

India must commit to net zero emissions

The country will need to take a stand on climate change action or risk being cast globally as an outlier



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India is at the risk of being cast globally as an outlier on climate action, with a negative fallout. With over 50% of the global economy already committed to net zero emissions by 2050 – and China committing to be so before 2060 – this is not where you want to be.

The pace and scale of climate action is only set to increase, with the recent Intergovernmental Panel on Climate Change (IPCC) report unequivocal on the need for urgent and stronger responses. Events around the world underline the point – towns washed away in Germany, subways turned into storm water drains in China, forests fried in the United States and so many more lives lost to flooding in India.

Massive opportunities

It is not only governments that are increasing climate action. The business world is too, not just to protect themselves against the risks of climate change but also to take advantage of the massive opportunities arising as the global economy shifts to net zero emissions. Last year, investors injected over \$500 billion into climate transition. In my country, Australia, the number of major companies that have put in place a target of reaching net zero emissions by 2050 has more than trebled in the past year.

The United Nations Climate Change Conference (COP26) in November in Glasgow is shaping up to be the most important climate meeting since the Paris Agreement in 2015. It is squarely focused on supercharging global ambition and action on climate change, as all countries, including India, agreed to do in the historic Paris Agreement.

Over 100 countries have already committed to net zero emissions by 2050, with more expected at COP26. Two key holdouts are India and Australia. In the case of my country, under mounting pressure at home and internationally, the government is moving toward such an announcement and I am confident they will do



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so by or at COP26.

I am not so confident about India. From what I hear through networks from my time as the Australian High Commissioner to India and as Australia's Ambassador for the Environment, India is resolutely not committing to net zero by 2050, including on the basis that as a developing country, it needs to see significant support from developed countries for climate action as part of making any such commitment.

Perhaps this is negotiating tactics. Either way, I fear India may shoot itself in the foot by resisting net zero by 2050.

First, India itself has a national interest in ambitious global and national climate action. Like Australia, it is among the most vulnerable countries to climate change and, therefore, should be among the more active against the threats. India faces harmful impacts related to sea level rise, heat stress, drought, water stress and flooding, biodiversity and natural disasters. Climate change is not coming – it is here.

Second, as a rising power, India naturally seeks stronger influence globally. Being an outlier on the global challenge facing our generation does not support this aim. India is already the third largest emitter in the world, and is set to be the largest as the United States, China, and the European Union are all now signed up to net zero.

This will become a significant drag on India's international diplomacy. This applies not just to key relationships like with the U.S., where President Joe Biden's administration is mainstreaming climate action into its economic, foreign and security policy, but also with much of the Group

of 77 (G77) states, who are increasingly concerned to see climate action, and in multilateral groupings such as the United Nations and ASEAN-APEC.

No longer a trade-off

Finally, as the famous phrase goes, "it's the economy, stupid". There is no longer a trade-off between reducing emissions and economic growth. Solar energy costs have fallen 90% in recent years, providing the cheapest electricity in India ever seen. Also, given the negative impacts, addressing climate change in India's economic development is now central to success, not an added luxury to consider. For example, agricultural policy that does not consider adaptive approaches to maximise productivity in the face of increased flooding and drought due to climate change is derelict.

The transition of the global economy to net zero emissions is the biggest commercial opportunity in history. In just the energy sector alone, an estimated \$1.6 to \$3.8 trillion of investment is required every year until 2050. China gets this, which is why it is investing heavily in gaining an advantage in the technologies of the new economy, be it renewable energy and storage, electric and hydrogen transport, low emissions industry, green cities or sustainable agriculture.

It is not as if India is at a standing start. It is set to significantly exceed its Paris Agreement commitment of reducing the emissions intensity of its GDP by 33-35% below 2005 levels by 2030, providing ready room for higher ambition. India is impressing the world with its leading roll-out of renewable energy and target for

450GW by 2030, linked to its leadership on the International Solar Alliance and recent national hydrogen strategy. Indian corporates are also stepping up, with the Tata Group winning awards on sustainability, Mahindra committing to net zero by 2040 and Reliance by 2035. There is plenty on which to build.

And India should not be expected to build alone. India's national interests on climate action are now engaged in ways that go significantly beyond waiting for donor support to drive ambition, notwithstanding reasonable arguments about historical responsibility, per capita emissions and equity. With growing wealth and stature, India is increasingly disinclined toward handouts. But that does not mean well-targeted donor investments and international partnerships should not be a factor in raising India's climate ambition.

This could come in many guises, from stronger political engagement and dialogue to policy support in areas of mutual challenge such as energy policy, carbon markets and post-COVID green economic recovery. Practical support and cooperation in areas like rolling out renewable energy and integrating it with the national grid, zero emissions transport, decarbonising hard to abate sectors like steel, cement and chemicals and decarbonising agriculture offer significant scope to raise ambition. As does working with India on innovative green financing for decarbonising investments, including using donor support to mobilise private sector finance, green bonds and climate transition funds. Whichever it is, they need to be lasting partnerships that deliver results.

Yet, in the end, India's tryst with destiny rests in its own remarkable hands, as it always has been. In a land where the earth is called mother, and Mahatma Gandhi, major religions and the Constitution enshrine environmental care, commitment to net zero emissions by 2050 should almost be foretold. The world hopes we will see it soon.

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