

9th India - U.S. Track II Dialogue on Climate Change and Energy

3- 5 February, 2020 | New Delhi

Joint Statement

The India-U.S. Track II Dialogue on Climate Change and Energy held its ninth meeting in New Delhi, India from February 3-5, 2020. The meeting was convened by the **Ananta Aspen Centre**, India and the **Aspen Institute**, U.S. Since its inception in 2010, this dialogue has brought together a diverse array of thought leaders from India and the United States — former senior government officials, industry leaders, subnational officials and heads of civil society organizations — to inform and encourage India-U.S. partnership at a strategic level and on climate and energy issues. This meeting of the dialogue focused on key climate and clean energy-related issues critical to the bilateral relationship, including: policy developments in each country; perspectives on the forthcoming COP26 meeting; and potential policy-related cooperation on short-lived climate pollutants, electric mobility, and sustainable finance.

Dialogue participants agreed: (1) India continues to make substantial progress on its commitments under the Paris Agreement and through other measures to address climate change, as have several U.S. non-federal actors (e.g. states, cities, and business), who have significantly increased action, (2) nonetheless the world still faces enormous and urgent responsibilities on climate change, inclusive of enhancing mitigation and adaptation measures, and addressing financial challenges, and (3) key actors in both India and the United States, including governments at various levels, businesses, and civil society, need to expand and accelerate their responses to climate change. Dialogue participants recommend that these stakeholders in both countries work together on the following high-level actions:

- Increase subnational engagement to facilitate climate action, including creating new fora for cooperation. Senior officials from the State of California identified numerous opportunities for collaboration with their subnational counterparts in India.
- Leverage the private sector for enhanced opportunities for engagement with the Indian and U.S. governments at all levels to seek sustainable climate solutions.
- Emphasize a sectoral approach to enhanced mitigation opportunities beyond the initial Paris commitments, with particular focus on leveraging institutional finance to promote these actions.
- Strengthen international climate platforms through U.S.-India cooperative climate action.

A summary of the sector specific discussions leading to these conclusions is below.

Electric Mobility

India and the United States both face rapidly growing and evolving mobility needs, but with very different transportation sectors. Each should develop a robust zero emission mobility strategy coupled with a strategy for achieving zero emissions in electricity, based on their respective circumstances and low-carbon development pathways. These two goals must go hand-in-hand because the mobility and electricity systems must co-evolve. Electric vehicles can balance renewable energy on the grid, and clean electricity is required to make electric mobility sustainable.

The structure of the Indian transportation sector is very different from that of the United States. Walking, public transit, two- and three-wheeler vehicles, high-speed metro rail, and buses dominate the Indian modes of mobility. In the United States, four-wheel automobiles comprise most of the light duty vehicle fleet. Despite these differences, both countries are beginning to electrify their transportation sectors but not as quickly as required to meet both mobility and climate needs.

Dialogue participants decided to:

- Undertake a study to advance our understanding of the key policy and resource factors influencing the development and advancement of electric vehicle manufacturing sectors in our respective countries with a specific focus on the role of government in enhancing manufacturing capacity.
- As an input to this study, industrial roundtables will be convened in each country to solicit input from both industry and labor to understand the specific circumstances in the respective markets. Participants noted the potential for trade tensions to grow in this domain and agreed to identify possible avenues by which the governments could address any such differences.
- Encourage state and city-level authorities to create partnerships to launch and advance electric mobility-related collaboration, including through demonstration projects (e.g. coupling renewable energy and electric vehicle at the city level), experiment with subnational ZEV fleet adoption targets, and exploring micro-mobility to cut the costs of urban transit.

Short-Lived Climate Pollutants

Short-Lived Climate Pollutants (SLCPs) — including methane, black carbon and hydrofluorocarbons (HFCs) — remain one of the most promising avenues for rapid reduction of temperature because of their high global warming potential and short life-span relative to carbon dioxide. Mitigation of these pollutants also yields ample co-benefits. Since the last meeting of the dialogue in January 2019, several important developments have emerged in India and the United States, especially with respect to mitigation of HFCs, used primarily in air conditioning and cooling. HFCs are the fastest growing class of greenhouse gases. The India Cooling Action Plan was endorsed by the cabinet, with India becoming the first country in the world to publish such a plan. Industry has made advances on unit efficiency, but more work is needed on equipment testing in high ambient temperature conditions, establishing standards, and increasing training for service technicians. Indian companies have also been shortlisted for the Global Cooling Prize. On the U.S. side, there is viable legislation in both the Senate and House of Representatives to regulate HFCs in line with the timelines of the Kigali Amendment to the Montreal Protocol to phasedown HFCs. When fully executed, the Kigali Amendment can avoid up to 0.5 degrees Celsius of warming by the end of the century. U.S. industry is uniformly supportive of this legislation, anticipating job growth with U.S. ratification of Kigali. States are also moving on their own, with California, Washington and others enacting their own legislation and 16 governors signing on to the U.S. Climate Alliance SLCP challenge.

Dialogue participants decided to:

- Harness existing momentum in India-U.S. relations with the visit of President Trump to India with Prime Minister Modi to recommend an enhanced business to business dialogue to demonstrate the market potential for cooling in India and the importance of sustainable cooling across sectors, from households to commercial establishments to the agricultural value chain.
- Restart the U.S.-India HFC Taskforce as a Track 1.5 dialogue (governmental and non-governmental) with the participation of the Ozone Cell of the Indian Ministry of Environment,

Forest and Climate Change, U.S. state governments working on HFC mitigation, the business community (both firms and industry associations), and think-tanks around topics including cold chain research and development, job training, and other challenges.

- Connect this work to Track 1 (government to government) and advance the potential for an eventual joint ratification by India and the United States of the Kigali Amendment to the Montreal Protocol.

Sustainable Finance

The dialogue participants welcomed a session on the state of the sustainable finance challenge both in India and in the global context. The discussants recognized the challenge of mobilizing the trillions of dollars in financing required to meet the world's mitigation and adaptation challenges, but also saw the untapped potential in institutional finance sources seeking increased sustainable investment opportunities. The participants determined that the sustainable finance challenge merited elevated and focused attention by the Track II dialogue and approved the creation of a new Track II working group on sustainable finance.

Dialogue participants decided to:

- Lead work to reimagine and make the case for a new paradigm of sustainable finance, parallel to the annual \$100 billion commitment under the UNFCCC (to be reviewed prior to 2025), which would encompass a vision that is bigger and broader than the current formulation of climate finance and aimed at mobilizing trillions of dollars of public, private and institutional capital.
- Develop a framework that is supportive of financing the Sustainable Development Goals as well as and as part of climate finance goals, inclusive of phasing out fossil fuel subsidies and unsustainable infrastructure development that risks physical and financially stranded assets.
- Collaborate around encouraging increased climate disclosure, reporting, and risk analysis that can help institutional investors identify and provide financing to sustainably performing companies.