

A Role for India in South-South Climate Cooperation: Simplified Explanation & Key Points

Overview

The article discusses India's potential role in international climate cooperation, particularly under **Article 6.2 of the Paris Agreement**, which allows countries to trade carbon credits (Internationally Transferred Mitigation Outcomes - ITMOs). This system enables developing nations like India to sell excess emissions reductions to other countries, securing funding and technology to help them transition to a **low-carbon economy**.

India, being the **third-largest greenhouse gas (GHG) emitter** (in absolute numbers), faces challenges in balancing economic growth with climate commitments due to financial and technological constraints. Article 6.2 provides a mechanism to bridge this gap.

The article highlights **India's emerging Carbon Credit Trading Scheme (CCTS)**, its **14 key areas for international climate collaboration**, and the **potential of South-South cooperation** (partnerships between developing countries, especially with Africa). While there are opportunities, the article also discusses **challenges such as transparency, governance, and dependency risks**.

Key Takeaways

1. What is Article 6 of the Paris Agreement?

- It is a **climate cooperation framework** under the Paris Agreement.
 - **Article 6.2** allows countries to **trade carbon credits (ITMOs)** to meet their emission reduction targets (Nationally Determined Contributions - NDCs).
 - Developed nations can purchase ITMOs from developing nations, bringing financial and technological support in return.
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2. How Does It Benefit India?

- **Financial Support:** India can secure funds for **green projects** by selling ITMOs.
 - **Technology Exchange:** Partner countries (e.g., Japan, EU, South Korea) bring expertise in **renewable energy, energy storage, green hydrogen, and sustainable fuels**.
 - **Capacity Building:** Helps India and other developing nations gain expertise in emission reductions.
 - **Job Creation:** ITMO projects create **green jobs** in India and partner nations.
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3. India's Climate Commitments & Challenges

- **India's NDCs:** Aim to reduce **emission intensity by 45% by 2030**.
- **Financial Need:** India has demanded at least **\$1 trillion annually** from developed nations for climate financing.
- **Carbon Trading Efforts:** India launched the **Carbon Credit Trading Scheme (CCTS) in 2023** to develop a transparent carbon market.
- **Experience in Carbon Markets:** India has experience with **CDM (Clean**

Development Mechanism), voluntary carbon markets (VCM), energy-saving certificates, and renewable energy certificates.

4. South-South Cooperation & India's Role

- **Expanding ITMO Trade:** India can **sell ITMOs** to developing countries, fostering economic cooperation beyond the traditional **North-South model (developed to developing countries)**.
 - **Africa as a Key Partner:**
 - Africa has **huge renewable energy potential** but lacks financial and technical resources.
 - India, with its expertise in **solar, wind, and sustainable agriculture**, can support African nations in climate action.
 - Aligns with India's **10 principles of engagement with Africa**, focusing on economic cooperation and local capacity building.
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5. Facts & Figures

- **India is the world's 3rd largest GHG emitter** (absolute terms).
 - **\$10 billion** was invested in India's renewable energy sector in 2022.
 - **India's NDC target:** Reduce **emission intensity by 45% by 2030**.
 - **India demands \$1 trillion annually** from developed countries for climate financing.
 - **14 key climate collaboration activities** identified, including **green hydrogen, energy storage, carbon capture, and sustainable aviation fuel**.
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6. Challenges & Risks

✓ Risk of Over-Reliance on ITMOs

- Developed nations may **buy cheap carbon credits from India** instead of reducing their own emissions.
- This could **slow global climate progress** and shift burdens onto developing countries.

✓ Transparency & Governance Issues

- Poor regulation of ITMO trade could lead to **inefficiencies and inequities**.
- Strong **safeguards and fair benefit-sharing mechanisms** are needed.

✓ Opportunity Costs for India

- Selling ITMOs could reduce India's own ability to meet its long-term **net-zero goals**.
 - Need to balance **ITMO sales vs. domestic sustainability needs**.
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7. Key Takeaway for India's Climate Strategy

- India should **leverage Article 6.2** for funding and technology while ensuring **strong governance**.
- **South-South partnerships (especially with Africa)** can boost global climate efforts

and economic cooperation.

- **Careful planning** is needed to avoid dependency risks and ensure ITMO agreements align with India's long-term sustainability goals.
- By leading **equitable, transparent, and fair climate cooperation**, India can **strengthen its position as a global leader in climate action**.

Would you like more details on any specific point? 😊