Did the concept of carbon credits really help government of India to reduce the carbon emissions effectively? Critically examine. (1)

Carbon credit is a form of climate change finance adopted under Kyoto Protocol. In India, the system of carbon credit exchange is done primarily through Clean Development Mechanism (CDM) mode. CDM for greener projects invested by developed country has helped innovation infusion in tackling climate change problems, but has not effectively reduced emissions.

Carbon credit operation in India

1) As a developing country, India's contribution in carbon credits stands at 8th position. Trading has been done primarily with EU countries.

2) CDM, carbon exchanges operationalising has provided incentives for industries to cut on their emissions.

3) Of all the CDM's, 1/3rd of projects are invested in biomass, renewable energy projects.
   eg:- Sewage Treatment Plant at Nellikuppam in Chennai is funded by carbon credits from Chennai Metro water.

4) German, Netherland collaboration of cleaning Ganga and building greener cities, have brought in new technologies.
   eg:- Timarpur - Okla waste-To-Energy Treatment plants in Delhi NCR region

5) Performance based incentives through REDD+ mode of finance motivated India to achieve afforestation, ~~a~~ testimony reported in Forest Report 2019.

6) It has helped achieve one of the primary Aichi Biodiversity Targets of equal sharing of Benefits from resources
   eg:- REDD++ funds are used in East Khasi District to provide alternative cooking fuel.

when this mechanism gained prominence in initial stage, it lost its lustre as it got mired into rivalries.

Carbon credit - an obsolete idea

1) India continues to be the 3rd largest polluter nation. International Energy Agency has said that emissions grew at 4.8% in 2018

2) Despite having REDD+ funds, the extent of degradation has been unchecked for expansion.

3) Indigenous communities participation in Carbon credit markets has reduced primarily due to lower returns.

4) The CER certificates are traded at lower values, insufficient to maintain longterm project sustainability
eg:- The project in East Khasi Hills have stalled and locals have resorted to fuel wood usage

5) Lack of steady supply of rawmaterials to biomass plants, due to inefficient supply chain mechanism, have made them defunct.

6) Policies of government for export control, taxation on exchange markets have deterred industries from choosing this mechanism for funding.

Thus, deforestation, airpollution, soil degradation have exacerated the dangers of climate change. Carbon credits in global front has no steady finance due to rivalries betwean developed, developing countries. Paris deals 2015 have remained stagnant due to very same issue.

- Move towards fund based mechanism can solve climate finance. One such is CAMPA, FRA.
- Green Investment trusts can be ~~select~~ formed to select green projects viable for funding
- Policies for biomass can include incentives for best forming industries.

Thus, integrated climate awareness is the need of the hour to control vulnerability of ecosystem.