WSDS-ACT4EARTH
NATIONAL ROUNDTABLE
Road to Baku

17th September 2024 | 10:30 am to 1:00 pm (IST) | TERI, India Habitat Centre, New Delhi

Contents

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Background

Even after almost a decade since the adoption of the ambitious Paris Agreement and the 2030 Agenda on Sustainable Development, the world continues to remain off-track. According to the latest SDG Progress Report, 13.6% targets are on track (or target met), 14.2% targets have made moderate progress, but acceleration is needed, 24.3% of targets have made marginal progress, and significant acceleration is needed, 14.2% targets have seen stagnation, 13.6% targets have regressed while 20.1% are not tracked due to insufficient data (United Nations, 2024a). Analysis of the targets listed under Goal 13 corroborate the slow progress (ibid). On the target of climate finance and resilience and adaptive capacity, marginal progress, and significant acceleration is needed. On climate change awareness and capacity, there is insufficient data. Further, according to the First Global Stocktake, 43% of emissions need to be reduced by 2030 while implementation of current nationally determined contributions (NDCs) will lead to only 2% reduction (UNFCCC, 2023).

The IPCC Synthesis Report finds that the global temperature has already increased by 1.1°C above pre-industrial levels and is likely to reach or surpass the critical 1.5°C tipping point by 2035 (IPCC, 2018). Currently, only 23 out of 173 Nationally Determined Contributions (NDCs) explicitly reference the SDGs, indicating a significant gap in integrated planning. According to UNDESA and UNFCCC, climate action is linked to 80% of the 2030 Agenda targets, providing a strong case for integrated policymaking (United Nations, 2023a). Inadequate progress towards the sustainable development goals (SDGs) by 2030 reduces climate resilient development prospects" (IPCC, 2022). There is a need to consider both synergies and trade-offs when it comes to climate action and the SDGs. Meeting nearly 70% of SDG targets by 2030 necessitates robust adaptation measures, particularly in urban areas and vulnerable countries. Globally, there is a leadership vacuum from the Global North when it comes to sustainable development. This area becomes crucial for India and the Global South to demonstrate leadership in terms of sustainability and achieving climate justice. A critical analysis of international processes along with norms around sustainable development and consumption is crucial.

As part of the global climate action, this year, the New Collective Quantified Goal (NCQG), a new global target for climate finance is to be established by the end of 2024. It will be the key determinant of success for the upcoming COP29 to be held in Baku in December 2024. It is essential to take into account the needs and priorities of developing countries for both adaptation and mitigation while determining NCQG. The average adaptation finance needs for all developing countries for 2021–2030 are estimated at US$ 387 billion per year (with a range of US$ 101–975 billion per year). In the five-year period of 2017-2021, the disbursement ratio for adaptation finance was lower than the development finance indicating specific barriers to adaptation that hinder the implementation of climate action in developing countries (UNEP, 2023). In 2022 itself, the share of adaptation was less than 30% of the total climate finance mobilized that year (OECD, 2024). Consequently, equitable distribution and access to resources globally are essential for achieving climate justice. Since COP26, India has sought to be a norm leader and has been a strong advocate for sustainable lifestyles. Sustainable consumption along with addressing underconsumption is key to achieving sustainable development goals as well as ensuring climate justice.

With this backdrop, TERI organized the Act4Earth National Dialogue on the Road to Baku to deliberate on the following overarching questions:

[Question 1] What are the implications of sustainable consumption and lifestyles (and SDG 12) on climate justice?

[Question 2] How should the existing synergies between climate and SDGs be leveraged in the multilateral processes?

[Question 3] In light of the upcoming cycle of NDCs, what is India's approach towards climate negotiations including the questions of climate-SDG synergies, climate finance and sustainable consumption?

[Question 4] What will be an equitable outcome on NCQG and climate finance at Baku?

[Question 5] How can the international community be persuaded to adhere to the goals of climate finance while moving towards more sustainable consumption patterns?

The dialogue started with the Chair's remarks who set the context followed by framing presentations by TERI. This was followed by a Keynote Address by Shri Naresh Pal Gangwar, Additional Secretary, Ministry of Environment, Forest and Climate Change, Government of India. This was followed by expert inputs from the roundtable.

Event Summary

The jury is still out on the NCQG. However, the fundamental principles enshrined in the UNFCCC and the Paris Agreement must be safeguarded. Sustainable lifestyles and consumption are closely linked to equity and climate justice. Greater streamlining of global mechanisms is required, along with the integration of SDGs and climate action. Loss and damage remain a pressing global issue. The role of public finance is crucial. Finally, building systems and capacity is critical, and securing finance is essential for ensuring long-term sustainability.

In the context of the revision of NDCs and the NCQG, the Baku COP is highly significant. Although reaching a consensus on all aspects seems to be a herculean task, particularly with the climate finance definition still unresolved, the definition of climate finance is crucial in clarifying what qualifies as finance—whether it includes grants, public finance, or concessional loans. Along with the definition, the purpose and importance of delivering climate finance needs to be recognized. Additionally, aspects related to adaptation and mitigation, as highlighted by the Paris Agreement, need to be addressed, ensuring a balance between both.

The discussions also looked at sustainable lifestyles and climate finance aspects linked to the just transitions work programme.

State of Climate Finance

The OECD reported that in 2022, US$ 115.9 billion was mobilized, surpassing the US$ 100 billion climate finance goal for the first time. However, the lack of a consistent definition for climate finance and the imbalance between financial instruments (with loans dominating over grants) remains a concern. While multilateral finance has grown, only a small portion (less than 30%) is directed towards adaptation.

Another recent development has been the release of the Second Needs Determination Report (NDR) by the Standing Committee on Finance under the UNFCCC. This report states that for 48% of costed needs reported by 98 parties, the amount required for climate action is between US$ 5.036 to 6.876 trillion. The time frame for this is set to 2030, which is very close to the first NDR report, which identified the costed needs to be between USD 5.8 to 5.9 trillion by 2030.

The report also estimates that the annualized cost, considering the time frame of 2015-2030, for these costed needs is in the range of US$ 455-584 billion per year. However, it is important to bear in mind that this number only accounts for 48% of the needs, so the real figure could actually be slightly more than double. Therefore, asking for US$ 1 trillion per year under the NCQG is not a huge ask. It is also important to bear in mind that the NDRs are, at best, a conservative estimate. Regarding the quality of finance, public finance has to be at the core of climate finance.

NCQG on Climate Finance

The NCQG builds on previous climate finance goals, such as the Copenhagen Accord's $100 billion per year target. The process for setting new goals before 2025 is ongoing, focusing on transparency, adaptability, and balancing adaptation and mitigation. There is also an emphasis on aligning financial targets with low GHG emissions and climate-resilient development. Along with quantum, an incremental trajectory of climate finance is needed.

Convergences and Divergences on NCQG

Developed countries advocate for a broadened contributor base and innovative financing, with a focus on private sector involvement. In contrast, developing nations emphasize the responsibility of developed nations (under the CBDR-RC principle), focusing on equity, public finance, and predictable short- to medium-term goals that balance adaptation, mitigation, and loss and damage.

Sustainable Lifestyles and India's Norm Leadership

India is promoting sustainable consumption through initiatives like the LiFE movement, with a focus on reducing GHG emissions through lifestyle changes. Unsustainable production and consumption patterns need to be addressed, and India is advocating for global commitments on sustainable lifestyles in forums like the G20 and UNEA.

Consumption and Climate Justice

TERI has developed a consumption index that compares various countries' consumption patterns in key sectors such as food, transport, and waste management. India ranks low in consumption compared to other G20 nations, bolstering its advocacy for more sustainable lifestyles at global forums like UNEA, UNGA, and UNFCCC processes. Balancing over-consumption and under-consumption is crucial for climate justice. Countries with high consumption rates have greater responsibility (based on principles like Common but Differentiated Responsibilities and Respective Capabilities) to mitigate their environmental impact and support sustainable development in nations with lower consumption levels. India's leadership in advocating for these values globally is key.

Linkages of Just Transitions Work Programme with NCQG

The Just Transitions Work Programme (JTWP), established at COP27, focuses on achieving the goals of the Paris Agreement through pathways that balance energy transitions with socioeconomic impacts. By aligning climate finance with social equity goals, the NCQG can ensure that financial resources support both environmental objectives and social fairness. The JTWP can guide climate finance allocation to enhance adaptation, job creation, and capacity building, creating a feedback loop between financial decisions and social outcomes.

India’s Leadership and Climate Vulnerability

With close to 18% of the global population, India accounts for less than 4% of cumulative emissions, highlighting the imbalance in global consumption and development. Whereas, the US, despite having a population share of 4%, contribute to around 24% of the world’s cumulative emissions. Emissions are closely tied to production and consumption systems, where wealthier nations have historically engaged in fossil-fuel-intensive production. As production in developed nations has been historically linked to high emissions, aspirations for global development must address equitable access to health, education, and energy. Bridging this gap is key to achieving both development and climate goals. For a developing country like India, balancing people's aspirations with global commitments remains central to climate negotiations, along with determining who should contribute to the means of implementation, including finance. It is a situation of double jeopardy for India. First, it is facing climate consequences, and second, it is also being asked to contribute to the mitigation of climate change. The principles of common but differentiated responsibility and respective capabilities are vital, as outlined in the UNFCCC and Paris Agreement.

Opportunistic Approaches to Open up the Paris Agreement

There is a much-talked-about global investment layer being pushed by the US and the EU. Additionally, Swiss and Canadian proposals have included rule-based systems that introduce criteria for additional contributors based on their Gross National Income (GNI) in purchasing power parity terms, their emission levels, per capita emissions, and cumulative emissions. The question of contributors should not be reopened, as this was already settled in the Paris Agreement. However, developed countries have been opportunistic in trying to reopen the issue of widening the contributor base, despite it not being mentioned in the Paris Agreement.

A Responsibility-Based Approach: 1992 and Now

Developed countries often argue that the world order has changed since 1992, when the UNFCCC was opened for signature, to justify moving away from a responsibility-based approach. However, this does not apply to developing countries like India, which has not significantly contributed to the problem and still needs to ensure development for its people.

Challenges in Climate Finance

First and foremost, definitional and accounting issues surrounding climate finance must be resolved. Climate finance should be public finance-based, with developed countries, responsible for historical emissions, contributing a portion of their GDP to address climate change. Under the long-term finance (LTF) track, a synthesis report is being prepared for climate finance, and this will also be a crucial input for the discussions around the NCQG. One would have hoped that this report was finalized sooner and well ahead of the conclusion of the NCQG process this year.

The Aspect of Additionality

India has invested in solar power using its public finance, whereas, under international agreements like the Paris Agreement, new and additional finance should be provided by developed countries. Transition finance from developed countries is crucial to cover the incremental costs of clean technology. Article 4 of the Paris Agreement speaks to Nationally Determined Contributions (NDCs) and their implementation, with Paragraph 5 stating that support shall be provided to developing countries in accordance with Articles 9, 10, and 11, recognizing that enhanced support will allow for higher ambition.

Nature-Based Solutions and Biodiversity Financing

Climate finance should increasingly focus on Nature-Based Solutions (NBS) and biodiversity-related initiatives. NBS intersects with climate adaptation and resilience, making it essential to scale up financing for biodiversity initiatives that promote ecosystem restoration, conservation, and sustainable land use.

Private Sector Engagement

There is also a need to engage with the corporate sector, as they are significant emitters. Many corporates are already working on setting science-based targets and striving to achieve them. It is crucial that the corporate sector is actively involved in climate discussions. Additionally, there needs to be targeted climate finance that supports MSMEs (Micro, Small, and Medium Enterprises) and smaller enterprises, as these businesses often face difficulties in accessing climate finance. Ensuring that they receive support is vital for fostering broader climate action.

Loss and Damage

Although not initially part of the Paris Agreement, Loss and Damage (L&D) is gaining prominence as climate impacts escalate globally. Climate finance discussions must focus on integrating Loss and Damage within the NCQG, securing dedicated financial resources to help vulnerable countries recover from climate-related losses.

Capacity Building and Knowledge Transfer

Capacity building and knowledge transfer are essential for developing countries to effectively absorb and deploy climate finance. Enhancing technical expertise in renewable energy, waste management, and sustainable consumption can strengthen their ability to meet climate goals. Climate finance should prioritize capacity building to ensure that developing nations can lead their own transitions.

Tracking and Monitoring Climate Finance

Continuous monitoring and tracking of pledged versus mobilized climate finance are crucial for accountability and transparency. Robust mechanisms are needed to monitor climate finance disbursement and reflect actual financial flows to adaptation and mitigation projects, especially in developing countries. It needs to be ensured that pledges translate to actual provisioning.

Financial System Reforms

International climate finance negotiations began with a focus on public finance. However, over time, public finance has increasingly started behaving like private finance, becoming more inaccessible and risk-averse. There are growing procedural barriers, including within multilateral mechanisms, which have shifted towards value-for-money principles rather than need-for-money principles. The rising debt levels of many countries remain a significant concern, and therefore, climate finance cannot rely on debt instruments and should not become an NCQG instrument. For long-term transitions, it is not enough to focus solely on just transitions or energy transitions. Financial transitions are equally important, and this necessitates a re-evaluation of financial governance, which calls for reforms. Therefore, the NCQG also needs to be linked to reforms in the financial systems. Additionally, rating agencies require reforms, as they have a significant influence in driving investment decisions. Public finance must remain the core focus for disbursing climate finance effectively and supporting systemic reforms in financial systems.

Waste Management

Waste management is closely linked to energy transitions, particularly regarding the disposal or reuse of renewable energy infrastructure like solar PV cells after their end of life. There is a strong connection between waste management and energy transitions, and extended producer responsibility needs to address both recyclable content and collection issues.

Extended Producer Responsibility (EPR)

In the case of Extended Producer Responsibility (EPR) policies, volunteerism presents a challenge, as does the limited monitoring, reporting, and verification of EPR implementation, which hampers its effectiveness. Plastic waste processing and plastic credit trading are largely controlled by polluters. In a country like India, where the informal sector plays a significant role, it is essential to ensure that informal sector workers are adequately compensated for their contributions to recycling initiatives and sustainable consumption.

SDG 12 and Role of Public Procurement

SDG 12, which focuses on Sustainable Consumption and Production, plays a crucial role in aligning with climate change efforts. By promoting resource efficiency, reducing waste, and supporting cleaner production and consumption, SDG 12 helps meet broader climate objectives set under the Paris Agreement and the UNFCCC. Green public procurement is an essential tool to shift markets towards sustainability and improve waste management practices. Public procurement can significantly reduce GHG emissions from landfills by promoting sustainable waste management practices and decreasing the volume of waste sent to landfills.

Measures in India

Domestically, India has undertaken several initiatives on climate change, clean energy, and sustainable consumption and production, including efforts around the National Adaptation Fund and policies related to waste management and extended producer responsibility. India has also emphasized upstream measures such as reducing the consumption of virgin raw materials and implementing policies for plastic and battery waste. On sustainable consumption and production in SDG 12, India has also introduced new regulations domestically under the Ecomark scheme, which is an environmental labelling scheme and an information instrument.

LiFE Economy and Well-Being

Consumption is not a stand-alone issue; it is deeply linked with poverty, inequality, and the global economic order. Disparities are significant both between and within countries. To promote sustainable lifestyles, there is a need for systemic transformation, and this is where the concept of a LiFE Economy becomes crucial. The Global Footprint Network finds that if every citizen on Earth were to live the lifestyle of an average American, we would need 4.5 Earths. The high-level principles of the G20 encapsulate sustainable consumption and production, along with circular economy practices. Additionally, there is a need to measure well-being beyond GDP, and social enterprises should be promoted to encourage localization. Ethical value systems must also be mainstreamed in all spheres to support this transformation.

Market-based Mechanisms

When it comes to Article 6 and market-based instruments, there is a significant need for capacity building on carbon markets and Internationally Transferred Mitigation Outcomes (ITMOs). The issue of integrity is crucial, whether in the context of the Clean Development Mechanism (CDM) or voluntary carbon markets. On sustainable lifestyles in India, green credit mechanisms can be seen as an important instrument in promoting the LiFE (Lifestyle for Environment) initiative, encouraging sustainable consumption and behaviours.

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Agenda

10:30 – 11:00 am	**Registration**
11:00 – 11:05 am	**Context setting and introductory remarks by the Chair** • Mr RR Rashmi, Distinguished Fellow and Programme Director, TERI
11:05 – 11:20 am	**Framing presentations by TERI** • Dr Shailly Kedia, Senior Fellow and Associate Director, TERI • Ms Dorothy Ashmita Biswas, Research Associate, TERI
11:20 – 11:35 am	**Keynote Address** • Shri Naresh Pal Gangwar, Additional Secretary, MoEFCC
11:35 am – 12:25 pm	**Roundtable discussions** Themes: • Climate-SDG synergies • Climate finance • Sustainable lifestyles and climate justice • Adaptation finance • Ambition and progress on global goals
12:25 – 12:30 pm	**Vote of Thanks** • Ishita Srivastava, Research Associate, TERI
12:30 pm onwards	Lunch

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About

World Sustainable Development Summit

The World Sustainable Development Summit (WSDS) is the annual flagship multistakeholder initiative organized by The Energy and Resources Institute (TERI). Instituted in 2001, the Summit series has a legacy of over two decades of making ‘sustainable development’ a globally shared goal. Over the years, the Summit platform has brought together thought leaders, heads of state and government, scholars, corporates, youth groups, and civil society representatives from across the world. The Summit series has established itself as a responsible and effective platform for mobilizing opinion-makers to drive ambition and advance pioneering actions to address some of the most relevant issues concerning sustainable development and climate change. The Summit series has witnessed the participation of 58 Heads of State and Government, 137 Ministers, 13 Nobel Laureates, 2045 Business Leaders, 3373 Speakers, and 40,362 Delegates.

Act4Earth

The Act4Earth initiative was launched at the valedictory session of the 21st edition of WSDS. Building on the Act4Earth discussions of WSDS, this initiative seeks to continuously engage with stakeholders through research and dialogue. Act4Earth initiative has two components: the COP Compass and the SDG Charter. The COP Compass will seek to inspire and mobilize leadership at all levels, for inclusive transitions through ambitious and informed policies and measures that will enable paradigm shifts, towards meeting the United Nations Framework Convention on Climate Change (UNFCCC) and Paris goals through mitigation, adaptation and means of implementation. The SDG Charter will seek to identify gaps and suggest ways for strengthening and mainstreaming sustainable development in policy agendas for enhanced environmental, social, and economic outcomes.

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