Concerns on Financing Climate Change

What is the issue?

Foreign assistance on climate change is not forthcoming and hence India needs to stand on its own to remove the perils of global warming.

What does the Biennial update report to UNFCCC reveal?

- India recently submitted its second biennial update report to the United Nations Framework Convention on Climate Change (UNFCCC).
- The scope of BUR is to provide an update to India's first BUR to UNFCCC.
- According to the report, India is on track to fulfilling two of its three main commitments made as part of the nationally determined contributions (NDCs) to combat climate change.
- These involve –

1. Reducing the greenhouse gas (GHG) emissions intensity of its gross domestic product (GDP) by 20-25% by 2020 over 2005 levels
2. Raising the share of non-fossil fuels-based power in electricity production to 40%.

- The third commitment — creating 2.5-3 billion tonnes of carbon sink through forestry — is set to be missed.
- Nevertheless, despite unabated increase in the GHG emissions, the carbon intensity of the Indian economy has dipped to 21%, which is well within the targeted range.
- Similarly, the proportion of non-fossil electricity in power output has surged to 35.5%, bringing the 40% goal within striking distance.
- However, more resources would need to be mobilised to sustain and step up these efforts.
- Thus, India seeks adequate financial and technological support to meet the new challenges on this front.

What are the concerns?

- Funding worth about $206 billion (at 2014-15 prices) is estimated to be needed till 2030 for climate adaptation in areas such as agriculture, water resources and ecosystems.
- An additional $834 billion is required for global warming mitigation

measures.

- Against this, India has received only an indicative allocation of $87.87 million till 2018.
- Of this, the actual approvals amount to merely $59 million.
- Also, the indicative allocation for the 2018-22 period has shrunk to just $40 million.
- Even among the pledged amount, how much of it materialises is uncertain as the developed countries often renege on their pledges.

What should be done?

- India will have to stand on its own in staving off the perils of global warming.
- The agriculture sector needs greater resilience against erratic weather to safeguard the livelihood of the bulk of the country's population.
- According to the farm ministry, the output of major crops may not show any significant dip in the shorter run but it might decline sharply by as much as 10-40% over a longer period.
- The country's capacity to cope with weather-induced natural disasters, too, would need to be shored up.
- A World Bank report said that the rising temperature and changing monsoon rainfall patterns could reduce 2.8% of India's GDP, affecting the living standards of nearly half of its population by 2050.
- Also, the losses due to events attributable to climate change were estimated at around $10 billion a year.
- Thus, India should lay greater emphasis on adaptation measures, apart from relying on global finance, on the battle against climate change.

Source: Business Standard

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