GOVERNMENT OF INDIA
MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

RAJYA SABHA
UNSTARRED QUESTION NO. 507
TO BE ANSWERED ON 02.12.2021

Finance to meet climate commitment

507. SHRI SUSHIL KUMAR MODI:

Will the MINISTER OF ENVIRONMENT, FOREST AND CLIMATE CHANGE be pleased to state:

(a) the quantum of financing required by India from developed nations to meet its climate commitment;
(b) the amount that has already been realized by India in funding, since rich countries committed to fund $100 Billion in total per year;
(c) whether Government is considering to introduce Carbon Tax or other market-based mechanism to price Carbon in India, if not, the reasons therefor; and
(d) the current incentives scheme which encourage the usage of cleaner energy by companies?

ANSWER

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

(a) India, as a part of the National Statement, delivered by Hon'ble Prime Minister at the 26th Session of the Conference of Parties (COP-26) to the United Nations Framework Convention on Climate Change (UNFCCC) in Glasgow, United Kingdom in November 2021, has made the following announcements:

i. India's non-fossil energy capacity to reach 500 GW by 2030.
ii. India will meet 50 per cent of its energy requirements with renewable energy by 2030.
iii. India will reduce its total projected carbon emissions by one billion tonnes from now to 2030.
iv. India will reduce the carbon intensity of its economy by 45 per cent by 2030, over 2005 levels.
v. By 2070, India will achieve the target of net zero emissions.

While making the above announcements, Hon'ble Prime Minister has further stated that India resolved to move forward with new commitments and in such times, the transfer of climate finance and low cost climate technologies becomes more important. India expects developed countries to provide climate finance of US $1 trillion per year to the developing countries. As far as India's additional announcements are concerned, additional climate financing to the tune of approximately US $1 trillion by 2030 would be required.

Under the Paris Agreement, India had submitted Nationally Determined Contribution (NDC) with quantified targets to reduce the emissions intensity of its Gross Domestic Product (GDP) by 33 to 35 percent by 2030 from 2005 level, to achieve about 40% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030, and to create an additional carbon sink of 2.5 to 3 billion tonnes of CO_2eq through additional forest and tree cover by 2030.

(b) Developed countries had committed to a mobilization goal of US $100 billion per year, by 2020. The Glasgow Climate Pact noted with deep regret that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 has not yet been met. In this regard the COP 26 has requested the Standing Committee on Finance to the UNFCCC to prepare a report in 2022 on progress towards achieving the goal of mobilizing jointly US $ 100 billion per year to address the needs of developing countries. As regards India's climate actions are concerned, it has so far been largely financed from domestic resources. As per India's Third Biennial Update Report (BUR) to the UNFCCC in February 2021, the domestic mobilization fully overshadows the sum total of international funding. During 2014 to 2019, while Global Environment Facility and Green Climate Fund have provided grants to a total of only US $ 165.25 million, the corresponding domestic mobilization amounts to US$ 1.374 billion.

(c) Currently, India does not have an explicit carbon tax or other market-based mechanism to price carbon, but it does have an array of schemes and mechanisms that put an implicit price on carbon. In fact, India has introduced many measures, regulatory and fiscal, to reduce India's carbon footprint.

(d) It is the endeavour of the Government to promote non-fossil based energy resources and increase its share in the electricity mix. In this context, the important steps which have been taken by the Government include-

- Perform Achieve and Trade (PAT) scheme, targeting carbon emission reduction in 13 energy intensive sectors;
- Permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route in the renewable energy sector;
- Waiver of inter State Transmission System (ISTS) charges for inter-State sale of solar and wind power for projects;
- Declaration of trajectory for Renewable Purchase Obligation (RPO);
- Setting up of Renewable Energy parks;
- Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM);
- Rooftop Solar Programme;
- Laying of new transmission lines and creating new sub-station capacity for evacuation of renewable power;
- Notification of standards for deployment of solar photovoltaic system/devices;
- Setting up of Project Development Cell for attracting and facilitating investments;
- Standard Bidding Guidelines for tariff based competitive bidding for procurement of Power from Grid Connected Solar PV and Wind Projects;
- Government has issued orders that power shall be dispatched against Letter of Credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators; and

- Conducting skill development programmes to create a pool of skilled manpower for implementation, operation and maintenance of RE projects.

Further, India has announced the National Hydrogen Mission for generating hydrogen from green energy sources.

As a result of various programmes initiated by the Government, India is currently at number four in the world in installed renewable energy capacity, India's non-fossil fuel energy has increased by more than 25 % in the last 7 years and it has reached 40 per cent of India's energy mix.

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