



General Studies-3; Topic: Conservation, environmental pollution and degradation, environmental impact assessment.

Climate Funding

Introduction

- Rising carbon emissions and biodiversity losses pose one of the gravest threats to the existence of mankind.
- This calls for innovative finance solutions to deal with the crises.

Climate Finance

- Climate finance generally refers to **finance for activities aiming to mitigate or adapt to the impacts of climate change.**
- However, it sometimes conflated with the related concepts of green finance, sustainable finance, and low-carbon finance.

Recent commitments on climate and biodiversity

- A **Loss and Damage (L&D) Fund** was established at the 27th Conference of Parties to the UNFCCC.
- The Fund aims to assist developing countries that are 'particularly vulnerable' to the adverse effects of climate change.
- The 15th Conference of Parties to Convention on Biodiversity resulted in a global commitment to raise international financial flows from developed to developing countries by 2030.
- The **G20 Bali Leaders' declaration** too called for financing to support the achievement of SDGs in lower- and middle-income countries.
- A number of funds have been created over the last 30 years.
- These include **Green Climate Fund, Adaptation Fund, and Special Climate Change Fund** for supporting global climate and environmental financing efforts.

- There are various proposals such as a Global Carbon Tax, Digital Services Tax, Property Tax, Airplane Tax, cesses on carbon emissions, climate resilience and climate adaptation, etc.

Sustainable development goals (SDGs)

- SDG 13 calls upon states to take urgent action to combat climate change and its impacts.
- SDG 15.5 calls for taking urgent action to reduce the degradation of natural habitats and halt the loss of biodiversity.

Concerns / Challenges

- **Rich countries did not meet the annual \$100 billion commitment made at the 2009 Copenhagen Summit.**
- The \$100 billion goal was determined by political negotiations, and only partly based on scientific evidence of the needs of developing countries
- The gap between requirements and commitment still exists and is widening.
- The ill effects of climate and biodiversity losses take a toll on the planet and the human race.

Way Forward

- Targets set by the international community can only be met if it follows up with timely allocation of the required funds.
- Need innovative solutions with a clear implementation strategy that are free from political vagaries.
- Private capital financing has a vital role in plugging the gaps for global sustainable financing.