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Published in Outlook Business
Nov 11, 2024 | 11:36 AM IST

Amid Global Uncertainty over Trump's Win, Can India Take the Lead to Move Climate Action Ahead?

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Trump will be the 47th president of the United States. Never has the issue of climate action so closely been associated with the choice of a political leader. Maybe in the case of Trump, who is such a decisive and sometimes divisive figure, it is! As the world prepares for another Trump presidency, the stakes for climate action have never been higher.

Under his previous term, Trump was very bold with his stance on climate realities, formally pulling the United States out of the Paris Agreement. This single decision sent shockwaves across the international community, casting doubt on the commitment of one of the world's most influential nations to lead by example to tackle climate crisis.

Such a move, that has a possibility of occurring again, would be a major blow to global climate negotiations, setting an example for other countries to follow suit and undermining years of painstaking progress.

Countering the Trump Factor

For developing nations such as India, this could be especially discouraging and damaging. The US has historically been an important global ally in global climate negotiations, advocating for equitable distribution of climate responsibilities and supporting the much-needed technology transfers and climate finance that the developing countries depend on.

It's not just about diplomacy; there's hard cash on the line too. Under the Biden administration, the US funding for international climate action increased significantly. Biden's US International Climate Finance Plan allocated \$11bn in 2024 alone to help emerging economies, while contributions to the Green Climate Fund and other mechanisms were ramped up. Trump, however, had previously slashed the US contributions to these funds and he could well repeat this in his new term.

Meanwhile, Trump's domestic energy policies are likely to return the focus on fossil fuels. He has openly pledged to boost fossil fuel production, which would almost certainly mean deregulating the industry and opening more federal lands for drilling. Under Biden, the US had made unprecedented investments in clean energy, driven by laws like the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, which combined infrastructure upgrades with green energy advancements. These investments have not only benefitted the US but also created ripple effects across the global green tech market, making renewable energy more accessible and affordable worldwide. Trump's approach to fossil fuels, however, could stall this progress and slow down the momentum toward a global clean energy transition.

The irony is that Trump, while not aligned with the global climate action agenda has Elon Musk, a practising Climate Action leader, as his close advisor. While Biden who led the US from the front on climate action, never allowed Musk to get close.

What India Could Do

With Washington's climate leadership at risk, there's an interesting question to ponder on: Could India step up to fill the void when it comes to resolving the climate action-inaction dilemma? If the US pulls back, it opens space for another nation to assert itself as a leader in climate action. India, with its ambitious renewable energy targets and growing investments in sustainability, could potentially seize this opportunity. However, to genuinely lead, India would need to make substantial strides—not only strengthening its own climate goals, but also solidifying its position in global forums and pushing for increased climate finance for developing nations.

Historically, India has been a champion at taking the cause of climate justice forward based on common but differentiated responsibilities and subsequently has been able to bridge the gap between developed and developing nations, keeping interests and priorities of both intact. The basis for India's stance and negotiations has always been considering historical emissions as well and not just current. For India to lead the stage from front, it is important for it to up its domestic game.

India has already shown leadership in the areas of economy and trade, but the task at hand for the country with respect to climate change is absolutely different. It is focused on deriving a new model of growth because the traditional model doesn't allow for growth and decarbonisation to happen simultaneously.

With Europe and the United States seeking alternatives to reduce their reliance on China for clean industry supply chains, India is strengthening its own manufacturing sector through the Make in India initiative, positioning itself as a viable supplier and strategic partner. What is needed at this stage is first, regulations and frameworks to build capacities, provide enhanced access to green finance and ensure sustainability compliance for Indian companies, so the country is successfully able to meet greening requirements.

Second, while India is relying on developed countries for green finance, it must also build capacities for accessing domestic finance. This is likely to happen by mobilising financial resources in the private sector and at the same time, finding the perfect blend for financial instruments such as equity, debt, bonds, grants, philanthropic capital and blended finance instruments. Ensuring viability of such instruments backed by policy and action will be key.

Third, India should exclusively finance climate-focused R&D. It is only this action that will give India the much-anticipated lead in fighting the climate crisis. Many of the technologies essential for tackling the climate crisis are yet to be commercialised and some are still awaiting discovery. Now is the time when India needs to assert itself as a creator and an innovator of climate technology and not just a country that is buying technology at a premium from other countries.

Further innovation in technologies such as green hydrogen has the capability to make India a market leader in climate technology. This also presents an opportunity to sustainably leverage start-ups in the climate tech space and not just rely on large corporate houses. The climate tech venture capital funding in India over 2016–2021 stood at a miniscule \$1bn by some estimates, compared to approximately \$15bn in Europe, \$20bn in China, and almost \$50bn in the United States.

India is poised to play a significant role in the fight against climate change. However, before we preach, it is important we meet our own targets. India's position internationally will also be determined by the geopolitical and trade stance which the US and China take, both individually and collectively. For us, meeting our targets through innovation, access to finance and enhanced capacities of our institutions and individuals will be at the core of our response.

Further, climate action must be devolved to states, sectors, industries and the individual. This approach will not only strengthen India's resilience against climate challenges, but also position the country as a credible and proactive leader on the global climate stage.