Capturing the Potential of Greenhouse Gas Offsets in Indian Agriculture
Issues and Context

Issues:

• Nexus between agriculture, energy and GHG emissions: economy-wide linkages
• Potential for off-sets and feasibility
• Institutional mechanisms for implementing an offset scheme

Policy context:

• Indian economy at cross roads: policy reforms on the agenda
• Growth slow down and macroeconomic volatility, fiscal deficits and challenges
• Role of agriculture
• How would emissions change with policy changes?

• How would policy changes affect other major variables (such as household incomes (including farm incomes), production and consumption, national income, wages, etc)?
Research Strategy

• Focused, detailed, disaggregated analysis of emissions associated with crops/livestock produced with various technologies in different agro-climatic environments

• Evaluations and assessments in an economy-wide setting to take into account major changes in relative prices and associated shifts in production and consumption patterns

*Integrating these two components into a coherent analytical framework is necessary but challenging*
A major component of the research programme initiated recently involves the construction of a new, state of the art computable general equilibrium (CGE) model of the Indian economy to assess the impact of existing policy settings and the effects of a range of policy changes on emissions and on other major variables of interest.
Aims of Workshop

• Introduce the analytical tools – with *illustrative* outputs - to demonstrate potential scope
  – Note: model development, particularly CGE, is at early stages
• Eliciting feedback to ensure that critically important features of the Indian bio-physical, institutional and policy environment are incorporated in the models
• Identify issues of major policy relevance to focus analytical exercises