

CLIMATE FINANCE: ENVIRONMENT

NEWS: Climate finance: India takes lead in cornering developed nations

WHAT'S IN THE NEWS?

At the Bonn Climate Conference, India called for transparent and unconditional climate finance from developed countries, highlighting the legal obligations under the Paris Agreement and the need to prioritize adaptation support for vulnerable nations.

Context

- India has taken a proactive stance at the ongoing Bonn Climate Change Conference in Germany, calling for greater accountability and fairness in climate finance delivery by developed nations.
- The debate centers on climate finance obligations, equity, and justice, as nations prepare for COP29 in Baku and COP30 in Belém.

About the Bonn Climate Change Conference

- Formally known as the Sessions of the UNFCCC Subsidiary Bodies (SB62), held annually in Bonn, Germany.
- Gathers delegates from nearly 200 countries to conduct technical negotiations on climate action, laying the groundwork for decisions at the year-end COP summit.

Key Focus Areas at the Conference

- Finalizing indicators for the Global Goal on Adaptation (GGA), ensuring adaptation progress can be tracked and measured transparently.
- Advancing the Just Transition Work Programme, which seeks to balance climate action with social and economic justice, particularly for workers and vulnerable communities.
- Scaling up climate finance, including discussions on the \$1.3 trillion roadmap to meet the New Collective Quantified Goal (NCQG).
- Enhancing transparency systems and climate data exchange to improve accountability.
- Reviewing progress on Nationally Determined Contributions (NDCs) and Article 6 mechanisms of the Paris Agreement, which deal with international carbon markets and cooperative approaches.

About Climate Finance

- Climate finance refers to local, national, or transnational funding — from public, private, and alternative sources — used to support mitigation (reducing emissions) and adaptation (building resilience) actions against climate change.
- It is anchored in the principle of Common But Differentiated Responsibilities (CBDR), which recognizes that developed nations must assist developing nations with fewer resources and higher vulnerability.

Roadmap of Climate Finance

- At COP29 in Baku, nations adopted the Baku to Belém Roadmap (B2B Roadmap) under the New Collective Quantified Goal (NCQG) framework.
- This roadmap aims to scale climate finance to \$1.3 trillion annually by 2035, a big leap from the earlier \$100 billion annual pledge made in 2009 — which remains unmet.
- The 1992 Rio Declaration introduced the polluter-pays principle, laying the ethical foundation for climate finance obligations.

Why Climate Finance is Essential

- *Bridging the Adaptation Gap:* Adaptation continues to receive less funding than mitigation. Developing nations need resources to build resilient infrastructure, climate-smart agriculture, and early warning systems to protect vulnerable communities.
- *Enabling Large-Scale Mitigation:* Transitioning to clean energy, improving energy efficiency, and reducing emissions in key sectors like transport and industry demand massive investments that most developing countries cannot afford on their own.
- *Equity and Justice:* Developed nations are historically responsible for the bulk of global emissions. Climate finance fulfills their obligation to assist those who contributed least to the crisis but suffer its worst impacts.

Key Concerns in Climate Finance Negotiations

For Developing Nations:

- *Sovereignty and Conditionality:* Developing countries, including India, argue that climate finance delivery should respect national priorities and avoid conditions imposed by donors.
- *Shift from Provision to Mobilization:* India and the Like-Minded Developing Countries (LMDCs) bloc emphasize that climate finance is a legal obligation under Article 9.1 of the Paris Agreement — not just a private sector investment opportunity.
- *Adaptation vs. Mitigation Imbalance:* Much of climate finance flows toward mitigation projects like renewable energy, while adaptation efforts — crucial for protecting communities — remain underfunded in the Global South.

For Developed Nations:

- *Expanding Donor Base:* Some developed countries argue that emerging economies like China and Gulf states should contribute to climate finance, citing their economic strength.
- *Private Sector Reliance:* Developed countries increasingly favor private-sector-led finance approaches, raising concerns about transparency, public accountability, and alignment with vulnerable communities' needs.

India's Climate Finance Landscape

- *Global Advocacy*: India consistently highlights the legal responsibility of developed countries under Article 9.1 of the Paris Agreement to provide climate finance without shifting the burden to developing nations.
- *Received Funds*: India has received approximately USD 1.16 billion in climate finance via UN mechanisms such as the Green Climate Fund (GCF), Global Environment Facility (GEF), and Adaptation Fund.
- *Domestic Efforts*: Despite limited external funding, India has financed most of its climate action, including large-scale renewable energy deployment, from domestic resources.
- *Adaptation Focus*:
 - The Economic Survey 2024–25 notes India’s development of a National Adaptation Plan (NAP) and submission of an Initial Adaptation Communication (IAC) to the UNFCCC.
 - Key adaptation initiatives include climate-resilient agriculture through improved seed varieties and soil health practices.
 - Urban adaptation efforts via the National Mission on Sustainable Habitat (NMSH).
 - Water body rejuvenation under AMRUT, with over 3,000 projects already approved.

Conclusion

- India’s interventions at Bonn underscore the need for transparent, equitable, and legally binding climate finance delivery from developed nations to support adaptation and mitigation in the Global South — ensuring climate justice and meeting the collective targets under the Paris Agreement.

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