Fast-tracking a U.S.-India Enhanced Platform for Partnership on Energy and Climate Change

Recommendations from the U.S.-India Track II Dialogue on Climate and Clean Energy

Jamshyd Godrej  
Indian co-chair

John Podesta  
U.S. co-chair

William Reilly  
U.S. co-chair

President Joe Biden and Prime Minister Narendra Modi should launch a new bilateral Enhanced Platform for Partnership on Energy and Climate Change at their first leader-level summit, to signify their shared pursuit of a COVID-19 green recovery plan and commitment to accelerating job creation. Regional and global stability is enhanced when our nations work together, and we now have an opportunity to demonstrate on both domestic and global scales that a clean energy economy is achievable, and offers a safer, more secure, and more prosperous future. The two countries have previously had a strong, but sometimes overlooked, record of cooperation on climate and energy, with some 15 initiatives launched or expanded at two Modi-Obama summits in September 2014 and January 2015 (building on previous agreements between Obama and Singh, and Bush and Singh). There is a significant opportunity to build on these programs to achieve far greater cooperation on energy and climate change.

There is a critical gap between aggregate pledges under the Paris Agreement and what science requires to achieve those targets. Addressing this gap requires ambitious action by all Parties consistent with their domestic circumstances, development trajectories, and the principles of the UN Framework Convention on Climate Change. India’s way forward is to avoid future emissions and transform sectors to lock in a low-carbon high-development pathway. The United States aims to decarbonize its power sector by 2035, electrify its transportation sector, and advance industrial decarbonization. To achieve these ends, both countries can signal their leadership and demonstrate the tangibility of their ambition by accounting for long-term trajectories, developing short and medium-term benchmarks, and strengthening institutional capacity to develop, implement, monitor and update national plans and strategies consistent with the Paris Agreement. Notably, both countries have new institutional frameworks to achieve these goals, including India’s new high-level inter-ministerial Apex Committee for Implementation of Paris Agreement (ACIP), and President Biden’s greatly empowered National Climate Task Force for coordination of climate action. A Bilateral Platform will re-affirm the importance of and strengthen these frameworks.

The Platform will be instrumental in stabilizing global temperature rise to no greater than 1.5° Celsius by mid-century, provide real support for India’s energy transition, promote sustainable universal energy access in both countries and abroad, advance a just transition for fossil-dependent communities, and create jobs. We can also create a strong regional and global counterbalance to the continued export of fossil infrastructure by other major emitters.
The Platform should begin with a thorough review, restart and ramp up of the strongest of our previously existing climate and clean energy programs. In particular, the two governments should relaunch the clean energy research, development and access initiatives under the Partnership to Advance Clean Energy (PACE) and commit to increase the funding directed to their home agencies, national laboratories and universities for cooperative efforts to better serve non-fossil research and deployment. Simultaneously, both countries should relaunch the ministerial U.S.-India Joint Working Group on Combating Climate Change and expand the U.S.-India Partnership for Climate Resilience. Both countries should commit to implement the Kigali Amendment on HFCs under the Montreal Protocol. Finally, we should elevate our cooperation on finance mobilization, potentially including an expansion or relaunch of the U.S.-India Clean Energy Finance program, the U.S.-India Clean Energy Finance Task Force, the India Innovation Lab for Green Finance, and the U.S.-India Catalytic Solar Finance Program.

The new elements of the Platform, however, must go beyond the previous cooperative elements, and seek significantly higher ambition, potentially including:

- **Re-envisioned U.S.-India Strategic Energy Partnership (SEP).** Pivoting to a clean energy focus, the re-envisioned partnership should include the restarted programs mentioned above, and potential new initiatives such as:
  - Joint investment of as much as $1 billion in cost-shared demonstration projects in India and the United States. These could focus on areas like industrial decarbonization, carbon dioxide removal (including but not limited to carbon capture utilization and storage - CCUS), or green hydrogen, aimed at marrying the strengths of our two economies in manufacturing in ways that position both countries as effective global competitors, enhance employment opportunities, and build reliable domestic supply chains.
  - Dialogue to explore a bilateral trade agreement on specific climate-related products, such as batteries, solar modules, wind turbines, CCUS, hydrogen-related technologies, zero-emission vehicles. Such an agreement has the potential to spur movement of technology and finance, de-risk the global supply chain, and enhance prosperity for all.
  - A technical and institutional capacity initiative to support India’s new Commission on Air Quality Management, tasked with a regional approach to air quality in the National Capital Region, as well as at the sub-national level in the National Clean Air Program.
  - Joint announcement of a Zero Emissions Transportation Initiative including a joint manufacturing platform to create a U.S.-India advanced transportation collaboration.
  - U.S. announcement of support to the India-hosted International Solar Alliance (ISA), with a substantial initial contribution.
  - A Global Green Hydrogen Alliance, as a complement to the ISA, spearheaded by India and the United States, to galvanize global attention towards technology-transforming industrial production processes.
  - Joint announcement to expand the Promoting Energy Access through Clean Energy (PEACE) program to include a U.S.-India initiative to increase clean energy access to underserved communities around the world. Distributed clean energy models such as solar microgrids, biomass, and home lighting systems are proliferating across India, while the country’s grid has reached every village. The United States and India could jointly lead the initiative to encourage countries to adopt similar models and expand equitable access to clean energy to all their communities.
○ An Alliance of U.S.-India States on Clean Energy and Climate Change to deepen sub-national engagement across sectors and stakeholders.
○ A cross-cutting Task Force to assess and quantify the impact of the proposed initiatives in terms of job creation, increased family income and skills development in both countries.

● **Green Transition Finance Initiative.** The two leaders should launch a strategic partnership to set ambitious investment and capital mobilization strategies and targets at the scale needed for India to achieve its green transition objectives, including its ambitious renewable energy goals.
○ Meeting India’s goal of building 450 gigawatts of renewables and the grid infrastructure to support it by 2030, is estimated at some $600 billion. This partnership would complement India’s ongoing goal to identify and de-risk key sustainable development sectors, with a focus on mobilizing foreign institutional investment flows. This program could be launched with other partners and select multilateral development banks (MDB).
○ This initiative could support the Indian central government’s efforts to address the financial solvency of its state-owned distribution companies (discoms), a critical barrier to India’s clean energy transformation. The initiative could bring foreign investors into the ongoing conversations among the central government, project developers and domestic financing entities, who are pursuing creative measures to address underlying discom fiscal problems in order to bolster lender confidence in renewable power projects.

● **Joint Task Force on Just Transition for Fossil-Energy Dependent Communities.** Creation of a new joint task force on just transition could focus on sharing policy frameworks that could work in both countries. This program would also include a workstream on the phase-down of existing coal, consistent with a just transition. Such work could include collaboration with public international funders and private investors to develop specific financial mechanisms to help support the expedited transition in coal and coal-dependent industries.

● **Climate Resilience Partnership.** There is significant opportunity for both countries to collaboratively build resilience in the face of daunting climate impacts, including:
○ Increased U.S. participation in the Indian-led Coalition for Disaster Resilient Infrastructure, a partnership of national governments, UN agencies, and MDBs launched by Prime Minister Modi in 2019, to advance sustainable development by promoting resilient infrastructure systems.
○ A new jointly funded adaptation and resilience research program, which could include a dedicated finance workstream related to climate risk and climate disaster prevention.

The Parties may add other elements to this package on related environmental issues including agricultural transformation, forest, water, and biodiversity protection. This announcement should happen as soon as possible. Both governments understand their obligations under the Paris Agreement, and in particular the expectation to create or enhance their 2030 commitments (their Nationally Determined Contribution, or NDC) to achieve the Paris Agreement’s goal of limiting global temperature rise to well below 2 Celsius and aiming at no greater than 1.5 Celsius by mid-century. This bilateral program of cooperation can become a key component of how their relationship and their relative NDCs evolve. Finally, stronger bilateral cooperation between the United States and India may also create greater capacity for the two countries to cooperate on further refinement and strengthening of the pillars of the Paris Agreement.