



PRESIDENT TRUMP'S EXIT FROM PARIS AGREEMENT AND US-INDIA RELATIONS

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Climate Change is real and it's affecting our planet, but is climate change really affecting the Climate diplomacy? The American withdrawal from the Paris Agreement by President Trump, however, indicates otherwise. On 01 June, 2017 President Trump withdrew from the Paris Climate Agreement. It is noteworthy that the Paris Agreement had come into force only last year on 04 November, 2016. So far 152 members have ratified the Paris Agreement and two other countries such as Nicaragua, Syria has already pulled out of the Agreement.¹

The Paris Agreement builds on the United Nations Framework Convention on Climate Change, (UNFCCC), which had evaluated the percentage for deductions of carbon emissions for each member country. The convention had argued that the reduction in the carbon emissions by every country would result in a fall of carbon emissions by 56 billion tons till 2030. It has been further argued that, in order to keep a check in global temperature, each country should

need to cut its carbon emissions by 5500 billion tons.²

The American withdrawal from Paris Agreement is to be viewed in the context that the United States is the second highest emitter of carbon emissions at present. However, last year, the Obama administration had promised to cut down the carbon emissions by 26%-28% from the 2005 levels by the year 2025.³ He had also invested \$500 million to Green Climate Fund (GCF) to safeguard the Paris Deal.⁴ The GCF is a global initiative to tackle climate change by investing into low carbon emissions and climate adaptation of the developing countries. The Fund's financial investments are in the form of guarantees equity, grants, and loans.⁵ Through the GCF, the developed countries had promised to invest \$100 billion by the year 2020 in order to help the developing countries to tackle climate change. Towards this, the US had pledged about \$3 billion; it had also delivered \$1 billion for GCF.⁶

Now, with the current US President abandoning Paris Climate Agreement, the continuity of US finances for the GCF and the gap in total reduction target of carbon emissions would likely to be a concern for other countries. The question arises, as to how to address the issue of these gap created by the withdrawing countries.

Impacting US-India Relations?

Recently, President Trump had expressed a harsher tone for India regarding its contribution to tackling the Climate Change. He had expressed that India is seeking profit from the Paris Climate Accord. He further stated that India, Russia, and China were investing too little in the GCF, which financially supports other developing and least developing countries, in tackling the Climate Change.⁷ Additionally, the burden which the three withdrawing countries had created, most significantly by the US, as its contribution is the most further compels the more developing countries such as India and China to fill the gap, especially in term of finances. Thus, with the principle of 'common but differentiated responsibilities,' it had been argued by the various other UNFCCC members that the developed nations should take greater responsibility for the Green House Gases emissions.⁸

It was suspected that these divergences might create a rift in the US-India relations. However, the US-India relations concerning clean

energy have not been affected by the exit. After the withdrawal of President Trump from the Paris agreement, United States had proposed to export more renewable and technologies to India. Along with clean coal and natural gas, to support India's clean energy commitment. The United States also proposed to export more liquefied natural gas (LNG) to India and negotiations are still in process for this proposal.⁹ India has long-term gas import deals with the United States. State-run GAIL made a contract to buy 3.5 million tons per annum from Cheniere Energy. The supplies are expected to reach from next year. The India-US Liquefied Natural Gas trade will increase by \$40 billion.¹⁰

Additionally, the US Export-Import Bank, which is an independent Executive Branch and the official export credit agency, had given India modified loans to buy American renewable energy technology, continuing from Obama Presidency.¹¹ All this has not changed under the new Trump Administration.

The joint statement given by the two leaders during Prime Minister Modi's visit to the US did not include Paris Climate Agreement and Green Climate Fund directly. The only key takeaways of this visit regarding India-US energy and climate deal were on the strategic energy partnership and financial support of energy projects by Multilateral Development Banks. One can argue that it was mature for the two leaders not to open a dialogue regarding Paris

Agreement and more specifically on the Green Climate Fund. The ratification of the Paris Agreement gives responsibility to India to reach its goals, notwithstanding of what occurs in rest of the international community. India has promised to produce 53% of power from renewable energy by the year 2027.¹² The withdrawal did not create any concerns for the bilateral ties between the two countries. The recent visit, on the contrary, has provided India an assurance on renewable technology and funds from the US that further strengthens the bilateral relationship.

(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])

Notes

¹ Paris Agreement - Status Of Ratification, (2014), United Nations Framework Convention on Climate Change, (UNFCCC), Official Website, 03 July 2017, Available at <http://unfccc.int/2860.php> , Accessed on July 05, 2017.

² Bjorn Lomborg (2017), "Paris Never the Answer to Warming Concerns", *The Australian*, June 19, 2017, Available at <http://www.theaustralian.com.au/opinion/paris-was-never-the-answer-to-warming-concerns/news-story/2e275daa70fb36f9e229ad6026dcc24a> Accessed on June 20, 2017.

³ Associated Press, (2017) "What Is the Green Climate Fund and How Much Does the US Actually Pay?", *The New York Times*, June 2, 2017, Available at <https://www.nytimes.com/interactive/2017/06/02/climate/trump-paris-green-climate-fund.html> Accessed on June 20, 2017

⁴ Michael Slezak (2017) "Barack Obama Transfers \$500 m to Green Climate Fund in Attempt to protect Paris", *The Guardian*, January 18, 2017, Available at <https://www.theguardian.com/us-news/2017/jan/18/barack-obama-transfers-500m-to-green-climate-fund-in-attempt-to-protect-paris-dea.html> Accessed on June 20, 2017

⁵ Who We Are- About The Fund (2017) Green Climate Fund Available at <http://www.greenclimate.fund/who-we-are/about-the-fund> Accessed on July 05, 2017

⁶ G.S. Mudur and Charu Sudan Kasturi (2017) "Climate Funds and Tech Challenges for India", *The Telegraph*, June 3, 2017, Available at https://www.telegraphindia.com/1170603/jsp/frontpage/story_154952.jsp, Accessed on July 5, 2017

⁷ Associated Press (2017) "Trump wants fair deal in climate pact, complains India, China pay too little", *Hindustan Times*, April 28, 2017, Available at <http://www.hindustantimes.com/world-news/trump-says-us-wants-fair-treatment-in-climate-pact-complains-india-china-pays-too-little/story-JF14j3ENscGcooEENypqSO.html> Accessed on June 03, 2017

⁸ Express Web Desk (2017) "What is the Paris Climate Agreement or the Paris Climate Accord", *The Indian Express*, June 2, 2017, Available at <http://indianexpress.com/article/what-is/what-is-the-paris-climate-agreement-donald-trump-4685252/> Accessed on July 04, 2017

⁹ ET Bureau (2017) "US President Donald Trump looks to increase energy exports to India", *The Economics Times*, June 28, 2017, Available at <http://economictimes.indiatimes.com/industry/energy/oil-gas/us-president-donald-trump-looks-to-increase-energy-exports-to-india/articleshow/59344157.cms> Accessed on July 03, 2017

¹⁰ The Hindu Net Desk (2017) "Top 10 takeaways from Modi's US visit", *The Hindu*, June 27, 2017, Available at <http://www.thehindu.com/news/national/top-10-takeaways-from-modis-us-visit/article19154197.ece> Accessed on July 03, 2017

¹¹ The Exim Bank, (2017) Export-Import Bank of the United States, Available at <http://www.exim.gov/about>, Accessed on July 03, 2017

¹² Ed King (2016) "Trump won't impact India's climate drive, says energy minister", *Climate Home*, February 9, 2017, Available at <http://www.climatechangenews.com/2017/02/09/trump-wont-impact-indias-climate-drive-says-energy-minister/> Accessed on June 21, 2017