

India Needs Urgent Climate Funding To Keep 1.5°C Alive

The country needs financial and technological support at an unprecedented scale and speed to pace up climate action.

By Sreerekha Pillai

The report by the Intergovernmental Panel on Climate Change (IPCC) confirms what we have known all along—the dynamics of climate are being rewritten irrevocably. With the internationally agreed threshold of 1.5°C perilously close to becoming a reality, pressure will mount on India to agree to a net-zero target. The third largest emitter in the world, which has been holding out due to developmental needs, is bound to feel the heat to conform to carbon neutrality by mid-century or thereabouts.

Though the how and when of such a transition might be open to debate at the Conference of Parties (COP 26) less than three months away, such a move will be a double whammy for India, which is yet to recover from the pandemic-induced recession. India is estimated to have more than doubled the number of its poor from 60 million to 134 million in 2020, according to an analysis based on World Bank data.

Given this and the bleak climate forecast for the subcontinent in the latest IPCC report, India will require green funding at an unprecedented scale and speed to chart an ambitious carbon neutral pathway that benefits not just itself but the entire planet.

What India needs

India has been bearing the brunt of extreme weather events—on lives, infrastructure, and livelihoods. In 2018 alone, India suffered a financial setback of \$37 billion due to extreme climate. Further, the International Labor Organization (ILO) forecasts a loss of 34 million full-time jobs in India, primarily farmers, by 2030 if remedial measures are not adopted.

Though it might be difficult to pin a budget yet for transitioning to a carbon-neutral pathway, the Ministry of Environment, Forest and Climate Change (MoEFCC) estimates that even to reduce the carbon intensity of its gross domestic product (GDP) by 33% to 35% from 2005 levels, the country needs to mobilise a total of \$2.5 trillion—close to the size of the present COVID-hit economy—during this decade. The inflow of funds currently is much less, with a report by analysis and advisory organisation Climate Policy Initiative finding that India has been able to pool in less than 25% of the investment needed to meet its commitment.

The latest economic survey cites the huge gap between resource availability and the requirement as the biggest hurdle in India's implementation of its Nationally Determined Contribution (NDC) goals, which has been set in motion since January 2021.

Considering this, if India is to scale up its ambition further, the scale of funding too needs to shoot up.

All eyes on COP 26

With the stage set for high-decibel negotiations at Glasgow in the wake of the sixth assessment report of IPCC, it will be interesting to see what the advanced world commits—in addition to long-term net-zero goals—as immediate short-term measures to keep 1.5°C alive.

Given their historical responsibility and ability to cope with climate change, it is up to the developed world to support emerging economies to cut carbon emissions and transition to a planet-friendly future. It will be good to remember that the US is responsible for a quarter of historical emissions with around 400 billion tonnes of emissions since 1751, followed by the European Union at 22%, and China at 12.7%. Though India is currently the third largest polluter, its cumulative contribution to carbon emissions in the last two centuries in comparison is a paltry 3%. Therefore, expecting India to raise its climate ambitions and quicken the pace of its transition to clean energy without the requisite support—financial and technological—is a lopsided argument.

The IPCC estimates that \$1.6 trillion to \$3.8 trillion would be needed annually to meet the climate target of limiting warming to 1.5°C above pre-industrial levels. The big question is: Who will pay?

Even the much-touted financial support of \$100 billion per year to developing countries is yet to come through. Though public climate finance increased by 63% from 2013 to 2018, according to the Organisation for Economic Co-operation and Development (OECD), at \$62.2 billion in 2018, it still fell short of the target, with the momentum slowing down due to the pandemic. Recently, the G7 countries bought more time while reaffirming their commitment to “jointly mobilise \$100 billion per year from public and private sources, through to 2025”.

If 1.5°C aka hope is to be kept alive, the advanced nations need to show that they mean business by showing solidarity in deeds rather than words. Not doing so could potentially risk the ability of COP26 to achieve any significant outcome beyond empty platitudes.

Recent flooding in Germany and Belgium, historic heat waves in Western Canada and the US, and cloudbursts in Uttarakhand are tell-tale signs that postponing climate action is no longer an option. Global collaboration is required at an unparalleled scale to curb emissions and support vulnerable communities and countries to adapt and be resilient to climate change. It will do well to remember that green outlay after all is an investment for our shared future.

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