

GOVERNMENT OF INDIA
MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

RAJYA SABHA
UNSTARRED QUESTION NO. 858
TO BE ANSWERED ON 09.02.2023

Requirement of funds for the updated NDCs

858. SMT VANDANA CHAVAN:

Will the Minister of ENVIRONMENT, FOREST AND CLIMATE CHANGE be pleased to state:

- (a) the total financial requirement for implementing the recently updated Nationally Determined Contributions(NDCs);
- (b) the various sources through which Government would meet this financial requirement ; and
- (c) whether there exists any dedicated fund to finance the decarbonisation plans of Government; if so, the details thereof

ANSWER

MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE
(SHRI ASHWINI KUMAR CHOUBEY)

(a) India had submitted its initial Nationally Determined Contribution (NDC) under the Paris Agreement to the United Nations Framework Convention on Climate Change (UNFCCC) in October 2015 and submitted an update to its NDC in August 2022 with enhanced commitments. The update reflects India's roadmap for a low greenhouse gas emission and climate resilient development pathway. As per the updated NDC, India has an enhanced target to reduce emissions intensity of its GDP by 45 percent by 2030 from 2005 level, achieve about 50 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. India's initial NDC provided a preliminary estimate that at least USD 2.5 trillion (at 2014-15 prices) would be required for meeting India's climate change actions between 2015 and 2030. In November 2022, India has submitted its Long-Term Low-Carbon Development Strategy to the UNFCCC, which envisages that a transition to a low-carbon development pathway will entail costs, pertaining to the deployment of new technologies, development of new infrastructure, and other transaction costs. While there are several estimates regarding India's financial needs for climate action and vary across studies due to differences in assumptions, coverage, and modelling approaches, but the estimated requirements in all cases are substantial and in the range of tens of trillions of dollars by 2050.

(b) India's climate actions have so far been largely financed through domestic resources, including government budgetary support as well as a mix of market mechanisms, fiscal instruments and policy interventions. Further, as stated in Union Budget 2020-21, India's climate commitments will be executed in various sectors by the Departments/Ministries concerned through the budgeting process. A number of measures for climate actions were announced in the Union Budget 2022-23, including sovereign green bonds and thematic funds

for blended finance. The issuance of Sovereign Green Bonds will help in tapping the finance from potential investors for deployment in public sector projects aimed at reducing the carbon intensity of the economy. In the Union Budget (2023-24) presented on 1.2.2023, green growth is one among the seven priorities. Provisions have been made for priority capital investments towards energy transition and net zero objectives. Although the domestic finance accounts for lion's share of climate finance, India will continue to emphasize for the delivery of international climate finance by developed countries to developing countries for climate action.

(c) India's action on climate change is guided by the National Action Plan on Climate Change, (NAPCC), which is the overarching policy framework and comprises of national missions in specific areas of solar energy, enhanced energy efficiency, water, agriculture, Himalayan eco-system, sustainable habitat, green India, human health and strategic knowledge on climate change. These national missions are anchored by specific line Ministries with each Mission having its own budget and action plan.
