

## NATIONAL INPUTS OF INDIA FOR RIO +20

### **A. General Content**

#### **a. What are the expectations for the outcome of Rio+20, and what are the concrete proposals in this regard, including views on a possible structure of the Outcome document?**

The Rio+20 Conference in 2012 provides an opportunity to refine and fast-track global efforts towards sustainable development. Green economy is a dynamic concept which infuses every activity taken towards poverty eradication with sustainability, thereby greening the economy as we develop economically, socially and environmentally.

An approach to GESDPE has to be based on the following principles:

- It is directly related to the overriding priorities for developing countries such as poverty eradication, food security, universal access to modern energy services, public health, human resource development and employment generation. As such, Green economy should be seen as one of the means to achieve these fundamental and overriding priorities and not an end in itself.
- A common approach to GESDPE is to be based on the Rio principles of equity and common but differentiated responsibilities (CBDR) with special and differential treatment provisions for developing countries according to the respective capabilities of the states. Accordingly, its outcome document should be based on the Rio Principles which continue to be the bedrock of the international discourse on sustainable development, and there should be no rewriting or negotiation of the Rio Principles.
- GESDPE allows ample flexibility and policy space for national authorities to make their own choices out of a broad menu of options and define their paths towards sustainable development based on the country's stage of development, national circumstances and priorities. This is essential for equitable sustainable development.
- States should have the sovereign right to exploit their own natural resources pursuant to their own environmental and developmental requirements and natural resource endowments.
- Poverty eradication should be the overarching objective and the benchmark of the GESDPE. Green economy should promote sustained economic growth for poverty eradication. GE should not adversely impact the livelihoods of vulnerable sections of society, like the small and marginal farmers and those employed in SMEs.
- As a pre-requisite to a global transition towards Green Economy, developed countries must reduce their unsustainable patterns of consumption and the resulting ecological footprints and release ecological space for developing countries to achieve equitable and sustainable growth;
- The outcome document should uphold and promote the spirit of multilateralism;
- Developed nations, in the name of progression towards GESDPE, shall not impose tariff and non-tariff barriers on exports of developing countries or aid conditionalities or any other form of green protectionism;

- Rio+20 should facilitate grants for research and development and deployment of green technologies appropriate to the labour and other factor endowments and needs of the developing countries. These technologies should be in public domain and be accessible to developing countries at affordable prices including through creation of a Sustainable Development Fund for provision of new, additional and scaled up sources of financing to the developing countries. GE should not exacerbate technological dependence of developing countries on developed countries.

**b. What are the comments, if any, on existing proposals: e.g., a green economy roadmap, framework for action, sustainable development goals, a revitalized global partnership for sustainable development, or others?**

The Rio+20 conference provides an opportunity to review the progress made in the path of sustainable development, identify the implementation gaps and come with a menu of options on what needs to be done nationally and through international cooperation. Country-specific strategies may be adopted based on their stages of development, national circumstances, priorities and the extent of global support. Intra-generational equity and poverty eradication remains the major concerns for many developing countries.

India does not support defining and aiming for quantitative targets or goals towards sustainable development. Since the Principles of Rio guide us – foremost amongst which is the principle of CBDR, we need to be mindful of whom we are setting targets for. CBDR exhorts developed countries to take on commitments first. This principle must be upheld in any implementation-focused outcome on sustainable development, as opposed to MDGs. The context of MDGs and SDGs (Sustainable Development Goals) are disparate.

India supports the view that a multilateral trading system should be supportive of sustainable development. For a fair and equitable global trade regime to achieve development goals we need reduction of producer subsidies equivalent and export subsidies for agricultural products in OECD countries; removal of tariff escalation and non-tariff barriers affecting labour intensive exports from developing countries; and effective enforcement of the special and differential treatment provisions of the WTO.

Most environment-friendly/green technologies are with the developed countries. GESDPE should supplement the efforts of developing countries in greening their economies by facilitating transfer of these technologies to them on concessional terms.

### **Policy Tracks**

The Report of the Secretary General, dated 22 December 2010, classifies green economy policies under seven “tracks”. India’s views under each track are given below:

#### *Track 1: Green stimulus packages*

Governments round the world including India have been promoting public and private investment in sectors like renewable energy, forest conservation and water management. A variety of policies and tools, as nationally appropriate, may be employed in this regard. A combination of regulatory instruments like feed-in tariff and standards and economic incentives like fiscal incentives, concessional loans and subsidies (for positive externalities) are being used in different countries.

#### *Track 2: Eco-efficiency*

It is understood that eco-efficiency implies reduction in material intensity, energy intensity and ecological impacts of goods and services throughout the entire life cycle, as means for companies to implement Agenda 21. Achievement of eco-efficiency is feasible for large firms with economies of scale and easy access to eco-efficient technologies and capital markets. Adoption of corporate social responsibility can accelerate the process of achieving eco- efficiency.

Achievement of eco-efficiency in micro, small and medium enterprises is a challenge to policy makers. Nationally appropriate strategies are needed to overcome barriers resulting from absence of economies of scale, asymmetric information flows, incomplete markets for credit and handling risk. Circulation of eco-efficiency data from advanced manufacturing process would help developing countries in adopting efficient and credible technologies for achieving eco-efficiency in manufacturing.

Since eco-efficient technologies and practices demonstrate that they stimulate productivity, innovation, increases competitiveness and improves environmental performances, access to relevant technologies by developing countries at affordable costs would address global environmental concerns.

New and additional global financial support in international financing, easier access to eco-efficient technologies on concessional terms and promotion of collaborative research in developing countries in public domain on development of appropriate location-specific technologies is required.

This may be supplemented by domestic efforts in adoption, deployment and diffusion of the technologies transferred. Development of appropriate green technologies suited to country's resource endowments, not only achieve eco-efficiency but also generates employment opportunities. Nationally appropriate fiscal policies and other incentives for their adoption may also be thought of.

#### *Track 3: Greening of Markets and public procurement*

Market driven approaches for greening of the economy have gross limitations for developing countries. In some sectors where the goods are public or merit goods, market outcomes may not be socially desirable. While greening of the market can be taken up by States as per their national priorities and policies, the developed countries should take the lead on eco-labeling. Greening of public procurement may be directed at equity imperatives like procurement of food grains from small and marginal farmers for the Public Distribution System (PDS) and allocation for MSME sector for government purchases. Moreover, such exercises should not result in any form of green protectionism under the guise of addressing legitimate environmental goals.

#### *Track 4: Investment in green infrastructure*

Investment in green infrastructures which result in win-win situations is exemplified by areas like urban mass transportation, railways, public water supply and sanitation, and common facilities for pollution control and waste management maybe promoted by countries. Such greening measures should be facilitated in developing countries, particularly by developed countries through technology, and new and additional sources of financing. A win-win economic and environmental arrangement ensures that economic and environmental synergies prevail over trade-offs and

project and programmes are co-beneficial, bringing in revenues from both environmental and economic investments.

*Track 5: Restoration and enhancement of natural capital*

India considers the enhancement of natural capital as a measure which can result in integration of all the pillars of sustainable development and hence, should be promoted. Various measures to enhance the stock of natural capital could include improvement of forest quality, watershed development, conservation and sustainable use of biodiversity. Greater public and private investment in this sector is essential. Investments in agriculture, forestry, fisheries, land and water management for employment and poverty reduction can be co-beneficial, equitable and assuring of human well-being.

Land has dynamic interlinkages with agricultural productivity, other ecosystem services, hence, poses environmental and social repercussions. Sustainable land management through addressing the desertification, land degradation and drought (DLDD) concerns is essential for sustainable development.

Early operationalisation of the Nagoya Protocol is necessary to ensure implementation of the ABS Principles to ensure a stream of revenue for the local communities of the developing countries. This could ensure local partnership in conservation of biodiversity.

Contribution of mountain ecosystem need better recognition in terms of ecosystem services it provides, and would require greater attention towards livelihood issues of mountain communities while maintaining/enhancing the ecosystem services.

*Track 6: Getting prices right*

In theory, economic efficiency requires setting all prices equal to their social (including environmental) costs of production. However, in practice government interventions in markets have become important policy tools for achievement of goals for public welfare through such as provision of merit goods for e.g. food, public health, drinking water and primary education and universal access to modern energy services and supply of intermediate inputs for agriculture to increase food productivity and food security.

Indian experience in “setting prices right” suggest that when goals such as equity, food security, and balanced regional development are present some prices have to deviate from their social costs owing to the subsidies. The treatment of these subsidies should be left to the sovereign rights of the States as per national policies and circumstances. The issue relating to efficient transfer of subsidies to the beneficiaries and a gradual phase out, if possible, of the subsidies for non-merit goods have to be left to the decision of the national governments as per national circumstances.

The issue of payment for eco-system services (PES) has to be examined further particularly with reference to developing the necessary information base for policy and adequate safeguarding and creating appropriate institutional mechanisms for protecting the interests of the poor. It is not possible to apply a common discount rate for environmental goods and services and their scarcity for differing stages and levels of development. No universal system of eco-system services valuation can be adopted.

*Track 7: Eco-tax reform*

Eco-tax reform is based on the polluter pays principle i.e., the polluter pays the cost of environmental damage he imposes on the society. The eco tax reform initiated in India includes and fiscal incentives like tax exemptions, concessional taxes, and lower taxes for certain

environment -friendly goods. There is no 'one size fits all' solution on eco-tax reforms and countries may develop nationally appropriate policies.

**Four more policy tracks mentioned below are important from the perspective of developing countries that should be considered.**

***Track 8: Rationalization of consumption patterns in developed countries to reduce their ecological footprints***

As agreed upon at the Rio Conference in 1992, the conspicuous consumption and unsustainable lifestyles in the developed countries should be rationalized so as to reduce their per capita consumption footprints. This would release the much needed ecological space for developing countries for equitable global growth.

***Track 9: Human resource development including education and public health***

Improving human capital is fundamental to sustainable development. Therefore, public health, primary education and, human resource development in developing countries are vital.

***Track 10: Research and Development of affordable green technologies at affordable prices***

Most of the green technologies in developed countries are in the private domain and come under IPR regime which makes the cost prohibitive. Developing countries need access to cost effective technologies appropriate to their resource endowments and location specific factors, to enable them to accelerate the transition to sustainable development. Any approach to GESDPE should facilitate research and development in green technologies preferably in public domain so that the access would be at affordable prices. Centers of Excellence in developing countries as nodal points for technology research and development may be identified and provided financial and technological support.

***Track 11: Universal access to modern energy services, food, water supply and sanitation for poverty eradication***

Poverty eradication measures should consider the multi-dimensionality of poverty and its complexities. This can be tackled successfully only when a multi-pronged approach towards poverty eradication is adopted. Universal access to modern energy services, food security, access to water supply and sanitation in developing countries are essential for improving the quality of life of the poor and hence, need focused approach in these sectors.

**c. What are the views on implementation and on how to close the implementation gap, which relevant actors are being envisaged as being involved (Governments, specific Major Groups, UN system, IFIs, etc);**

India would like to see tangible outcomes at Rio +20 in terms of greening the economy through measures such as harmonization of aid among donors and partners, augmentation of Overseas Development Assistance (ODA) as per Monterrey Consensus and creation of a Sustainable Development Fund. This may be supplemented by private funding, without any incidence on developing countries. There should be greater capacity building of regulatory and non-regulatory public institutions, local governments and corporate sector.

Rio+20 should translate the UN General Assembly's recognition of access to modern energy services at affordable prices into concrete mechanisms including financing in a given time frame, facilitate promotion, development and deployment of renewable energy for cleaner production and consumption. One of the major reasons for the implementation gap are lack of adequate global financial and technological support for capacity building of institutions, adoption of appropriate technologies and implementation of systems. Another reason for implementation gap is diminishing weights given to special and differential treatment provisions to developing countries in many multilateral agreements and growing gaps in the flows of external aid from the North to South.

**d. What specific cooperation mechanisms, partnership arrangements or other implementation tools are envisaged and what is the relevant time frame for the proposed decisions to be reached and actions to be implemented?**

All efforts aimed at advancing or enhancing sustainable development should be implemented through multilaterally agreed mechanisms. The international cooperation mechanism must be democratic and based on the principle of CBDR and the spirit of multilateralism.

A mechanism to facilitate research and development in green technologies in public domain is required so that the access would be at affordable prices. Centers of Excellence in developing countries as nodal points for technology research and development may be identified and provided financial and technological support.

The UN system may support South-South co-operation, as a complement and not a substitute to North-South cooperative partnerships.

Economic partnership agreements between developed and developing countries should promote capacity building in transfer and deployment of green technologies. Experience in respect of voluntary partnerships in the case of forestry or adaptation related actions confirm that such partnerships/agreements will be effective only if rooted in multilateral framework. The partnership cannot be a substitute for a globally agreed responsibility for provision of technology and financial resources within the multilateral framework. Economic partnerships between South-South would provide an opportunity to develop location specific green technologies based on their labor and other factor endowments. Such ventures may be initiated and supported by the UN system.

**B. Specific Elements:**

**a. Objectives of the Conference: To secure renewed political commitment for sustainable development, assessing the progress to date and remaining gaps in the implementation of the outcomes of the major summits on sustainable development and addressing new and emerging challenges.**

**Contributions could include possible sectoral priorities (e.g., energy, food security and sustainable agriculture, technology transfer, water, oceans, sustainable urbanization, sustainable consumption and production, natural disaster preparedness and climate change adaptation, biodiversity, etc.) and sectoral initiatives that contribute to integrate the three pillars of sustainable development could be launched and endorsed at Rio+20.**

**b. Green economy in the context of sustainable development and poverty eradication: views regarding how green economy can be a means to achieve sustainable development in its three dimensions, and poverty eradication; what is the potential added value; experience to date, including what has worked and how to build upon success, what are the challenges and opportunities and how to address the challenges and seize opportunities, and possible elements of an agreement in outcome document on a green economy in the context of sustainable development and poverty eradication.**

India has demonstrated its commitment towards sustainable development through a series of legislative, policy and institutional measures nationally besides participation in multilateral environmental agreements, which integrate environmental, social and development concerns.

Sectoral priorities and strategies are a matter of national choice, based on the stage of development, national circumstances, domestic resource availability, and external support both technical and financial.

India's sectoral priorities include poverty eradication and livelihood security, universal access to modern energy services, prevention and reversal of land degradation, afforestation, watershed development in dry lands, rural connectivity, mass transport, conservation and sustainable use of biodiversity, clean water and facilitation of technology development and transfer.

Poverty eradication in turn requires tackling multidimensionality of poverty in various sectors such as public health, primary education, human resource development, access to clean drinking water and sanitation besides generation of productive employment. Prevention and reversal of degraded land through eco-restoration and afforestation can not only increase the quantity and quality of the natural capital but also generate employment.

Programmes for rural connectivity, creation of post-harvest management facilities, improvements in agricultural inputs as well as crop productivity, strengthening farm and non-farm linkages can improve efficiencies of agricultural supply chains, reduce their waste generation, and decrease the price spread between farm harvest and wholesale prices. These strategies can generate win-win outcomes.

Programmes for off-grid and decentralized rural renewable energy systems help in achieving the goal of universal access to modern energy services for the rural people especially in inaccessible areas at lower social costs and provide employment.

**c. Institutional framework for sustainable development: Priorities and Proposals for strengthening individual pillars of sustainable development, as well as those for strengthening integration of the three pillars, at multiple levels- local, national, regional and international.**

1. India considers the following key principles to be important in arriving at an institutional framework for sustainable development
  - i. Recognize that any international institutional architecture seeking to address global challenges should remain firmly anchored in the principles of equity and common but differentiated responsibilities embodied in the Rio declaration.
  - ii. Recognize the 'right to development' and the overriding priority of poverty eradication and economic growth in developing countries.
  - iii. Maintain balance between the three pillars of sustainable development and strengthen the coherence and coordination between and within them.
  - iv. Adhere to the spirit of multi-lateralism.
  - v. Enhance implementation and promote institutional capacity building at all levels.
  - vi. Stimulate scientific & technological innovation in the public domain and use of local knowledge
  - vii. Promote adequate flow of resources and technologies to developing countries.
2. India reiterates the need to strengthen the three pillars of sustainable development – economic, social and environmental. It has to be understood that sustainable development is a much larger canvas than merely addressing the environmental issues.

3. India believes there is a case for enhancing UNEP judiciously, including augmentation of its financial resources. However, elevating UNEP to the status of a UNEO or a specialized environmental agency, would give disproportionate weight to the environmental pillar of sustainable development. UNEP is a programme and not an organization. An enhanced UNEP means strengthening its programmatic mandate as an implementing agency. UNEP's role has to be strengthened in terms of capacity building, science-policy interface, technical support and knowledge management to facilitate country level initiatives. UNEP's role as an implementing agency may be strengthened with enhanced national level support and cooperation and also UNEP's greater collaboration with other implementing agencies like the UNDP and the World Bank. India is open on the issue of universal membership of UNEP.
4. India recognizes the need for CSD reforms. Sustainable development emphasis in CSD needs to be strengthened. We have to carefully weigh the pros and cons of upgrading the present-day ECOSOC and CSD vis-à-vis the creation of a new organ like the proposed Sustainable Development Council (SDC). The current architecture of ECOSOC may be revisited to facilitate additional financing and technology transfer for sustainable development. In this context, the proposal of establishment of a new Sustainable Development Council (SDC) needs to be examined further. The principle of 'Form follows Function' has to be applied and a greater analysis of the framework of the proposed SDC in terms of its structure, rules and relationship with the existing institutions etc. is required.
5. Improving coherence and coordination of various MEAs and strengthening the Institutional Framework for SD (IFSD) is now broadly agreed. Greater cohesiveness can be achieved through selective clustering of compatible conventions while preserving the autonomy of the Conventions and their respective Conference of Parties, setting up of liaison groups and joint programming wherever feasible. The recent initiative in this regard for the three chemical conventions can be used as a template. Developing countries must be allowed to participate more actively in the governing bodies of the financial mechanisms of MEAs and in the process of formulating policies and strategies for sustainable development.
6. A mechanism to promote research and development and deployment of green technologies appropriate to the labour and other factor endowments and needs of the developing countries is needed. These technologies should be in public domain and be accessible to developing countries at affordable prices including through creation of a 'Sustainable Development Fund' for provision of new, additional and scaled up sources of finances to the developing countries. Implementation of Bali Strategic Plan for Technology Support and Capacity Building should also be prioritized.
7. Commitment of developed countries for providing Overseas Development Assistance (ODA) as per Monterrey Consensus has to be fulfilled. This may be supplemented by private funding but without any incidence on developing countries.
8. The Global Environment Facility (GEF) should be strengthened. The quantum of financial contributions to GEF Trust Fund should substantially increase from the present level. This will place GEF, the designated funding mechanism of UNFCCC, UNCCD, CBD and Stockholm Convention in a better position to comply with the guidance given by the Conference of Parties of these Conventions. The operational procedures and processes of GEF has been streamlined over the years however, these could be further simplified. The world's largest multilateral funding mechanism on environment also needs to innovatively improvise its communication strategy and its engagement with potential donors.



9. There is clearly a need for greater representation of developing countries, accountability and transparency in the Bretton Woods Institutions (BWI) in order to increase their effectiveness and responsiveness to UN-led processes and outcomes. The democratic deficit in BWI should be addressed by increasing the say of developing countries. This apart, the role of regional developmental banks and sub-regional initiatives needs to be strengthened for the provisions of medium and long term response to the development needs of developing countries.
10. India supports the view that a multilateral trading system should be supportive of sustainable development. For a fair and equitable global trade regime to achieve development goals we need reduction of producer subsidies equivalent and export subsidies for agricultural products in OECD countries; removal of tariff escalation and non-tariff barriers affecting labor intensive exports from developing countries; and effective enforcement of the special and differential treatment provisions of the WTO.
11. There is a need to strengthen the network of scientific institutions at global, regional and national levels to address global challenges.
12. It is important to create mechanisms, as nationally appropriate, for participatory decision-making, to strengthen capacities of the local governments and have an emphasis on education for sustainable development.

**d. Any proposals for refinement of the two themes. Recall that Resolution 64/236 describes the focus of the Conference: “The focus of the Conference will include the following themes to be discussed and refined during the preparatory process: a green economy in the context of sustainable development and poverty eradication and the institutional framework for sustainable development”**

*No comments*