



CLIMATE
INSIGHTS

RAISING THE BAR

INCREASING FINANCE FOR
TRANSITIONING TO A LOW
CARBON ECONOMY



India's **climate commitments are ambitious.** As India's economy and emissions grow, coupled with the dire climate change impacts for India, the country has an important role to play in climate action. Finance is crucial for meeting its ambitious commitments.



ACHIEVE

50%

Installed Power Capacity from non-fossil fuel-based resources by 2030



REDUCE

45%

Emissions Intensity of its economy by 2030 compared to 2005 levels

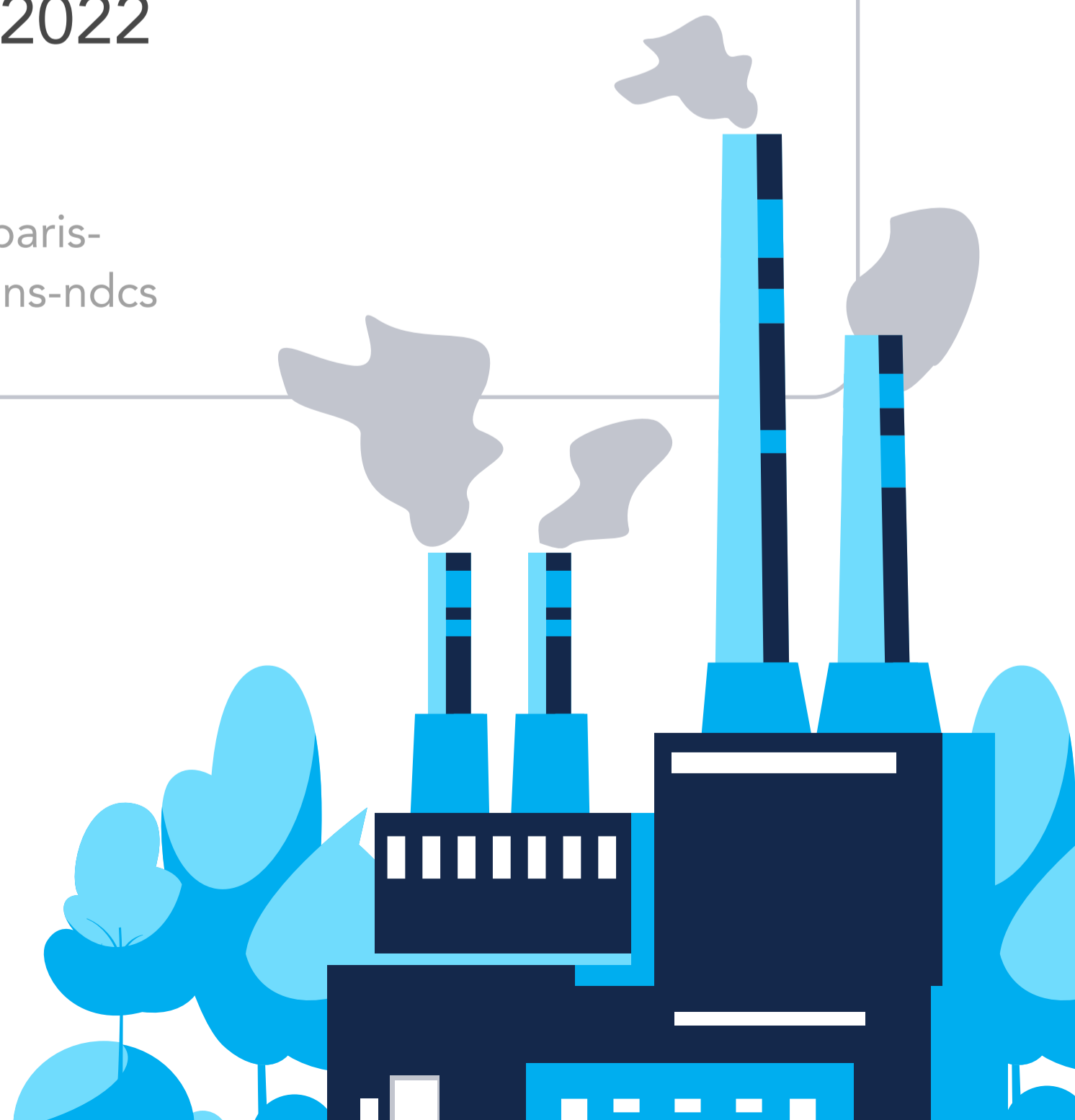


India estimates it will need **USD 2.5 trillion** in financing to meet its Nationally Determined Contributions till 2030....

Source: Economic Survey of India 2023-24, Chapter 6, pp.198 and 204,
<https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap06.pdf>

Nationally Determined Contributions, or NDCs, are climate plans of countries that outline their post- 2020 efforts to reduce national emissions and adapt to the impacts of climate change. India submitted its first NDC in 2015 and updated it in 2022

Source: UNFCCC
<https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs>





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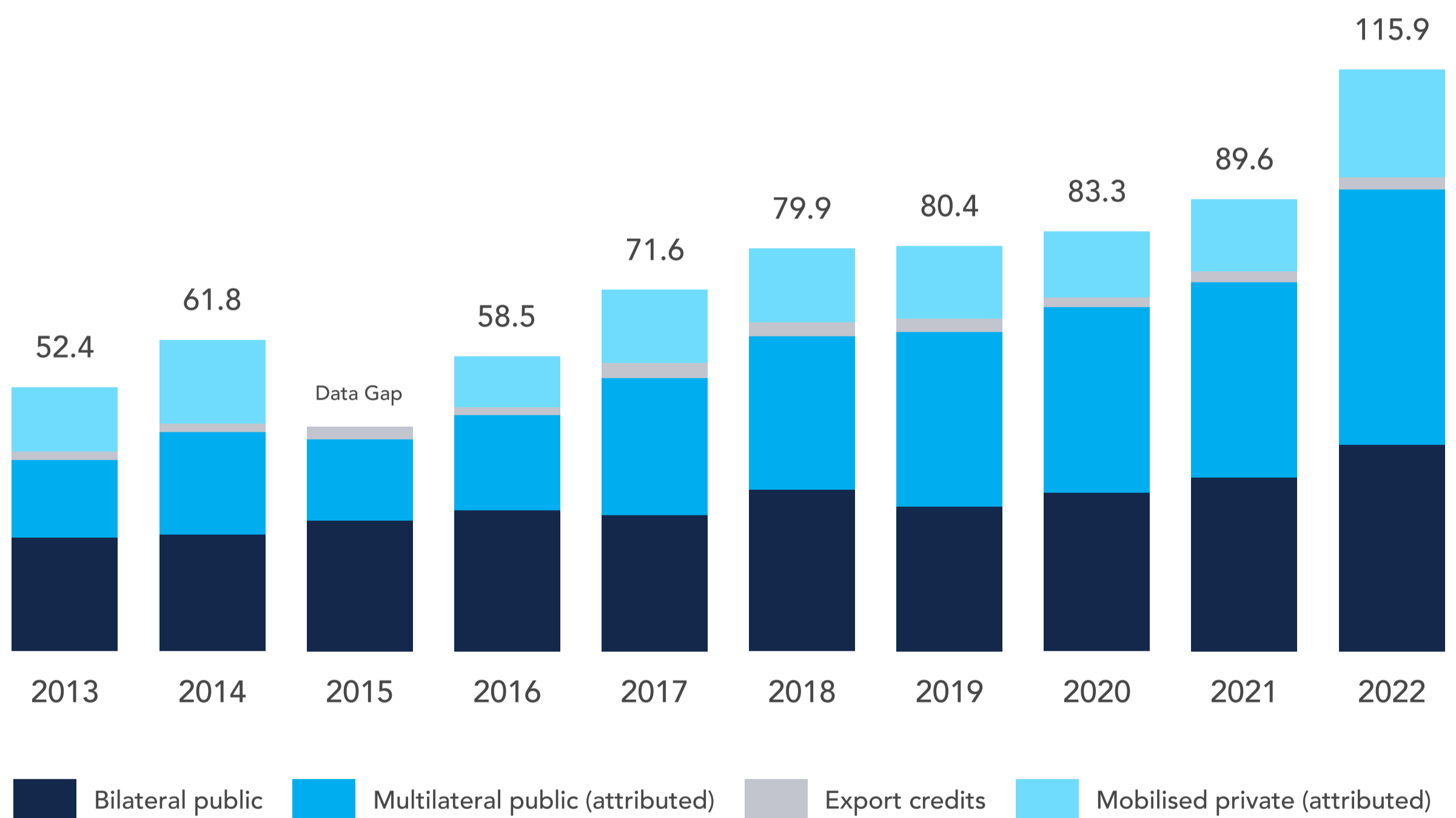
...and nearly **USD 673 billion** in adaptation financing by 2030

Source: India's Initial Adaptation Communication submitted to UNFCCC,
2023, <https://unfccc.int/sites/default/files/resource/India-TNC-IAC.pdf>



In 2009, developed countries agreed to mobilize USD 100 billion per year by 2020 to support ambitious climate action taken by developing countries like India...

CLIMATE FINANCE PROVIDED AND MOBILISED IN 2013-2022 (USD BILLION)



...but developed countries only reached the yearly target for the first time in 2022.



At this year's climate conference in Baku (COP29), countries negotiated the **New Collective Quantified Goal (NCQG)** to replace the USD 100 billion finance goal. Various expert studies have estimated that developing countries will need **USD 1 trillion to USD 2.4 trillion per year by 2030** in international climate finance to meet their needs and priorities.

Source: <https://www.nrdc.org/bio/joe-thwaites/getting-here-there-scaling-climate-finance-ncqg>





The **two-week long negotiations** witnessed several differences between the developed and developing country Parties to the United Nations Framework Convention on Climate Change (UNFCCC).

	Developing Countries	Developed Countries
Quantum	USD 300 billion per year to USD 1.3 trillion per year	A base of USD 100 billion per year
Contributor Base	Argued that it's the responsibility of developed countries	Acknowledged that they will lead in providing finance, but think the base of contributors should be broadened to include other rich and high emitting countries
Quality	Finance for mitigation, adaptation and loss and damage	Multilayered, overarching investment goal, no inclusion of loss and damage

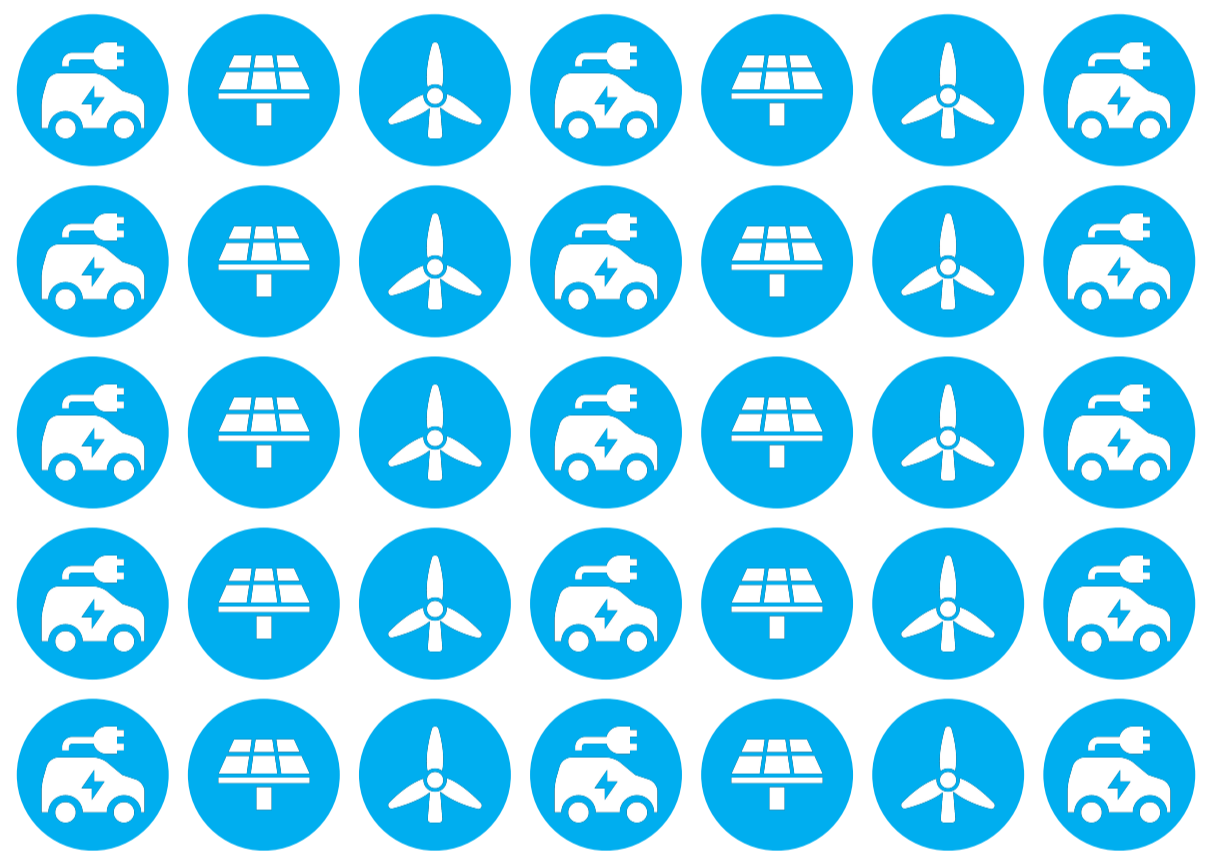
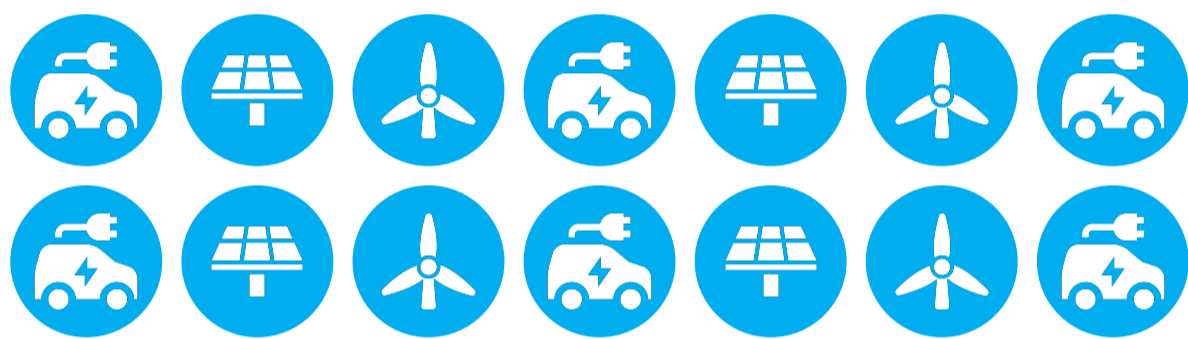


India argued that it is meeting its climate goals mostly through domestic resources and that developed countries need to do more to provide finance and technology at a reasonable cost to support developing countries' climate action.

Source: Economic Survey of India 2023-24, <https://www.indiabudget.gov.in/economicsurvey/>

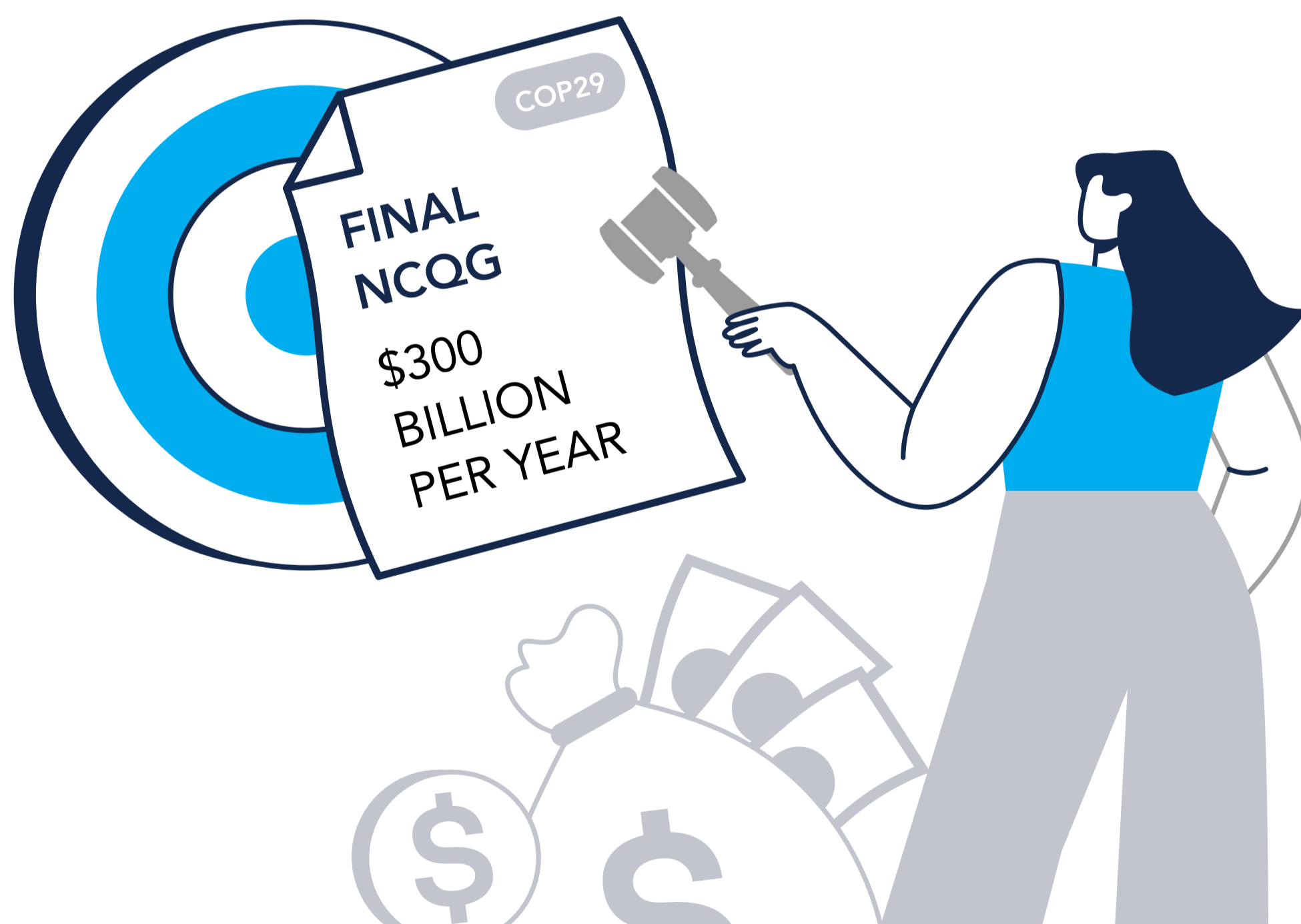


India has consistently advocated that the new finance goal should be in sync with the process of countries submitting their NDCs, so that developing countries can come up with even more progressive and ambitious NDCs.



At the close of negotiations at COP29 in Baku, countries decided that under the **New Collective Quantified Goal** on climate finance developed country Parties will take the lead on **at least USD 300 billion per year by 2035** for developing country Parties for climate action.

While this is an increase from the previous goal of USD 100 billion per year, the new climate finance deal leaves a lot to be desired. India strongly objected to both the final NCQG process and the outcome, calling it a “paltry sum that will not enable conducive climate action.”



Read more to understand where India stands on its climate commitments and the key issues for discussion at COP29.

