As the West Backtracks on Climate Goals, Where Do India's Ambitions Stand?

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India recently submitted an updated nationally determined contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC), which includes two short-term commitments.

First, to reduce emissions intensity of its GDP by 45% (from the 2005 level). Second, to attain 50% cumulative installed capacity for power generation from non-fossil sources. India intends to achieve these targets by 2030. India had also announced a net-zero by 2070 target at COP26.

These are bold targets for mitigating climate change. However, considering what is happening globally, are we on track to limit global warming to 1.5°C?

Where the Situation Stands

An upcoming study available in Research Square suggests that the remaining carbon budget (RCB) is even lower than what was estimated in the sixth assessment report (AR6) of the Intergovernmental Panel on Climate Change (IPCC).

According to this study, for a 66% chance of staying within 1.5°C, the RCB is estimated to be about 100 GtCO 2 compared to the IPCC AR6 estimate of 400–500 GtCO 2 .

Cumulative emissions of China, the United States, and the EU alone would reach around 400 GtCO 2 between now and their respective net-zero target years.

This would negate efforts of developing economies prioritising climate commitment over developmental needs, while developed countries, being historical emitters, would continue exploiting the carbon space.

The Western World's Return to Fossil Pathways

According to the IPCC AR6 report, to limit global warming to 1.5°C, global emissions must peak by 2025 and almost halve by 2030. This means all major emitters should take drastic measures in the immediate future and not wait until their net-zero target years.

However, the developed world has not kept its end of the bargain and instead returned to fossil pathways. This is evident from Rhodium Group's report that in 2021, there was a 17% hike in greenhouse gas (GHG) emissions from coal generation in the United States for the first time since 2014.

In Europe, news reports suggest that Germany, Austria, Poland, the Netherlands, and Greece are reopening their decommissioned coal power plants to deal with the energy crises caused by reduced gas supply from Russia.

Also, though European governments have pledged to cut-off coal production and help developing countries phase it out, they continue to subsidise fossil fuel production.

In the developing world, China has tripled its GHG emissions over the last three decades, accounting for 27% of global emissions annually.

On the contrary, India is on the right track to achieving its updated targets through continued efforts.

Turn to Renewable Sources, Reducing GDP Emissions: What is India Doing?

According to the recently released draft National Electricity Plan 2022 (NEP), India's current cumulative power generation installed capacity from renewable sources and nuclear power stands at 163 GW, accounting for 40% of the total capacity.

This is expected to increase to 57.5% by 2026–27 and 68.4% by 2031–32, higher than the 50% target set in the NDC.

Further, India's emissions intensity of its GDP reduced by 24% between 2005 and 2016, and is declining at a rate of 1%–2% annually. With this trajectory and the shift to renewable fuel resources, India is well positioned to achieve a more than 40% reduction in emissions intensity by 2030.

These strong targets and ambitious domestic climate policies—Indian Railway's net-zero target by 2030, LED bulb promotion, National Hydrogen Mission for production and export of green hydrogen, and sustainable practices in different sectors—will lead to a further reduction in emissions.

New in this line are the Energy Conservation (Amendment) Bill, 2022, enforcing different sectors to include a minimum share of their energy consumption from non-fossil sources; setting up a national carbon credit trading scheme; Energy Conservation Building Code for green buildings; and binding standards for the use of energy-efficient equipment and appliances in vehicles and vessels.

The Way Forward

While India seems to be on track to achieving its 2030 targets (NDCs), getting its GHG emissions to peak and decline to reach net zero would be a whole different challenge.

Recent studies have shown that the investment required for a net-zero transition is around USD 10 trillion cumulatively (from now to 2070). But how is India, or any other developing country, supposed to finance such a transition?

Developed economies are not only using up the RCB but also reneging on climate finance promises made during the Paris Agreement.

In the upcoming G20 Summit and COP27 negotiations, developing countries, including India, have an opportunity to level the playing field.

They should use these platforms to push for the replenishment of the Green Climate Fund (GCF) to finance new climate actions for the 2024–2027 period, as proposed in the Global Programming Conference (GPC) held recently.

India should call for a fair share of contribution in the climate budget by developed countries, with the substantial increase needed to achieve net-zero targets.

According to a World Resource Institute (WRI) report, most of the developed countries fell short of their expected contributions—the United States ($6.6B), Australia ($0.7B), Canada ($1.5B), and the United Kingdom ($4B)—while Germany ($10B), Japan ($14.1B), and France ($8B) funded more.

Although there was no formal division of budget among these countries, not keeping a fair share led to missing the target of delivering USD 100 billion to developing countries.

There should also be a balance between funds allocated to mitigation and adaptation. There is no clear demarcation of allotment between the two, and the funds received are mostly used to finance mitigation projects.

Adaptation coverage requires USD 70 billion per year, and it is going to increase to USD 140–300 billion by 2030, as per UN estimates. Yet only USD 20 billion has been transferred to cover adaptation costs out of the total USD 80 billion received in 2019.

In upcoming global summits, developed countries should take the initiative to ensure that climate funds do not remain in talks but translate into actions and investment road maps.

To remain credible, they should honour their climate commitments and set more aggressive targets. If developed countries advance their net-zero targets by a decade or two, developing countries will be motivated to use the RCB wisely and make the necessary transition towards a net-zero economy.

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