

The background of the slide is an aerial photograph of a road that curves through a dense, green forest. The road is dark asphalt with white lane markings. The trees are a mix of vibrant green and some darker, more muted greens, suggesting a diverse forest. The overall scene is captured from a high angle, looking down at the road as it winds through the woods.

# RUN UP TO THE MID-CENTURY

**Guiding framework for India's Long-term Strategy**

Karan Mangotra

*on behalf of the authors* Ritu Ahuja, Thomas Spencer & Will Hall

30<sup>th</sup> April, 2020

# PURPOSE

## Strong LTS

Indicative blueprint for development

Coherence in policy and action

Linkage with NDCs

Efficient resource allocation

Support from international community

Enabling just transition

- Article 4.19 of the Paris Agreement requires all countries to formulate and communicate their Long-Term Strategies.

*“All Parties should strive to formulate and communicate long-term low greenhouse gas emission development strategies, mindful of Article 2, **taking into account their common but differentiated responsibilities and respective capabilities**, in the light of different national circumstances.”*

- Paragraph 35 of Decision 1/CP.21 accompanying the Paris Agreement further invites countries to communicate these strategies by 2020.
- Not legally binding, but developing an LTS serves several domestic and global benefits

## BOUNDARY & SCOPE

The LTS must in effect fulfil two crucial criteria:

- 1. Domestic developmental priorities**
- 2. Enhancing resilience of local communities**

India's LTS would remain incomplete without equal focus on both adaptation *and* mitigation.

**This framing document focuses on mitigation alone**

# FIVE PILLARS OF THE FRAMEWORK



*Long - Term Strategy*



**Macro-Economic Context**



**Analytical Framework**



**Sectoral Transitional Mapping**



**Technology and Financial Mapping**



**Institutional Arrangements**

Determining crucial sectors from India's current growth trajectory

Using realistic assumptions to design smart future-looking scenarios

Classifying sectors on the basis of ease of abatement and stage of transition

Determining needs and available sources for finance and technology

Engaging with all essential stakeholders

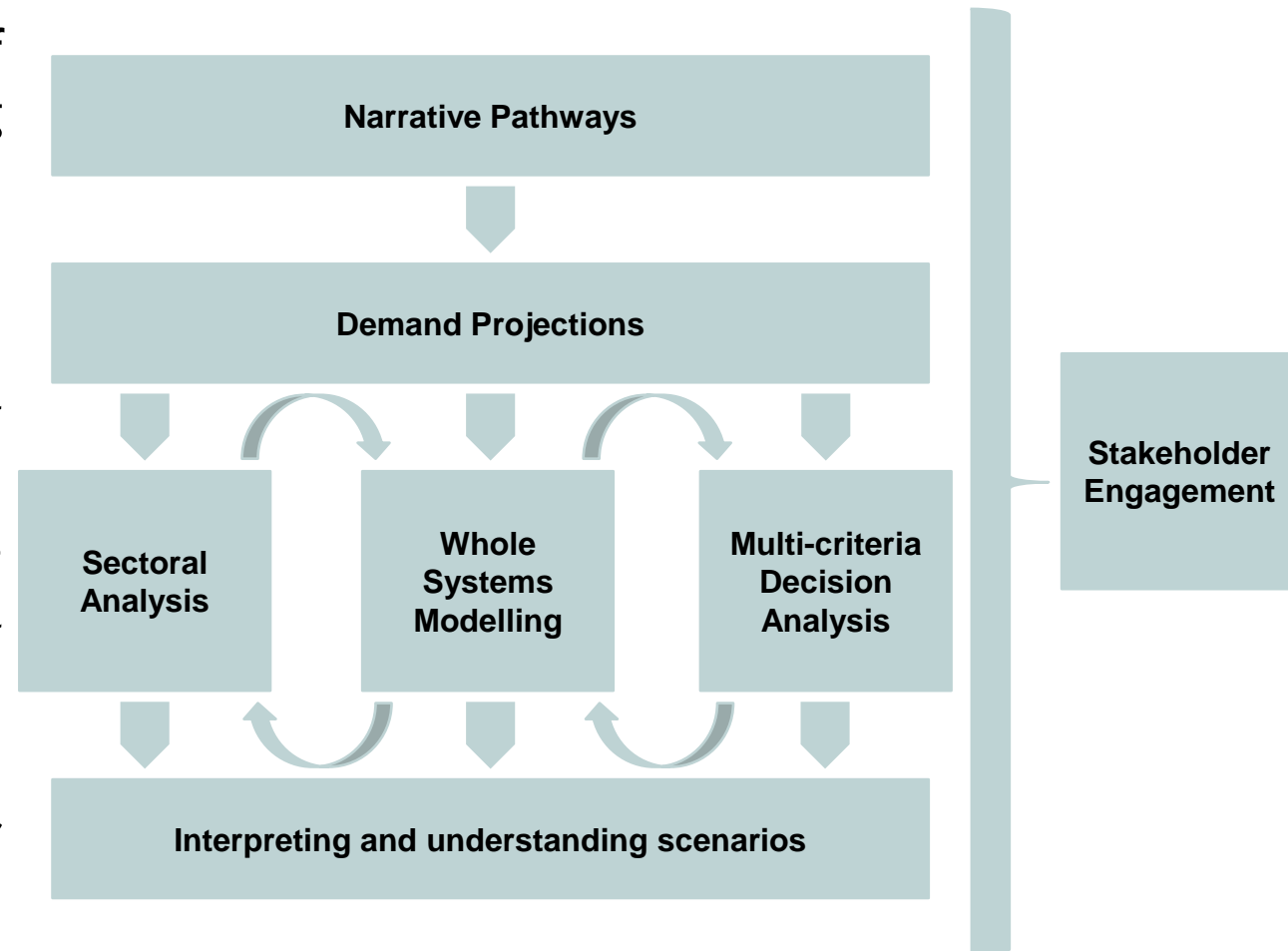
Effective Review Mechanism

# I. MACROECONOMIC CONTEXT

- Analyzing the existing growth trajectory to assess the future growth trajectory- to help form a growth narrative which will be used in subsequent steps
- This analysis can provide for three types of narratives:
  - Baseline,
  - High Growth,
  - Clean and Equal Growth
- Builds on the economic growth trajectory to assess two essential factors:
  - pace of economic growth targeted
  - necessary capital formation and investments required to achieve that growth

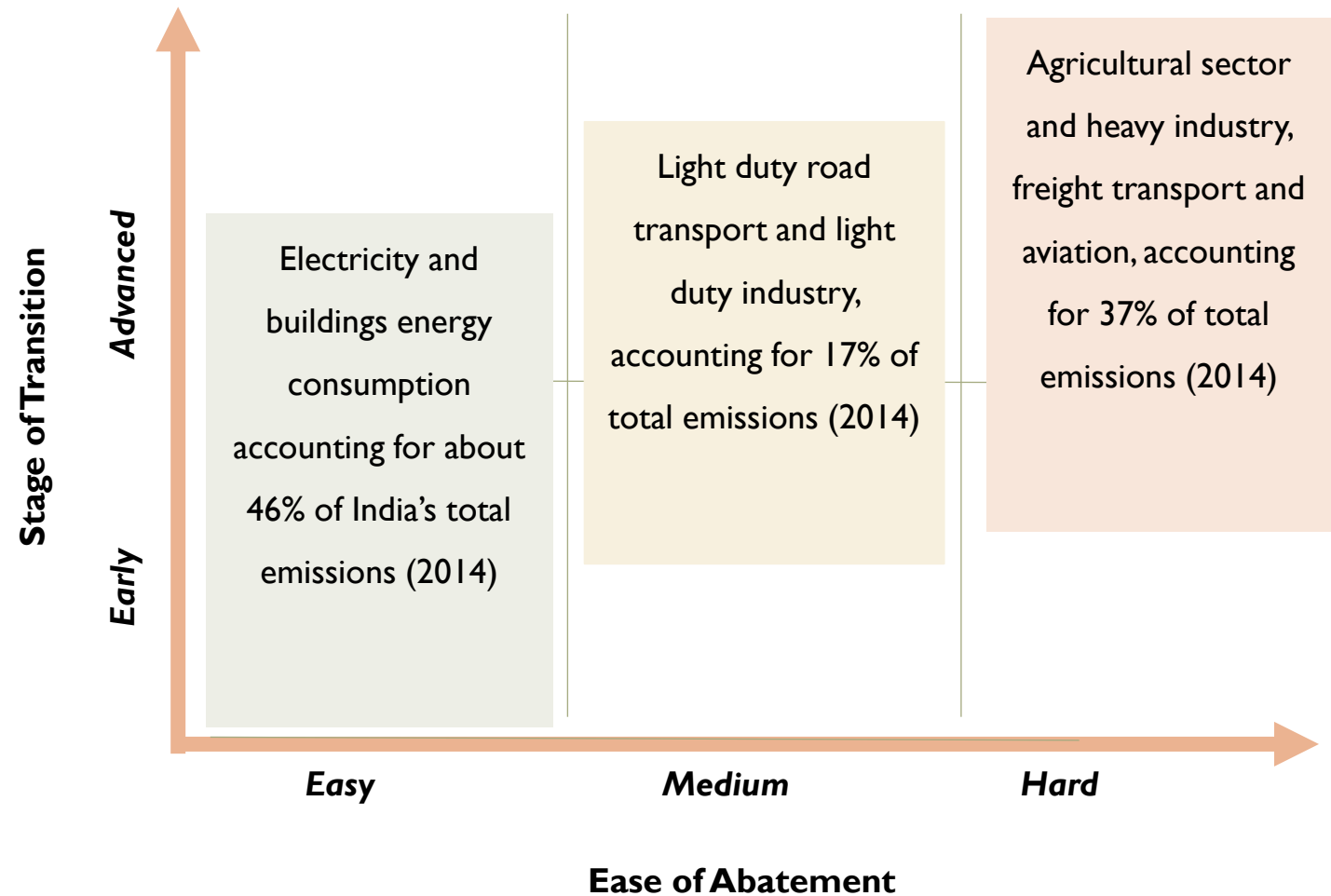
## II. ANALYTICAL FRAMEWORK

- This begins with the development of a number of plausible narrative pathways, qualitatively describing different futures.
- Moving to quantitative exercises, the framework sets out demand projections, feeding into sectoral analysis, whole systems modelling and multi-criteria decision analysis.
- The framework relies on several analytical tools, so as not to be overly dependent on the outcomes of a single exercise, all of which have their own strengths and weaknesses for assessing transition.
- All stages require consistent expert stakeholder engagement to test evidence and logic.



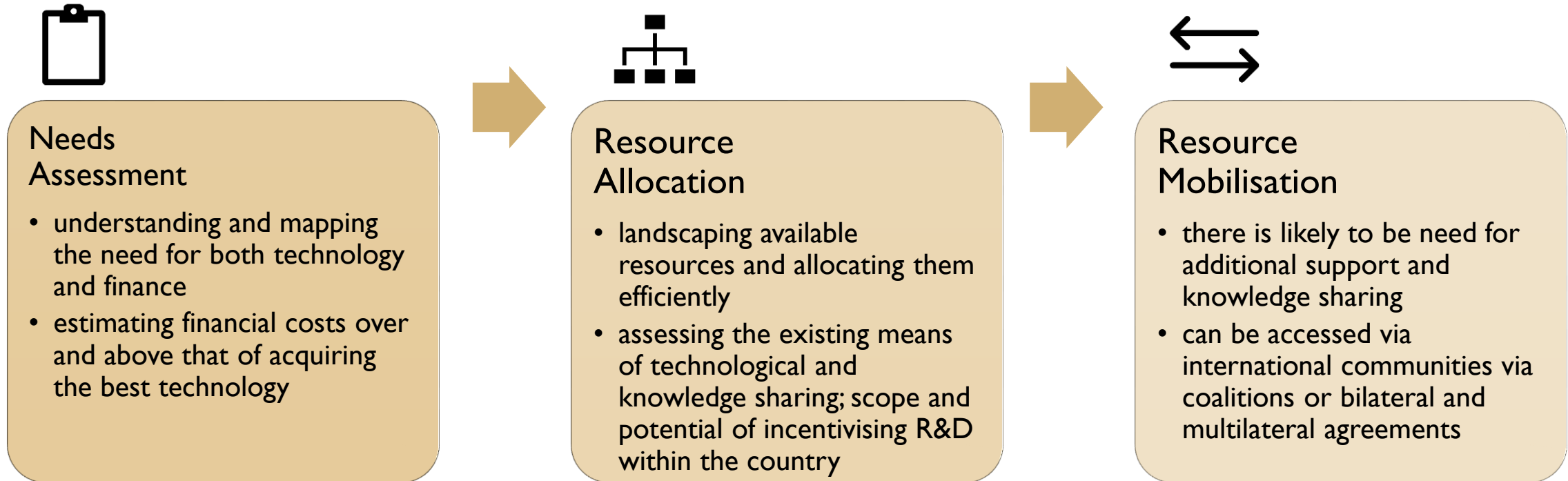
# III. SECTORAL TRANSITIONAL MAPPING

- I. Sectors identified are classified according to the ease of abatement and stage of transition
- II. This section will be highly dynamic and will modify often over the course of the LTS
- III. Will take crucial inputs from multiple modelling and forecasting growth trajectories of sectors



## IV. TECHNOLOGICAL AND FINANCIAL MAPPING

Involves three key aspects:

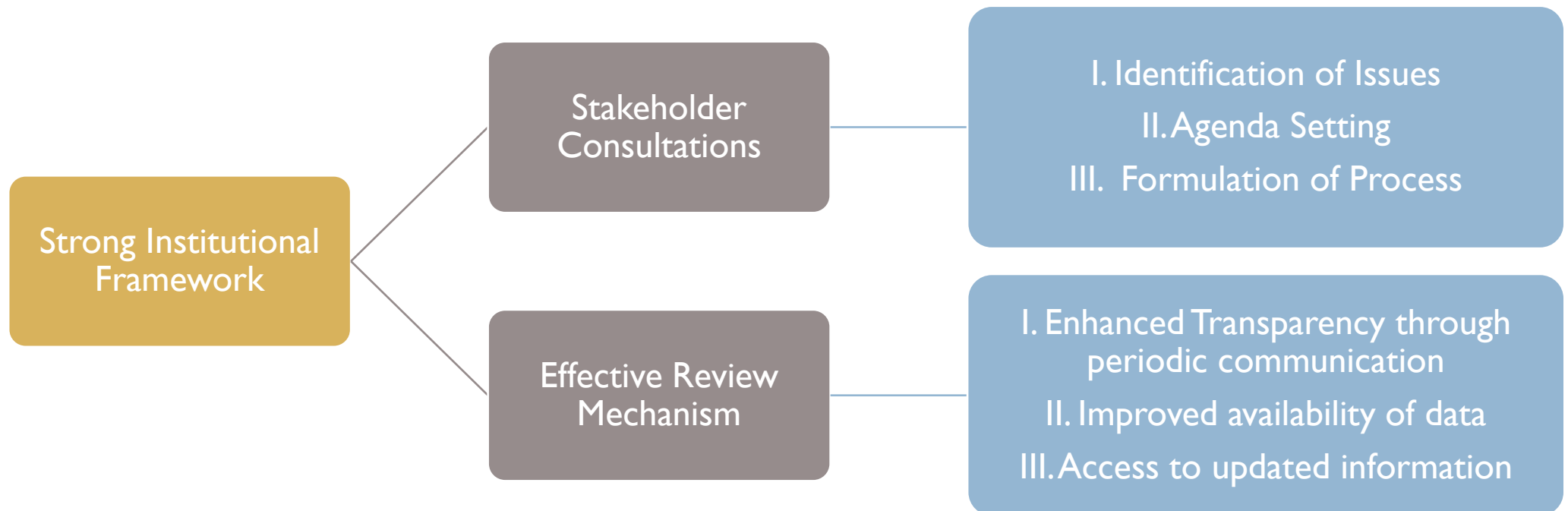


***These three assessments are essential for each of the categories identified in the earlier stage- depending on the ease of abatement and stage of transition***



## V. INSTITUTIONAL ARRANGEMENTS

- Structured engagement and oversight, driven by the central ministries, involving both sectoral line ministries and state governments, is essential for consistently implementing a low-carbon LTS
  - Incorporates two necessary features of the LTS:



## KEY TAKEAWAYS

- Developing the LTS is **not necessary but beneficial** from both a domestic and international standpoint
  - Domestically it brings about **coordination benefits across development policy and climate action**. It also brings about coherence across existing policies, institutional frameworks and actors.
  - Internationally, it can provide a vehicle to **articulate the conditions for stronger action**, particularly in terms of global technology learning, commercialization and diffusion, and the financing needs of India's transition. It also provides a strong signal for international investors, which are targeting the low carbon transition.
- A thoroughly designed LTS is likely to help **chart out NDCs** for the subsequent periods.
- There are five broad pillars which must be followed to develop a strong LTS. Each pillar closely relates to all the others making it essential for them all to be **considered in parallel**;
- An LTS would be as strong as its **institutional mechanisms**;
- **Technology, finance and stakeholders** remain indispensable considerations across all stages of planning and implementation

# THINGS TO PONDER UPON

- **Political Consensus**
  - Considering the time bound political cycle, political view is myopic and may therefore influence decisions away from what is proposed in the LTS. How can one build a political consensus over the issues and trajectory over the LTS?
- **LTS and the post COVID-19 recovery**
  - Making a green recovery a more practical and economically viable option, is of the essence. It is likely to be made feasible by policy makers and industry experts collectively working out a revival plan
- **Bringing in the Non-State Actors**
  - Private sector should be deeply involved in the implementation of the LTS.
  - How can the inclusion of civil society and private actors be ensured so that the planning of LTS also builds considering their perspectives as well?
  - Role MSME's have to play in the LTS for India
- **Communicating Effectively**
  - How do we communicate complex messages in a simplistic way to a variety of stakeholders?

THANK YOU.