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# India can play a key role in climate cooperation

India took on a key position on the world stage by assuming the presidency of G20. This year, India will aim to provide leadership to a group of countries that comprises 85% of the world's GDP and 60% of its population. Doing so will require determination, vision and courage. Today, Navroz K Dubash writes that India must use its presidency to push for greater cooperation to combat complex climate issues

India heads the G20 at a time of serious headwinds for global cooperation. On the back of the Russia-Ukraine war, energy and food security concerns are mounting. Signs of great power confrontation are on the rise, with China and the United States (US) edging toward a trade conflict. There is heightened discussion of the world re-fracturing into trading blocs as countries scramble to ensure the reliability of supply chains. This agenda bodes ill for climate cooperation because it squeezes out longer-term concerns such as the climate crisis, and because climate cooperation requires a virtuous cycle where all countries are seen to be pulling their weight. What can India do as G20 chair to nudge this agenda?

To begin with, it is important to have a realistic sense of what a country can do as G20 president, and not expect miracles. A chair can help put a limited set of new issues on the agenda and, by skilful shepherding of the process, influence political signalling and poten-

tially loosen deadlocks. On the first of these, India has done well by adding the important climate issue of disaster risk reduction to the G20 agenda. Building on the Coalition for Disaster Resilient Infrastructure, India has created a workstream on this issue, which ensures that it will remain part of the G20 agenda under future presidencies. Beyond this direct effect, however, India has to work behind the scenes to influence political signals. Here are a few areas that are particularly worthy of attention.

First, India could use its presidency to urge that addressing the climate crisis remains near the top of the agenda despite competing issues, as is implicit in its theme for G20 – One Earth, One Family, One Future. As a vulnerable nation, and on the back of strong solidarity among developing countries to win an agreement on a loss-and-damage financing mechanism at COP27 last year, India could urge that

attention to the climate crisis is not diluted.

Second, the call for high level attention needs to be accompanied by a parallel reiteration of the need for all countries to avoid backsliding on existing pledges. This is important given that some European nations are reacting to energy security concerns by reopening coal mines and scrambling for gas contracts. While short-term compunctions may be real, lasting climate and energy security solutions lie in doubling down on renewable energy and reducing energy demand.

Third, and related, India should continue to press the argument it has been making that mitigation efforts should proceed evenly across all fossil fuels, and not only with an emphasis on coal. Reaching net-zero means phasing down all fossil fuels, while prioritising the use of limited allowable fossil fuel in regions where it yields the greatest welfare gains – poor developing countries.

Fourth, India's high-profile Lifestyle for Environment or LIFE initiative sends an important message on sustainable consumption, and also provides a perfect platform to amplify the need for demand-side measures for energy that are a proven route to cost-effective climate mitigation. LIFE's focus on behavioural nudges, such as taking public transport more frequently, is an important component of demand-side measures, but it could be further scaled up by



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attention to infrastructure (more and better buses, for example), and policy incentives (such as subsidised buses paid for by a levy on car insurance). Under India's leadership, through LIFE, the G20 could promote sustainable consumption through enhanced attention to energy-use patterns.

Fifth, India can use its presidency to forge progress on the conflicted agenda of climate finance. Developed countries have fallen short of meeting their pledges of financial support, and, instead, have sought to focus attention on mobilising private finance. While mobilising private capital is indeed important, it is too early to give up on public finance entirely. For one, private finance is unlikely to flow for adaptation, and the promised new loss-and-damage mechanism also needs funds. Moreover, public finance can play a role in leveraging private finance for mitigation. Many countries are adopting green industrial policy to induce low-carbon transitions; India's production-linked investment in key low-carbon technologies and America's Inflation Reduction Act are examples. To apply this approach, developing country governments require access to a war chest to steer and direct private capital. In this context, an important conversation has begun around re-thinking the role of the World Bank and other multi-

lateral development banks to help support low-carbon transitions. India should throw its weight behind advancing that conversation.

Finally, there is a looming issue around trade-climate linkages on which India could encourage a ceasefire. Green industrial policy, by definition, requires developing a competitive advantage in particular areas of the economy, but doing so can risk accusations of anti-trade behaviour. Indeed, the European Union has already made this accusation in the context of the US Inflation Reduction Act. But there is a broader issue at stake here: Winning domestic political support for green policies requires showing that these help domestic industry and create jobs. If green industrial policies are to be given full rein, a globally negotiated set of principles for their use may be called for. India could productively kick-start this conversation.

New Delhi takes the reins at a delicate time for global climate cooperation. It should use its presidency to reinforce the importance of climate cooperation, and engage with these complex issues to help steer the global community through this challenging period.

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