



EDITORIAL: THE HINDU

GENERAL STUDIES 2: INTERNATIONAL RELATIONS

TOPIC: AGREEMENTS INVOLVING INDIA / AFFECTING INDIA

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Reflections on Baku's 'NCQG outcome'

The Need for Urgent Climate Action

- The Intergovernmental Panel on Climate Change (IPCC) has consistently emphasized the importance of limiting global warming to 1.5°C above pre-industrial levels. However, with current policies, the planet could experience a temperature rise of up to 3.1°C, intensifying climate-related challenges globally.
- COP29, held in November 2024 in Baku, Azerbaijan, aimed to address these issues by focusing on climate finance, particularly the New Collective Quantified Goal (NCQG). Despite its significance, the conference fell short of expectations, delivering inadequate commitments to meet the needs of developing nations.

The Role of Climate Finance for Developing Countries

- Climate finance is critical for enabling developing nations to transition to green energy and combat the impacts of climate change. However, high initial costs often act as a barrier, even when long-term benefits such as reduced fuel and operational costs are clear.
- Additionally, many green technologies are still evolving, making early adoption risky. Financial constraints further limit the ability of these countries to prioritize climate action over other developmental needs, creating a pressing demand for external support.

India's Push Toward Green Energy

- India has demonstrated its commitment to renewable energy through significant investments and policy initiatives. In the 2024-25 budget, ₹19,100 crore was allocated to the Ministry of New and Renewable Energy (MNRE), the highest ever for the ministry.
- Under the FAME scheme, ₹5,790 crore was earmarked to support electric vehicle manufacturers. Furthermore, ₹40 crore was set aside for energy efficiency programs aimed at promoting clean fuel technologies and innovation.



Barriers to Accessing Climate Finance

- Developing countries face several obstacles in securing climate finance. The preference for grants over loans arises from concerns about exacerbating fiscal debt burdens. High borrowing costs further restrict access to private capital for climate-related initiatives.
- Moreover, financial flows are often biased toward developed nations, leaving developing countries with limited affordable financing options to implement necessary climate action measures.

The NCQG: A Framework for Climate Finance

- The New Collective Quantified Goal (NCQG) was conceived under the Cancun Agreement (2010) to provide \$100 billion annually by 2020, with the commitment reaffirmed at COP21 in Paris. The NCQG aims to set transparent, quantifiable climate finance targets.
- A UNFCCC report estimates a global need for \$5-7 trillion by 2030, with \$1.3 trillion annually required specifically for developing nations to address their climate challenges effectively.

COP29 Outcomes: A Shortfall in Climate Finance Commitments

- The NCQG discussions at COP29 resulted in a pledge of \$300 billion annually until 2035 by developed nations, far below the \$1.3 trillion requested by developing countries. This commitment largely relies on mobilizing private capital and other financial sources.
- While there is a positive move to triple public resource flows through mechanisms like the Adaptation Fund, the pace of progress does not align with the urgency required for global climate action.

Climate Justice and the Financial Divide

- The limited ambition in climate finance commitments highlights the ongoing inequities in burden-sharing between developed and developing nations. The Global South continues to face significant barriers in accessing resources essential for transformative climate action. Without equitable financial support, achieving climate justice remains an unfulfilled promise, further delaying critical interventions.

The Path Forward

- To address these persistent challenges, the global community must intensify efforts to ensure equitable climate finance. Future discussions should emphasize cooperation and fairness, guided by the principles of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC).



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- Developing nations must unite to advocate for fair financial mechanisms that support sustainable and inclusive growth. Only through collaborative efforts can the urgent need for transformative climate action be met effectively.

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