



CLIMATE FINANCE: ENVIRONMENT

NEWS : On climate finance to developing nations

WHAT'S IN THE NEWS ?

The upcoming COP29 aims to address critical climate finance issues, particularly concerning developing countries vulnerable to climate change. Despite their minimal contribution to global emissions, these nations face significant challenges in financing climate initiatives. Discussions will include establishing **new climate finance targets** to support their climate action efforts.

COP29 Overview

- **Event:** COP29 will be held in Baku, Azerbaijan, from November 11 to 22.
- **Focus:** The central theme is climate finance.

Vulnerability of Developing Countries

- Developing nations are highly vulnerable to climate change due to their reliance on agriculture and geographical factors.
- Despite minimal contributions to global emissions, these nations bear the brunt of climate change. Developed countries have contributed 57% of emissions since 1850.
- Competing developmental priorities limit their capacity for independent climate action.
- The **2009 Copenhagen Accord** pledged \$100 billion annually in climate finance to developing nations by 2020.

Climate Finance

- **Definition:** Climate finance refers to funds supporting climate mitigation and adaptation.
- **Status:** In 2022, 69.4% of international public climate finance was in the form of loans, with 28% as grants.
- **Issues:** Critics call for reports to reflect actual disbursements, not just commitments, and emphasize the need for new, additional funds.

Need for Climate Finance

- **Electricity Access:** In 2021, 675 million people lacked electricity access.
- **High Costs:** Renewable energy technologies are often twice as expensive in developing countries, requiring external financial aid.

India's Climate Financing Needs

- India aims for 500 GW of non-fossil fuel capacity by 2030 and significant investments in green hydrogen and electric vehicles.
- Requires ₹16.8 lakh crore for renewable capacity and ₹8 lakh crore for green hydrogen and electric vehicles by 2030.

- Long-term projections estimate a need for ₹850 lakh crore to achieve net-zero by 2070.

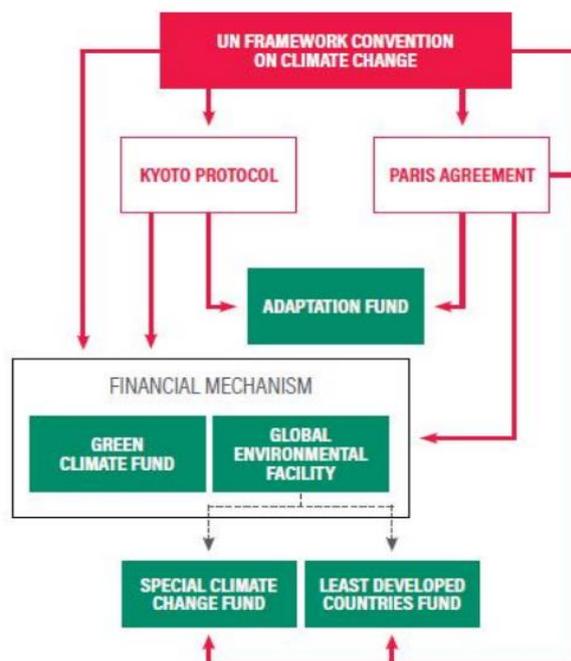
What activities does climate finance fund?

According to the latest biennial report from the United Nations Framework Convention on Climate Change (UNFCCC), global climate finance reached **\$681 billion** and the categories that received the most investment include:



New Collective Quantified Goal (NCQG)

Figure 1 UNFCCC Bodies and funds



Note: The dotted arrows indicate that the LDCF and SCCF are administered by the GEF.



PL RAJ IAS & IPS ACADEMY

MAKING YOU SERVE THE NATION

- Developing countries (excluding China) may need \$1 trillion in external finance annually by 2030.
- The NCQG should include actual disbursements, new funds, and mobilized private capital.

Source : <https://www.thehindu.com/sci-tech/energy-and-environment/on-climate-finance-to-developing-nations-explained/article68776888.ece>



**P.L. RAJ IAS & IPS ACADEMY | 1447/C, 3rd floor, 15th Main Road,
Anna Nagar West, Chennai-40. Ph.No.044-42323192, 9445032221
Email: plrajmemorial@gmail.com Website: www.plrajiacademy.com
Telegram link: https://t.me/plraji2006 YouTube: P L RAJ IAS & IPS ACADEMY**