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DEVELOPED NATIONS AND THEIR POLICY OF DIGGING THE VERY AIR OF THEIR DEVELOPING COUNTERPARTS

Author –

Yashika Kuntela

Student

University of Petroleum and Energy Studies

ABSTRACT

“India is a developing nation and is currently a part of the race to label itself as one of the few developed nations around the world. However, on the verge of getting ahead, the environment and its laws are left behind. The implementation of liberal and loosened environmental laws has made the country a hub for developed nations and their capitalist to exploit the environment. This research paper comments and reveals the hidden politics of the environment by the first world nations achieved in the name of international cooperation and dominance by diluting the principle of 'Common but Differentiated Responsibility (CBDR)' through international conventions and agreements.”

Keywords - Developing, Common but Differentiated Responsibility, UNFCCC

INTRODUCTION

The concept of developed and developing is not new to this era. Within the context of this classification, this research project aims to decode the anomaly of developed countries adopting a protectionist policy to protect the environment and consecutively enjoying, exploiting and capitalizing on the environment of developing countries. This is done by establishing industries and enterprises carrying on hazardous and inherently dangerous activities for its profit some of which activities have been banned in the parental country. The government tolerates such establishments in the name of Foreign Direct Investment, foreign exchange. Job avenues and development. Failure of the state to perform statutory duties and inadequate linkages in handling the matter of industrial and environmental safety is one of the causes of blatant disregard of the law by these multinational industries and ultimately resulting in misery upon our land, water resources and the entire environment. This cycle is going on for decades and will further if strong steps not implemented by the Government of India.

THE RACE FOR DEVELOPMENT

Various international organizations such as IMF (International Monetary Fund) World Bank and UN (United Nations) classifies all countries around the globe into three categories namely developed economy, developing economy and least developed economy. According to World Economic Situation Prospects[1], 2019 there are currently 36 nations in the category of developed nations out of which seven are major developed economies i.e. Canada, France, Japan, Germany, Italy, United Kingdom and the United States or these seven nations can be referred to as G7 and 126 developing countries out of which one is India. The ultimate objective of developing countries now seems to see itself under the category of developed nations whereas the developed nations want to maintain their position as to be called developed internationally. Now this classification based upon the economic achievement has opened the scope of competition between nations. The competition has made the developed countries to use and exploit the resources and environment of developing nations in the name of Foreign Direct Investment (FDI), foreign currency exchange,

[1] *United Nations World Economic Situation Prospects 2019,* UNITED NATIONS (Jan 30,2020, 7:30 PM), https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2019_BOOK-ANNEX-en.pdf

job opportunities and development. There are two sides to the debate. One section of the society believes in faster economic development even at the cost of the environment on the other hand the other section of the society believes that human and nature co-exist and human being is incomplete without nature therefore development should not be at the cost of the environment. In the words of Mahatma Gandhi, it could be told as "*God forbid that India should ever take to industrialism after the manner of the West. If an entire nation of 300 million took to similar economic exploitation, it would strip the world bare like locusts.*"[2] This concern of the father of our nation for the future now entirely depicts the ned of the hour. It could be said that it is high time, that development should not always be looked from the perspective of those getting benefits but of it but from the side which is entirely dependent upon nature for their survival. It is the poor who suffer the most when it comes to drought or irregular rainfalls. It could be said that these climate changes have a devastating effect on the poor resulting in the lost of ability to restore or resume economic operations. Climate change sometimes leads to permanent devastating impressions upon their life. India being a primary sector economy is entirely dependent upon the environment and its cycles. The reasons why poor people are more at risk point to possible policy solutions. Ending poverty will not be possible if climate change and its effects on poor people are not accounted for and managed in development and poverty-reduction policies.[3] Development in the sense of exploitation has an untold misery upon the poor either directly or indirectly. In 2014 World Health Organization (W.H.O.) reaffirms that the urban air quality in India has high particulate matter levels which are becoming death traps. The industrial world is dominating in this era and this transition is transforming the policy approach of the legislature. India is vulnerable (in varying degrees) to floods, droughts, cyclones, urban flooding, landslides, avalanches and forest fire. Out of the 36 States and Union Territories in the country, 27 are disaster-prone, 12% of the land is prone to flood and river erosion; of the around 7,500 km coastline, 5,700 km is prone to cyclones; 68% of the cultivable land is vulnerable to drought; hilly areas are at risk from landslides and avalanches, and 15% of the landmass is prone to landslides.[4] The focus which the constitutional makers had to provide under Directive Principles of State Policy has now been shifted towards

[2] R.K. PRABHU & U.R. RAO, THE MIND OF MAHATMA GANDHI 309 (3d ed. 1966).
[3] Justice D.Y. Chandrachud, *Indian Environmentalism*, 2, NGT I.J.E 1, 7 (2017).
[4] India Second Biennial Update Report to the United Nations Framework Convention on Climate Change, Ministry of Environment and Climate Change, Government of India, pp 198 (2018).

environmental policies supporting '*environmental protection integrated into development*' and not '*development integrated into environmental protection'*. According to Amartya Sen **"*Development must take place in the sense of freedom*"**.[5] He points out that Development is not to increase in income or wealth as a gross national product but freedom and beyond this. But the irony that on the verge of climbing up the ladder we have forgotten to incorporate the principle of development as told by Amartya Sen. The main question that one needs to ask is "Why do we follow the race to which we might not be the part of". In this era, there is reckless exploitation of nature in the name of development by industries of the west established in India. As an example, the food needs of the Western world have played equal havoc with the lands of the Third World. No statistics on this are available, but if someone did collect them, we will definitely find that despite the worldwide process of decolonization, there is today many times more and being used in the developing world to meet the food and other biomass needs of the Western countries than in the 1940s, before the process of decolonisation began.[6] The exploitation in the sense of the development of India is helping in maintaining the balance sheets of foreign multinational corporations. In 1981, for instance, it took one Latin American country 9.8 times as much beef to buy a barrel of oil as it did in 1981.[7] At the end of the 1970s, profits from the export of one tonne of bananas were enough to purchase only half the steel they would have bought at the end of the 1960s. When interest rates are high, there is a tendency to discount long-term issues like the environment for short-term gains. A one percent increase in interest rates adds approximately US $5 billion to the current debt burden of developing countries. To have increased its export earnings (not profits) by $1 billion in 1981, South America as a whole would have had to increase its banana exports three-fold, Ecuador three-fold and Colombia nine-fold, while leading cotton exporters like Egypt and Turkey would have had to double and triple their cotton exports respectively.[8] WE as a responsible citizen of India must understand that development at the cost of the environment could take place only up to a point. A point has been reached in history when we must shape our actions throughout the world with a more prudent carte for the environmental consequences. Through ignorance or indifference, we can do massive and irreversible harm to the earthly environment on

[5] AMARTYA SEN, DEVELOPMENT AS FREEDOM 366 (1999).
[6] POLITICS OF THE ENVIRONMENT-II, Anil Agarwal.
[7] Supra Note 6.
[8] Ibid.

which our life and well-being depend.[9] After the threshold reaches, nature will retaliate. The retaliation could be in several forms such as tsunami, massive change in climate, drought or disturbed seasonal cycle. This retaliation is a threat to mankind and on the existence of us as a human being. Life-threatening developmental concerns have now surfaced in the developing world. There is a need to manage the relationship of economics with the environment. The gap between development and environmental protection is widening day by day. With each passing day, there is pressure on the resources, especially of developing nations. Both development and environment must go hand in hand, in other words, there should not be developed at the cost of the environment and vice versa, but there should be development while taking, due care and ensuring the protection of the environment.[10]

POLITICS OF THE ENVIRONMENT

Climate change is most commonly triggered by two factors which are first, Natural Causes and secondly anthropogenic changes or human-induced changes to the atmosphere. Based on these factors two approaches are made i.e. the first approach focuses on 'mitigation' which implies actions meant to reduce the activities which cause climate change, and the second approach is 'adaptation' that refers to measures which are directed at helping people cope with the results of climate change.[11] The concern for the environment globally has resulted in one of the most prominent conferences named "United Nations Conference on Human Environment" or simply known as Stockholm Conference, 1972 held in Stockholm, Sweden. This conference was delegated by various renowned representatives of states internationally. The obsession for development at the cost of the environment could be traced from the speech of Brazilian delegation, "*Smoke is a sign of progress",* the country witnessing an economic boom. While on the other hand, India's one of the most prominent leaders and late Prime Minister of India Mrs. Indira Gandhi is still remembered for her thunderous speech named 'Man and Environment' by

[9] M.C. Mehta v. Union of India, 1987 2 SCC 165.
[10] Indian Council for Enviro-Legal Action v. Union of India, (1996) 5 SCC 281.
[11] (DR.) USHA TANDON, *Emergent Challenges for Paris Climate Regime: CBDR in the Context of INDC, NGT* International Journal on Environment, Vol.II of 2017.

quoting "*Poverty is the biggest polluter*". She had also pointed the fingers at developed nations by stating-

"The environmental problems of developing countries are not the side effects of excessive industrialization but reflect the inadequacy of development. The rich countries may look upon development as the cause of environmental destruction, but to us it is one of the primary means of improving the environment for living, or providing food, water, sanitation and shelter; of making the deserts green and the mountains habitable."[12]

In *Brundtland Commission Report*, 1986 it was once again observed that poverty is a major cause and effect of global environmental problems because the poor will be forced to overuse the environment to ensure their own survival.[13] It is here to be pointed out that, the third world nations (developing nations) also debate that through this Conference is a trick and strategy to restrain the developing nations to climb the ladder of development. It is believed by third world nations that developed nations are trying to retard its technological and industrial development. The developing argues that after getting their riches and a level of development, the westerners are asking for clean air and clean water. It is a very clever common device that when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing up after him …[14]

It is here to be noted that major carbon emissions are due to the industrialization and automobile sector. The drastic industrialization in the United States and other developed countries of Europe have a dominating role in the contribution of carbon emission globally. The cumulative emissions of the automobile sector of the United Stated are approximately equal to the lifetime emission of developing nations. The aggressive industrialization by first-world nations has contributed way more than other countries during the initial years. The carbon emissions through heaving contributed by only developed nations have an impact on the developing nation's environment. This is known as 'Common- but differentiated responsibilities and Respective Capabilities (CBDR-RC)'.[15] Under this principle, there is an explicit acknowledgment that 'not all countries

[12]*Indira Gandhi's Speech at the Stockholm Conference in 1972,* LASU-LAWS ENVIRONMENTAL BLOGSPOT (Mar 31, 2020, 07:30 PM), http://lasulawsenvironmental.blogspot.com/2012/07/indira-gandhis-speech-at-stockholm.html.

[13] DR. RAJNI MALHOTRA DHINGRA, *Inclusive Green Growth: A Key to Unlock Multi-Dimensional Problems,* NGT International Journal on Environment, Vol.II of 2017.

[14] Kalim Siddiqui, *The Political Economy of Free Trade, WTO and the Developing Countries*, 3 T.E.R. 103, 109 (2016).

[15]Adopted by UNFCCC, 1992 and Kyoto Protocol, 1997, see Preamble, Article 2.2 & Article 4.3 Paris Agreement, 2015.

have contributed equally to global warming at the same level as that of developed nations'. This principle of CBDR-RC has been adopted in the United Nations Framework on Convention of Climate Change. UNFCCC was itself the outcome of Earth Summit, 1992. This Summit lead to the formation of three conventions namely a) Convention on Biological Diversity[16] (CBD) b) United Nations Framework Convention on Climate Change (UNFCCC) c) UN Convention to Combat Desertification[17].

According to Article 3 of the United Nations Framework on Convention on Climate Change titled 'Principles' provides that:

> *"The Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Accordingly, the developed country Parties should take the lead in combating climate change and the adverse effects thereof."*[18]

The 24th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 24) was held in Katowice, Poland on 02nd–15th December 2018. This Provision i.e. Article 3 in UNFCC, 1992 explicitly makes a distinction between developing and developed nations. There are 190 countries which are party to UNFCCC and were categorized into different groups i.e. 'Annex 1' for developed nations and 'Non-annex 1' for developing nations. It is acknowledged in this provision that not all countries are equally responsible for contribution to Green House Gases (GHGs). That the degree and intensity of carbon emissions vary from state to state which is directly proportional to the level of industrialization and development. This convention gives some relaxation to the developing countries and least developed countries in their degree of carbon emissions as such survival of such countries is entirely based upon growing development to sustain their economies. If we could see through the provisions of UNFCC we would get an idea that this differentiation of the liability of developed and developing countries is based upon '*Polluter's Pays Principle'*. According to this principle given in *Indian Council for*

[16] United Nations Convention on Biological Diversity, 1992, (adopted on 5 June 1992, came into force 29 December 1993).
[17] United Nations Convention to Combat Desertification, 1992, (adopted in June 1994 and came into force **on** 26 December 1996).
[18] Article 3, United Nation Framework on Convention on Climate Change, 1992, (adopted 29 May1992, entered into force 21 March 1994) herein referred to as UNFCCC.

Enviro-Legal Action v/s Union of India that "*the financial costs of preventing or remedying damage caused by pollution should lie with the undertakings which cause the pollution, or produce the goods which cause the pollution*."[19] It is here to be noted that earlier this principle was part of Customary International law now acter due acceptance by the court the polluter pays principle as become the part of the law of the land under Article 47, 48-A, 51(A)(g) and Article 21 because of not being inconsistent with domestic law. Also, the Indian Judiciary has also accepted *Precautionary Principle* under the domestic law. According to this principle. The Precautionary Principle means:[20]

i. Environmental measures - by the State Government and the statutory authorities - must anticipate, prevent and attack the causes of environmental degradation.
ii. Where there are threats of serious and irreversible damage, lack of scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.
iii. The onus of proof. is on the actor or the developer/industrialist to show that his action is environmentally benign.

Afterward, the principle of Common but differentiated Responsibilities was adopted in Kyoto Protocol, 1997[21] which was formulated to put upon legal obligation upon developed countries to reduce down the emissions by stating that the countries shall develop their national policies in such a way that to quantify limitation emission and reduction commitments as provided in the protocol whereas asking virtually nothing from developing nations. Article 2 clause 2 of the Kyoto protocol lays down following:

> *"The Parties included in Annex I shall strive to implement policies and measures under this Article in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country…"*[22]

[19]Indian Council for Enviro-Legal Action v. Union of India, AIR 1996 SC 1446; Vellore Citizens Welfare Forum v Union of India AIR 1996 SC 2715; A.P. Pollution Control Board vs M.V. Naydu AIR 1999 SC 812.
[20] Vellore Citizens Welfare Forum v. Union of India, AIR 1996 SC 2715; A. P. Pollution Control Board v. Prof. M.V. Nayudu AIR 1999 SC 812; M.C. Mehta v. Union of India AIR 2002 SC 1696.
[21] Kyoto Protocol to the United Nations Framework Convention on Climate Change, 1997, adopted on 10 December 1997, came into force 16 Feb. 2005).
[22] Ibid.

The Paris agreement was entered into force in the year 2015 which has established an international mechanism to reduce carbon emissions as laid by UNFCC. There are six different Green House Gases (herein referred to as GHGs) mentioned under Kyoto Protocol for which the signatories are liable to reduce emissions namely carbon dioxide ($C0_2$) methane (CH_4), nitrous oxide (N_20), hydro fluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6). Carbon is the common denominator in all-polluting gases that cause global warming. Carbon dioxide is the gas most commonly thought of as a greenhouse gas; it is responsible for about half of the atmospheric heat retained by trace gasses These gases are not on equal footing on the threat to the environment, therefore, are not equivalent in emission reduction benefits. This agreement makes the Nationally Determined Contributors to adopt an alternative method to achieve carbon emission reduction goals which are known as Carbon Trading. The carbon trade is an idea that came about in response to the Kyoto Protocol. The Kyoto Protocol is an agreement under which industrialized countries will reduce their greenhouse gas emissions between the years 2008 to 2012 to levels that are 5.2% lower than those of 1990. Carbon pricing initiatives apply a cost to greenhouse gases emitted into the atmosphere, providing an economic incentive for those emissions to be reduced or avoided. The value of all carbon pricing initiatives stood at $82 billion in 2018, up $30 billion from 2017, according to research by the World Bank.[23] Carbon as a commodity in the carbon markets (whether international or individual markets) represents a form of proxy commodification whereby carbon credits in the marketplace acquire value through their representation of actual CO2 emission.[24] Carbon Trading could be said to as international cooperation between nations to strike down Carbon Emission targets. Carbon trading refers *to trade in greenhouse gas (GHG) emission targets by countries or their companies, in order to fulfill commitments under environmental treaties*[25] such as the U.N. Framework Convention on Climate Change[26] through the regulatory carbon market such as the European Union Emissions Trading System[27] , Norway Emission Trading

[23] ZUBAIR ZAKIR & CHRISTOPHER WEBB, What the Paris Agreement means for carbon pricing and natural climate solutions: A business guide.
[24] SAMUEL RANDALLS, *Broadening debates on climate change ethics: beyond carbon calculation*, The Geographical Journal, Vol. 177, No. 2 (June 2011), pp. 127-137.
[25] Swatanter Kumar, *Carbon Trading*, 52 J.I.L.I (Journal of Indian Law Institute), 319, 320 (2010).
[26] Supra Note 14.
[27] The European Union Emissions Trading System (hereinafter EU ETS), which came into effect on 1 Jan. 2005, is the first regulatory commercial market for certified emission reductions.

System[28] under the market framework of the Kyoto Protocol to the UNFCCC[29] or even the voluntary carbon market under market frameworks such as the Chicago Climate Exchange. There are two kinds of Carbon Trading which are as following: a) The first is Emission Trading and (b) second is Project-Based Trading. Emission trading is out under Article 17 of the Kyoto Protocol. Article 17 states as *"...Parties shall define the relevant principles, modalities, rules and guidelines, in particular for verification, reporting and accountability for emissions trading. The Parties included in Annex B may participate in emissions trading for the purposes of fulfilling their commitments under Article 3. Any such trading shall be supplemental to domestic actions for the purpose of meeting quantified emission limitation and reduction commitments..."*[30] Emission trading happens when an industry which is permitted for a set carbon emission level but has not used it i.e. emission permitted but not used- to sell the access capacity to the countries that are over their targets. The other country buys the targets for considerations and therefore carbon emissions of the purchaser country deem to be reduced. This mechanism for the only countries mentioned under Annexure B of the Kyoto Protocol i.e. mainly developed countries having high internal emission reduction to buy certificates from countries with low internal emission reduction cost. The latter entities would also be expected to maximize their production of low-cost emission reduction so as to maximize their ability to sell certificates to high-cost entities. The overall outcome is that the emission reduction target is met, but at a much lower cost than would be incurred by requiring each entity to achieve the emission reduction target on their own. On the other hand, Carbon cap-and-trade regimes currently permit the import of credits from project-based transactions for compliance purposes. Once project-based credits are issued and are finally delivered, then they are fundamentally the same as allowances. Unlike allowances, however, project-based credits are compliance assets that need to be "created" through a process that has certain risks inherent with it (regulation, project development performance for instance) and involve significantly involve higher transaction costs. To simplify these "project-based" mechanisms allow Parties to the Kyoto Protocol to implement emission reduction projects in other countries in exchange for credits which can be used towards achieving the Kyoto target. Suppose there are two companies, A and B, each emitting 100,000 tonnes of carbon dioxide a year. And,

[28] Norway Emission Trading System if the first Organization to ratify Kyoto Protocol on June 2014.
[29] Supra Note 16.
[30] ibid.

the government wants to cut their emissions by 5 percent, so it gives each company allowances to emit only 95,000 tonnes. But now the government tells each company that if it doesn't want to cut its emissions by 5,000 tonnes each, it has another option. It can invest abroad in projects that 'reduce' emissions of carbon dioxide 5,000 tonnes 'below what would have happened otherwise'.[31]

The Clean Development Mechanism (CDM) has been the dominant form of carbon market activity in India. India is the world's second-largest supplier of Certified Emissions Reductions (CERs), after China. As of March 2015, India had been cumulatively issued 13% of CERs (or 202.1 million) out of the total 1540.8 million CERs issued around the globe since 2001.[32] Moreover, India had the second largest number of CDM projects—2048 of the 8640 — registered with the CDM Executive Board (CDM-EB).[33] Recently in *Gujarat Pilot, Emission Trading Scheme*[34] has been started recently by Gujarat Government in the year 2019 in cities like Surat, Narol, Ahmedabad, Sachin Industrial Cluster. Under this scheme, a central authority sets a limit or cap on the number of pollutants that are permitted to be emitted. It becomes the right of the industry to emit pollutants up to a specified granted limit. The permit cannot exceed the caps. Industries have the flexibility to design their own compliance strategy either through abatement process and/or technology changes or through permit trading Firms that need to increase their volume of emissions must buy permits from those who require fewer permits. The transfer of permits is referred to as a trade. In effect, the buyer is paying a charge for polluting, while the seller is being rewarded for having reduced emissions. Similarly, such a trading scheme has also been made in Maharashtra (Aurangabad, Jalna, Chandrapur, Domivali, Kolhapur) and Tamil Nadu (Chennai Greater Metropolitan Area: Ambattur, Chennai, Marainalai, Sriperumpudur and Tiruvallur). India's REC trading system was launched in November 2010, and the system's primary purpose is to promote renewable energy even in regions that have a low potential for renewable power generation. The Indian government plans for this mechanism to contribute significantly to renewable energy generation goals.[35] India has also put forth an ambitious target of reducing Green

[31] Carbon Trading, Rajesh Sadda, H.N.B. Garhwal University, Srinagar, Garhwal, (July 2007).
[32] UNFCC, 2015. CDM Pipeline. Published 31 March 2015.
[33]International Emission Trading Association India The World's Carbon Markets: A Case Study Guide to Emissions Trading, (Last Updated May 2005).
[34] Circular No. GPCB-ETS-CEMS-/MOC(1)/527333 (2019), Pilot Emission Trading Scheme for certain Industries in Surat and Gujarat, Gujarat Pollution Control Board, Gandhinagar, Government of Gujarat.
[35] Supra Note 28.

House Gases Emission (GHGs) to 33% to 35% till the end of 2030 in its Nationally Determined Contributions (NDCs) and also to create an additional carbon sink of 2.5 to 3 billion tons of CO_2 equivalent through additional forest and tree cover by 2030.[36]

In India, there are a continuous increase in Green House Gases (GHGs) emissions which are becoming a threat to climate change and sustainable growth itself. Therefore, to curb this the Government of India has formulated the National Action Plan on Climate Change[37] (NAPCC) under the Department of Science and Technology outlining eight national missions on Climate Change.[38] These missions are (a) National Mission for Enhanced Energy Efficiency (b) National Mission for Enhanced Energy Efficiency (c) National Mission for a Green India (d) National Mission on Strategic Knowledge for Climate Change (e) National Solar Mission (f) National Mission on Sustainable Habitat (g) National Mission for Sustaining the Himalayan Eco-system (h) National Mission for Sustainable Agriculture. World bank also contributes to Carbon finance. The world bank's objective is to extend finance to both the developing nations, the private sector and also to the economies in transition with climate-friendly projects seeking finances. These carbon finance products are helping to create an environment in which the private sector can more easily choose to use their resources in support of climate-friendly and environmentally and socially responsible projects.[39]

According to Article 2.2 of Paris Agreement, 2015: -

> *"This Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances."* [40]

This principle has laid down that now the developed nations have more responsibility to curb down the carbon emissions. It directly relates the correlation between the level of industrialization to the contribution towards pollution. According to Article 4.4 of the Paris Agreement 2015: -

[36] Putting a price on Carbon: A handbook for Indian Companies, Disclosure Insight Action, (October 2017).
[37] NATIONAL ACTION PLAN ON CLIMATE CHANGE, Department of Science and Technology, Government of India (launched on 30th June 2008).
[38] CARBON MARKET ROADMAP FOR INDIA: LOOKING BACK ON CDM AND LOOKING AHEAD, Ministry of Environment and Forests, Federal Ministry for the environment, nature conservation building and nuclear safety, Government of India.
[39] Carbon Finance at the World Bank, James Warren Evans, Environment Department The World Bank (May 2010), https://siteresources.worldbank.org/INTCARBONFINANCE/Resources/For_Web_CF_at_WB-web.pdf.
[40] Paris Agreement, 2015.

"Developed country Parties should continue taking the lead by undertaking economy-wide absolute emission reduction targets. Developing country Parties should continue enhancing their mitigation efforts and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances."

Article 6 of the Paris Agreement established two international carbon markets through the cooperative approaches (CAs) under Articles 6.2-6.3 and the sustainable development mechanism (SDM) under Articles 6.4-6.7.[41]

According to the *Annual Report of the Environment 2018-2019*[42] India has achievements as per being the party to the United Nations Framework Convention on Climate Change stated below:

a) 31 million tonnes of CO2 equivalent emissions have been avoided due to 1stcycle of PAT Scheme[43]

   (India had put in place a Perform, Achieve and Trade (PAT) scheme for energy efficiency targets and trading among its largest industrial sectors)[44]

b) 7 million tonnes of CO2 eq. emissions have been avoided in 2016-17 due to increase in no. of supercritical thermal power plants

c) Around 137 million tonnes of CO2 equivalent have been sequestered due to National Horticulture Mission from 2010 to 2016.

After learning about all the concepts of carbon trading formulated between the nations in various multilateral agreements and conventions it could be said that these conventions were away made by the developed nations to run away from the responsibilities to reduce carbon emission within their countries as the emissions by the first world nations are way more that developing nations during their initial period of industrialization. Due to their heavy industrialization and Green House Gases Emission in huge amounts is the main cause for environmental pollution. Kyoto protocol could also be said as not more than the barest skeleton of a market containing almost no detail as to how trading is to be done. There's nothing wrong in principle with the idea of the Clean Development Mechanism: that companies and government agencies in industrialised countries

[41] GAO Shuaia, LI Meng-Yub, DUAN Mao-Shengb & WANG Can, *International carbon markets under the Paris Agreement: Basic form and development prospects*, Advances in Climate Change Research 10 (2019).
[42] Annual Report, 2018-2019, Ministry of Environment Forest and Climate Change, Government of India, pp 208.
[43] The PAT (Perform, Achieve and Trade) was developed under National Mission on Enhanced Energy Efficiency. The activities under this scheme provide opportunities for new markets as it devices cost effective energy efficient strategies for end-use demand side management leading to ecological sustainability.
[44] RICHARD LANEAND PETER NEWELL, *The Political Economy of Carbon Markets*, *file:///C:/Users/500053590/Downloads/The_Political_Economy_of_Carbon_Markets.pdf*

should receive carbon credits in return for providing the capital for 'green' projects in the third world.[45] But the problem arises from the perspective of developing economies because the funding of carbon emission based projects in India is done by developed nations to earn carbon credits in return. The scholars contend that the UNFCCC COP meetings since 2009 in Copenhagen have witnessed a move, led by the USA and other developed countries, to reinterpret the CBDR in a manner that accommodates self-selected, nationally determined emission reduction targets.[46] But behind this whole scheme, there exists a political economy i.e. all the techniques and instruments are purchased from developed nations which creates a circular economy. All the funding of the projects in developing nations moves back again to developed nations. This is known as a circular economy. From the perspective of developing countries, trade measures are not necessarily the best nor the most appropriate means for addressing climate change concerns. Rather, there is great concern that the use of trade measures by developed countries ostensibly to address climate change concerns may in fact have the effect of restricting the market access of developing country products in developed countries and enhancing the competitive edge that developed countries have in global trade, thereby "locking in" the current inequitable development gap between developed and developing countries.[47]

CONCLUSION

India being one of the most populated countries in the world i.e. the second largest population with a high poverty rate is very prone to climate change. India runs its economy dominated by the agricultural sector. Though India not being a heavily industrialized economy is still having immense pressure upon its resources. The exploitation and pressure on resources are either being done in the name of development or in the lieu of Foreign Exchange reserves. All these activities result in climate change. Climate change is nothing but a heavy disruption in the ordinary climate cycle. This climate disruption leads to untimed rains, excessive heat in summers or excessive cold

[45] DONALD MACKENZIE, Finding the Ratchet: The Political Economy of Carbon Trading, London Review of Books, p 19, https://grist.files.wordpress.com/2009/06/dmackenzieratchet16.pdf.
[46](DR.) USHA TANDON, *Emergent Challenges for Paris Climate Regime: CBDR in the Context of INDC, NGT* International Journal on Environment, Vol.II of 2017.
[47] DEVELOPING COUNTRY PERSPECTIVES ON CARBON-BASED COMPETITIVENESS, TRADE AND CLIMATE CHANGE LINKAGES, Vicente Paolo B Yu III, Energy, Environment and Development Programme Paper: 09/04, (October, 2009).

in winters. Therefore, India being an agricultural economy heavily depends on fruitful climatic conditions. Once these natural conditions submissively change their path ultimate effect is on the primary sector. It is also here to be noted that the secondary sector i.e. industrialization is also dependent upon the primary sector. Hence climate change though not directly but indirectly hampers climate change. This establishes that India one of the developing economies is in more need to take care of climatic change effects more than other developed nations. It is here to be noted that pollution due to the exploitation of resources effects the environment irrespective of which country did it. The environmental damage done by the developed nations has an equivalent effect on other nations which may be themselves did not have any role in such damages. In this research paper, it is found out that developed nations have contributed many more times in polluting the environment than developing nations. That developed nations did heavy industrialization during their initial phase of development which is the main reason for environmental degradation. The lifetime emissions of developing nations are equivalent to the automobile emission of developed nations. Therefore, it was the obligation of the developed nations to contribute more than developing nations in mitigating the environmental impacts by cutting down industrial emissions in their domestic economy. To comply with this obligation international law and policies had played a major role but later on these laws were diluted. We have found out in this research paper that the United Nations Framework Convention on Climate Change had put Common But Differentiated Responsibilities (CBDR) among nations part to the Climate Change Convention. Under this convention developed nations were having more obligation to cut down Green House Gases (GHGs) emissions than the developing nations. But later on the international politics of the developed nations diluted this convention through Kyoto Protocol 1997 (A legal framework attached to United Nations Framework Convention on Climate Change (UNFCCC). We have found out through the research that developed nations especially United States of America was not in the view to curb down greenhouse gas emission reduction to maintain its super-power status internationally. Kyoto protocol was adopted in the year 1998 with added a clause called ‘carbon trading clause’. Under this clause, it was formulated that carbon credits could be sold out to developed nations by the developing nations. Critiques sates that it was a political measure taken by the developed nations to run away from the responsibility which they have towards the environment. There is clearly a moral as well as legal obligations upon the developed nations. It is found out in the research that the developed nation's fund for project-based

emission credits. The technology used to set up for project-based emission credit is further purchased from developed nations which results in loosing of monetary as well as carbon emission credit certificates. This is known as a circular economy. The research in a way concludes that the developed nations earlier had territorial colonization over less developed nations. And now through international law, policies and procedures, they are moving towards market colonization over the developing nations which are very evident from the international conventions and agreements. The developed nations majorly United States of America does huge funding to United Nations. This is the reason why United States threatens to withdraw from international organisation if policies went against their state. Henceforth it is the time that we as a nation shall look upon and stand against the political economy of developed nations.