport for our own people, their multiple securities and the security of our children and theirs.

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The Future of the Global Climate Regime

Chandrashekhar Dasgupta*

A question frequently posed by Western academics is whether rising powers, also known as "emerging economies", will be content to work within the rules of existing global agreements or whether they will use their new-found influence to press for major revisions of these international treaty regimes. A close look at the facts reveals, however, that great powers in relative decline are just as likely as rising powers to press for changing the rules of the game. The climate change negotiations provide an excellent example. "Emerging economies" such as India, China, Brazil and South Africa are calling for *enhanced implementation of existing agreements*, while the United States, European Union and Japan are stridently demanding a *new or drastically revised regime*. The rising powers are seeking to defend the current treaty regime, comprising the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, against the sweeping changes proposed by OECD countries.

How has this come to pass? To answer the question we need to look at the nature of the climate change regime, the implementation record of developed countries and, finally, the changes that have occurred in the global economy since the 1990s, when the climate change agreements were adopted.

The Climate Change Regime

Environmental agreements must properly be based on some version of the "polluter pays" principle. Parties responsible for causing an environmental problem must also be held responsible in some manner for remedying or compensating for the damage. The major cause of climate change is the high and ever-increasing level of carbon dioxide accumulations in the atmosphere, which are now poised to exceed the optimum range for climatic stability. The bulk of these accumulated concentrations since the beginning of the Industrial Revolution have originated in developed countries. The UN General Assembly recognized in 1990 that the developed countries bore the "main responsibility" for climate change. (If all countries had the same per capita emissions as, say, India, atmospheric concentrations of carbon dioxide would have remained

*__The Author__ is a former Ambassador. He is currently a Member of the Prime Minister's Council on Climate Change and a Distinguished Fellow at The Energy and Resources Institute (TERI), New Delhi.

well within the optimum range and the world would not have been confronted with a climate change problem.)

UNFCCC, adopted in 1992, was based on the concept of "common but differentiated responsibilities", which has its origins in the "polluter pays" principle. As interpreted in the convention, "common but differentiated responsibilities and respective capabilities" require the developed countries to stabilize and reduce their emissions in order to prevent global warming, and to also provide financial resources and technology transfers to developing countries in order to enable them to appropriately respond to climate change. The developing countries have no specific commitments. The convention explicitly recognizes that per capita emissions in these countries will increase and that "economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties". It thus provides for voluntary agreements between a developing country and the GEF (Global Environment Facility), under which the former undertakes to implement certain mitigation measures and the GEF agrees to meet the full incremental costs from funds contributed by developed (OECD) countries.

UNFCCC requires developed countries to reduce their emissions but does not prescribe time-bound quantitative targets. This lacuna was filled by the Kyoto Protocol, concluded in December 1997, which laid down specific, time-bound quantitative emission limitation or reduction commitments for each developed country for an *initial* commitment period ending 2012. Contrary to frequent misrepresentations, the protocol does not expire in 2012: developed countries have an obligation under Article 3.9 to establish their reduction targets for subsequent commitment periods in timely negotiations. The Kyoto Protocol received an early setback when the United States, which had pushed for its adoption at the Kyoto Conference, decided against ratification and withdrew from a treaty that was in large measure its own creation.

Implementation

The implementation record of the developed countries in regard to emission reductions has been distinctly unsatisfactory. Far from registering a sharp decline, the aggregate greenhouse gas (GHG) emissions of OECD developed countries (Annex II parties) actually *increased* by 2.1 per cent between 1990 and 2009 (the latest year for which UNFCCC data are available). No fewer than fourteen developed countries registered an increase in their GHG emissions. The increase was as high as 30.4 per cent in the case of Australia, 29.8 per cent for Spain, 25.6 per cent for Portugal, 19.4 per cent for New Zealand,

17.4 per cent for Greece, and 17 per cent for Canada. (If emissions arising from changes in land use and forest cover are taken into account, Canada's emissions registered an increase of 29.8 per cent). US emissions increased by 7.2 per cent over the same period.

Though emissions fell by 41.4 per cent in the ex-COMECON developed countries (the so-called EITs or "Economies in Transition"), the decline is attributable not to climate policy but the economic collapse of these countries in the 1990s. A sharp contraction of economic activity led to a steep decline in carbon emissions. The subsequent recovery of these EITs on the basis of market-oriented policies involved abandonment of their wasteful resource-intensive approach to economic planning. Thus economic restructuring in Russia and Central Europe (including East Germany and new entrants to the EU) has resulted in a one-time decline in emissions. As a result of the 41.4 per cent decrease in EIT emissions, the aggregate emissions of developed countries as a whole registered a modest reduction of 11.5 per cent in the two decades between 1990 and 2009. The sharp reduction of emissions in the former COMECON countries masks the dismal record of most other developed countries.

The emission reductions registered by some EU countries (notably UK) are also largely attributable to a factor unrelated to climate policy. This was the shift from coal and oil to natural gas for electricity generation at the beginning of the 1990s, following the discovery of the North Sea gas fields. Since natural gas emits less carbon dioxide per unit of generated energy, a by-product of the fuel transition was a one-time reduction in carbon emissions. (It may be noted, in passing, that despite the dismal US climate policy record, we are likely to witness a significant reduction in US carbon emissions over the next few years because of a similar shift from coal to shale gas, made possible by a new hydraulic fracturing or "fracking" technology.)

Much has been made of the transition from hydrocarbons to renewable energy in some developed countries. Transition to renewable and nuclear energy is, of course, of central importance in any effective global response to climate change. But the reality is that achievements in this field to date are quite limited. The modest emission reductions effected in some developed countries are largely unplanned results of factors other than climate change policy or a transition to renewable energy.

Thus, the record to date reflects great reluctance on the part of most developed countries to bear the cost of implementing even modest reductions in their carbon emissions, leave alone reductions on the scale required to limit

global warming to the 2 degree Celsius target. Their current economic travails have only increased their reluctance to divert resources from economic recovery and job creation programmes to carbon emission reductions.

Future commitments announced by the developed countries are no less dismal than their past record. The commitments under the convention for emission reductions up to 2020, as communicated under the Copenhagen Accord, are striking not only for the modesty of the targets but also for the various conditions with which they are hedged.

The US pledge under the Copenhagen Accord is to reduce its emissions by 17 per cent. The baseline year for the pledge is 2005, when US emissions were significantly higher than in 1990 – the baseline year of the convention and the Kyoto Protocol. Moreover, this is only a provisional goal; the final pledge is to be reported at an unspecified future date "in light of enacted legislation": as of now, the US government has made no move to secure passage of such legislation. Assurances have been held out of executive action to implement the pledge but there is little evidence of such action. Nor have the assurances been followed up by deletion of the condition attached to the pledge. More and more, the US pledge resembles the Cheshire cat in *Alice in Wonderland,* which disappeared leaving behind only its grin!

The Canadian commitment is hedged with the same condition or loophole: it is "aligned with the final economy-wide emission target of the United States in enacted legislation". The Russian commitment is conditional on "appropriate accounting" of Russia's forestry in assessing its compliance – a conditionality that can hardly inspire confidence in the context of the strong-arm tactics employed by Russia to push for a doubling of its forestry credit entitlement before it finally agreed to ratify the Kyoto Protocol. Japan formally retracted its Copenhagen pledge after the Fukushima tragedy compelled it to abandon its plans for constructing new nuclear power plants.

The picture regarding future commitments under the Kyoto Protocol is even more depressing. After egregiously breaching its mitigation obligations for the first commitment period (ending 2012), Canada withdrew from the Kyoto Protocol. Japan and Russia have declined to take on targets for the second commitment period. The EU has accepted a commitment to reduce its emissions by 20 per cent (from the 1990 baseline). But this is actually an insignificant reduction since the EU emissions in 2009 were already 17.4 per cent lower than the baseline. Apart from the EU, only five other developed countries have so far declared a target for the second commitment period.

In short, notwithstanding the ritual obeisance they pay to the goal of climate stabilization and regardless of their treaty obligations under UNFCCC and the Kyoto Protocol, the mitigation record of the developed countries, as well as their future commitments, reflect their refusal in practice to shoulder the economic costs of emission reduction on the required scale. Even the modest reductions that have been witnessed are largely a result of factors other than climate policy.

A Changing Economic Order and New Competitiveness Concerns

The reluctance of the OECD countries to bear the costs of climate change mitigation has been compounded by global economic developments. When the climate change regime (comprising UNFCCC and the Kyoto Protocol) was agreed in the 1990s, the OECD countries enjoyed an unchallenged leadership of the global economy. The major economic powers at the time – the US, EU and Japan – did not regard China, India, Brazil or any other developing country as posing a serious competitive challenge to their continued primacy. China's rise was still at an early stage, and India had only recently embarked on economic reform. China's spectacular rise in this century as a great manufacturing and trading power has shattered the OECD economies' illusion of indefinite primacy. China has now emerged as the world's second-largest exporter (next to the US), overtaking Japan and Germany. Though not in the same league as yet, a number of other developing countries, including India and Brazil, are also on the way to becoming major trading powers during this decade. Current trends point towards a wider diffusion of global economic power, with the rise of new centres of influence. Inevitably, this implies a relative decline in the dominant position held until very recently by the OECD countries – even though these developed economies will continue to grow in absolute terms.

These changes in the global economy have given rise to calls for protectionist measures in developed countries, disguised as environmental action. Powerful industrial interests have joined hands with trade unions to demand that imports of carbon-intensive goods from developing countries should be subject to some form of a border offset levy. It has been argued that this is necessary to ensure that they do not derive a competitive advantage because they are not required to implement carbon emission reductions similar to those applicable to developed countries under the current climate change regime. (Incidentally, it may be noted that when Washington refused to ratify the Kyoto Protocol and reduce its carbon emissions, no demands were raised

for border offset levies on US imports. Nor is there evidence of a surge of US exports caused by a competitive advantage resulting from its failure to ratify the Kyoto pact.)

It has also been argued that carbon-intensive industries will relocate to developing countries unless the latter agree to implement carbon emission regulations similar to those of the EU and some other OECD countries. This assertion is not supported by convincing empirical evidence. Investment decisions are based on several factors unrelated to carbon emissions; for example, the quality of physical infrastructure, availability of skilled human resources, legal and other dispute resolution systems, tax regulations, etc. The facts do not indicate that the cost of emission controls in developed countries typically outweighs these other considerations. Moreover, the evidence does not suggest that Washington's rejection of the emission reduction obligations of the Kyoto Protocol was followed by a massive shift of carbon-intensive industries to the US.

It is noteworthy that the developed countries have not chosen to focus on those changes in the global economy that might reasonably justify new commitments for some countries. These are countries which were earlier regarded as developing but have now graduated to the ranks of the developed on the basis of per capita income. South Korea, Singapore and Mexico, recent additions to the OECD, fall in this category. Their per capita GHG emissions are comparable to those of many developed countries, depending upon the extent to which historical emissions are discounted. There could be a case for encouraging them to voluntarily reclassify themselves as developed countries and to assume appropriate emission reduction commitments. A "graduation" approach would be consistent with the logic of the convention. However, this question has not been raised by the developed countries, which have focused instead on "emerging economies" that they view as a challenge to their dominance of the global economy. The evident objective is to halt, or at least slow down, the shift in the balance of economic power.

Regime Change?

Thus the developed countries are pushing for radical changes in the treaty regime, with a view to shifting a major share of their responsibilities to the developing countries, particularly the "emerging economies". They are demanding that developing countries – with the possible exception of the Least Developed Countries (LDCs) and the small island developing countries (SIDs) – should take on emission limitation commitments that are legally

binding in the same sense as the mitigation commitments of the developed countries. They are prepared to allow that, for the next few years, the mitigation pledges of developing countries need not necessarily be identical in nature with the quantitative reduction commitments of developed countries. However, they are aiming at altogether erasing the differentiation between the respective commitments of the developed and developing countries after 2020 (leaving open the possibility of an exemption for LDCs and SIDs). Nor is the rejection of existing treaty provisions confined to emission reduction commitments; it applies also to the financial obligations. The convention requires Annex II (OECD) countries to provide financial resources to cover the full incremental costs of agreed response measures implemented by developing countries. Developed countries are now arguing that "emerging economies" no longer require financial "aid" and, indeed, have themselves become significant "donors". They contend that "emerging economies" should henceforth be treated as contributors, rather than as recipients of financial support. This line of argument deliberately confuses development aid and South-South cooperation with the financial support provisions of the convention based on the principle of common but differentiated responsibilities.

Thus, the developed countries are now rejecting the differentiation between the respective responsibilities of the developed and developing countries, which forms the basis of UNFCCC and the Kyoto Protocol.

The revisionist approach of the developed countries has already placed the future of the Kyoto Protocol in jeopardy. As noted earlier, Canada has withdrawn from the protocol, while Japan and Russia have chosen to simply disregard their treaty obligations by refusing to adopt targets for the next period. Not a single developed country is prepared to support implementation of the protocol after 2020 unless, of course, the protocol itself is radically revised.

The assault on UNFCCC follows a more indirect approach. None of the developed countries has withdrawn from the convention or threatened to do so. Nor have they advanced formal proposals for sweeping amendments. Rather than rejecting outright specific provisions of the convention, they are seeking to *overwrite* the basic provisions through a new agreement that would radically redefine the mitigation and financial commitments of parties. While pressing for a new agreement, they are refusing to get drawn into debates on the compatibility of their proposals with the convention.

Apart from questions of equity and climate justice, the proposals advanced by the developed countries would shift a major share of the mitigation burden

from their shoulders to the poorer countries. The proposed new mitigation commitments for developing countries would entail a massive diversion of scarce financial resources from their development priorities. This would not only slow down economic and social development and poverty eradication but would also prevent developing countries from building up their adaptation capacity. The adaptation or coping capacities of developing countries are woefully inadequate because they lack the required financial and technological resources. Poorer countries cannot build up a significant adaptation or coping capacity except through rapid economic and social development.

An appropriate response to climate change encompasses both mitigation and adaptation measures. Developing countries should implement every mitigation measure that does not require substantial diversion of scarce resources from their development priorities. Development, in turn, will enable adaptation. For a developing country, a climate change strategy that focuses on mitigation at the cost of development is a recipe for disaster. It will condemn future generations in poorer countries to face the impacts of climate change without any significant coping capacity.

Though the developed countries are united in demanding a new agreement requiring developing countries to implement binding and uncompensated mitigation commitments, there are wide differences between them in regard to their own commitments. The differences relate both to the legal form and substantive nature of these commitments. The EU wants a new agreement that is "legally binding", in the sense that it comprises treaty obligations under international law. The EU's own mitigation goals, as well as the break-up of the overall target between individual countries, must be negotiated between its member states and each member state is legally bound to implement the resultant decisions. The EU seeks to replicate this procedure at the global level. The US, on the other hand, is prepared to accept "legally binding" commitments only in the sense that these arise from domestic (US) legislation or policy. The US rejects the notion that it must be bound by commitments arising from an internationally negotiated treaty, rather than legislation enacted by Congress. Japan, on its part, has shown a preference, right from 1991, for a flexible "pledge and review" mechanism based on voluntary mitigation pledges and non-punitive reviews of implementation. Japan does not favour a "legally binding" agreement if it involves penalties for non-compliance.

Turning to the substance of mitigation commitments, the US agreed at one stage (the Bali Conference) to make a "comparable effort" to mitigate emissions as other developed countries. Since then, however, it has ignored or downplayed this obligation. Other developed countries have recently

refrained from pressing the case for "comparability", presumably in the interests of maintaining a united front against the developing countries in the climate change negotiations.

Defending the Convention

For India, the stakes involved in the climate change negotiations are of staggering dimensions. As we have seen, they involve not only questions of equity and environmental justice but its future economic and social development and the prospects of poverty eradication. Last but not least, India's ability to build up a significant adaptation capacity is at stake. Demands that are being pressed on it are a threat not only to its future development but also its future capacity to cope with the impacts of climate change.

The negotiations have a complex character. They have an important North-South dimension but there are also major differences within each of these groups. We have already noted the significant differences between the developed countries. Similarly, though the developing countries have common positions on certain issues, there are also deep divisions among them on some other questions. There are longstanding differences between major oil-exporting countries and SIDs on questions related to mitigation. More recently, the EU has succeeded in cobbling together an alliance with some LDC and SID countries on the question of imposing new, legally binding emission limitation commitments on developing countries not belonging to these two sub-categories. Moreover, regional groups have a significant role in the negotiations, particularly in the cases of Africa and Latin America. Within the G–77+China, the BASIC (Brazil, South Africa, India and China) combine has emerged as an important factor in the negotiations. In short, these are complex negotiations, conducted between multiple and overlapping coalitions. None of the major players confines its actions within a single grouping. Creating coalitions to advance one's interests and undermining the unity of opposing coalitions are essential features of the art of multilateral negotiation.

In the circumstances, India should continue to advance its positions through G–77+China and BASIC wherever possible, without allowing itself to become a captive of these coalitions. While maintaining its membership of these groups, it may also, if necessary, form new coalitions, or even stand alone on questions affecting its vital national interests. India should carefully study the differences within the North and make use of any leverage these may provide.

Space does not permit us to deal in detail with the many complex issues that will arise in the negotiations. We shall focus only on some of the most basic issues.

First, the developed countries will argue that major changes have occurred since the adoption of the UNFCCC in 1992 and that it cannot exempt a developing country from shouldering new responsibilities for all time to come. In principle, India has no quarrel with this observation. India's position has always been that a developing country should accept emission reduction commitments once its per capita emissions converge with those of the developed countries (account being taken of historical emissions). This reflects the principle of *graduation.* What India rejects is the creation of new and arbitrarily defined categories of countries ("emerging economies", "major economies", etc.), which have no place in the convention.

Second, India must anticipate proposals demanding that its emissions should peak during the 2020s. India's current per capita emissions are just a small fraction of those of developed countries, are less than half the global average and are very low even in comparison to other developing countries. India's per capita emissions will remain relatively low in 2030. Therefore, India would be among the worst victims if such a proposal were to be adopted. The proposal would inevitably have the effect of stalling India's development till such time as the cost of renewable energy declines sharply to reach the level of coal, gas and oil. India should make it clear from the outset that it will refuse to be party to an agreement incorporating such unjust demands. Prime Minister Manmohan Singh has repeatedly offered to ensure that India's per capita emissions will not at any stage exceed those of the developed countries. Therefore, how soon India "peaks" will depend upon how quickly and sharply the developed countries reduce their own emissions.

Third, India will be confronted with demands to renounce its claims to financial support under the convention and to join the ranks of the "donors". It would be unrealistic for India to expect substantial financial support; nor does India solicit "aid". However, India must not surrender its *entitlement* under the convention to be recompensed to the extent of the "agreed full incremental costs" of measures involving unacceptable diversion of scarce financial resources from its developmental priorities. This entitlement is directly related to India's mitigation obligations under the convention. It allows the country to reject calls for implementing measures that would involve substantial diversion of scarce financial resources from its national development priorities. Article 4, paragraphs 3 and 7 of the convention establish that developing countries cannot be expected to implement uncompensated mitigation measures

at the cost of economic and social development and poverty eradication, which are their "first and overriding priorities". If India surrenders its entitlement to financial support under these provisions, it will have knocked down the firewall that they create between the financial, as well as the emission reduction obligations of developed and developing countries, respectively. Therefore, even if India decides to refrain from soliciting financial support, it must preserve and protect its entitlement under the convention. For the same reason, it should also decline invitations to join the ranks of climate change "donors". India's South-South development cooperation programmes and disaster relief operations must not be confused with climate finance obligations under the convention.

Finally, India must shed its fear of "isolation". A country becomes a great power by defending its vital national interests, not by soliciting testimonials of good conduct from adversarial negotiators. India did not succumb to fears of isolation in the NPT and CTBT negotiations. The current climate change negotiations have equally important implications for India's national interests.

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