Financing - and how is it going to be done? For that also we have said that there is a mechanism that you can set up- idea of an international registry for e.g... If voluntarily I have certain projects and programmes which bring about a quantified reduction in emissions, you provide finance for it and technology for it. Both these actions- what I’m doing in terms of climate change action and what you are doing in providing finance and technology can be scrutinized in as much detail as you wish. There is no problem.

Q. You are aware of the letter the environment minister has written to the PM suggesting that we can even put the action that we take unilaterally under... along the lines of what’s done under the IMF Article 4 and the WTO Trade Policy Review.

A. I’m not aware of the communication between the Minister of Environment and the Prime Minister. But what I can say is this- there are various ways in which domestically e can reflect whatever actions we are taking and whatever targets we are setting for ourselves. And certainly putting it in the form of domestic legislations is one of the options you can look at. There are various options and legislations are one of the options.

Q. Sir, at the formal negotiations we are still putting forward the line that there will be no MRVs of unilateral action or NAMAs that India undertakes.

A. No. There will not be. We can not accept that.

Q. As of today there is no commitment on financing apart from what is there in the Adaptation Fund. So what are we talking about? What sorts of negotiations are going on about financing- no commitment, no money on the table so what’s going on?

A. Nothing is going on. There are proposals for a mechanism. You are aware of the fact that Mexico for e.g. has put forward a proposal for a green fund. The principle which is incorporated there in a modified form, we think is a good principle- that there should be some form of assessed contribution system. Where we differ from Mexican proposal is their saying that developing countries should also contribute to the fund. We say that this is not in keeping with the UNFCCC.

But as far as an assessed contribution system is concerned which should be based on certain criteria which we have spelt out already- this should be on the basis of the overall historical responsibility of accumulated emissions, it could take into account per capita emissions, it could take into account overall GDP to reflect capability, it could take into account per capita GDP. And on that basis you could work out a stable schedule of contributions from developed countries to this fund. We have also had submissions made on the scale of the fund- not only from India but other countries as well.

According to us most modest would be at least 0.5% of developed country GDP. If you want something really ambitious then you can go up to 1% of developing country GDP. As you know China has proposed 1% of developing country GDP. So there is no lack of
proposals on the table. The question is that in the context of the UNFCCC what is the financing mechanism we can come up with and what is the scale of resources that would be available. Whatever the discussions that are taking place are outside the UNFCCC and mostly the kind of proposals that are coming up are mostly saying that lets utilize the World Banks and the MDB for channeling funding to developing countries for climate change.

While we are not saying that funding should not be made through the World Bank but that cannot be taken as fulfillment of the commitments for financing that is there under the UNFCCC.

And the other aspect of this is the governance of the funds for developing countries is very important. We do not want these funds also to become a donor driven exercise where it is not the priorities of the developing countries which is reflected but the priorities of the donor country which is reflected. This is not in the nature of aid; this is in the nature of entitlements of the developing countries. While money can come in through ODA, money can come in through the World Bank, through carbon markets, but these cannot be substitutes for financing mechanism which is already provided for in the UNFCCC with a governance mechanism which has balanced representation of developed countries and developing countries so that the deployment of funds is in accordance with the priorities of developing countries.

Q. Sir you mentioned that there has been some progress on the technology side. Could you elaborate on that and also tell us what kind of technology is lacking in a country like India in terms of climate change adaptation and mitigation.

A. As far as the technology debate is concerned- What we are seeing is what a willingness to look at what are the possible ways in which we can cooperate in order to bring about a diffusion of technology to developing countries.

The exact nature of that mechanism, how it is to be funded is still not sorted out. Till that is sorted out whatever progress we are seeing will not translate into action. Having said that, we see that there is a willingness to look at this perhaps in a more positive way.

What are the technologies that are required? The developed countries themselves are saying that 60-70% of the technology that is required to make a significant impact in terms of climate change is already available which is one of the reasons they are also arguing that there should be a 0 tariff regime by developing country on such technology and climate friendly goods- in WTO there is already a proposal. So the identification of these technologies and climate friendly goods is not an issue at the moment because everyone agrees that they are available. There are a whole series of technology which are very worthwhile in improving energy security. Under the Major Economies Forum we are working on building efficiency where the prospect is that by the adoption of certain technology you can bring down power consumption in large commercial building, industrial installations or large housing estates by 50-80% sometimes. So that’s a very large impact that you can make.
Similarly, there are a series of renewable energy technologies- some are already viable, some are not. Take the example of solar energy. If you are looking at low grade heating applications or water heating applications, those technologies are already viable; you don’t even need government support for spreading those technologies.

It’s only a matter of how do I tweak it in a manner that it is possible for it to be adapted to different climatic conditions, different socio conditions. These are not major challenges. We have already identified a number of areas where these technologies could make a difference.

You already know we have one of the fastest growing wind energy industries but the efficiency levels are still low. If you can increase the efficiency levels of course the results will be much better. On solar energy if we could develop solar thermal with storage, immediately it has a major impact on meeting your energy requirements especially in rural areas.

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