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COP30 in Brazil in November 2025: Options for India

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Summary

Th United Nations Climate Change Conference (COP30) is scheduled to be held in Brazil in November 2025. While the United States has announced its withdrawal from the Paris Agreement, India has declared its commitment to achieve net-zero emissions by 2070. This will require recalibration of its Nationally Determined Contributions, preparing a firm roadmap for declining reliance on fossil fuels and devising avenues for funding its climate change initiatives.

The 2025 United Nations Climate Change Conference (COP30) will be held in Brazil from 10 to 21 November 2025. It will bring together 198 countries to address the global threat posed by climate change. The main themes of COP30 include reducing greenhouse gas emissions, adaptation to climate change and climate finance for the developing countries. COP30 will be a pivotal moment for advancing international climate negotiations, given the urgency to meet the Paris Agreement goals.

The COP30 meeting will be held under the shadow of the withdrawal of the United States (US) from the Paris Agreement on climate change. This is the second time that the US has withdrawn from the agreement. During his first term, President Donald Trump initiated the withdrawal process, which took some time to fully materialise due to the agreement's provisions. The US re-joined the agreement shortly after President Joe Biden took office in 2021. The present withdrawal is partly motivated by Trump's focus on fossil fuel production and his view that the agreement hinders the US' economic interests. The US rescinding its financial commitments will reduce the already insufficient funds intended for the developing countries to mitigate and adapt to the climate crisis. The US' contributions accounted for 12 per cent of climate finance for the developed countries in 2022. Although weakened, analysts believe that global climate action will continue as multilateral climate action has proven resilient.

Experts agree that combined mitigation commitments agreed to by all the countries in COP26 may not keep global warming within the limits decided. The targeted 1.5°C limit is likely to be breached in the next five years, and unless much stronger action is taken, global warming could reach at least 2.4°C by the end of the century. It was expected that countries would prepare stronger terms for the 2025-30 period to mitigate the risk before the ensuing conference, but various geo-political exigencies have derailed the commitments. Added to this was the rather poor response of the developed countries to fund the efforts of developing countries. The estimation was that the developing countries would need $1.3 trillion in annual external assistance by 2035, but the developed countries were willing to provide only $300 billion per year by 2035.

Options Before India

Against the background of the strong stand taken by the Indian leadership in the G20 meeting in New Delhi, India should strive to create a roadmap for attaining net-zero emissions by 2070. Any policy initiative designed to match climate change commitments with the declared objective of becoming a developed country by 2047 will have to be done by tweaking India's energy production programmes appropriately. India's attempts to harness a greater amount of power from renewable sources would be insufficient to fund the desired rate of economic growth. Hence, while the reliance on fossil fuels to support economic growth cannot be downplayed, a roadmap to ensure declining reliance on it will have to be firmed up. Experts have proposed that coal production should peak by 2035, and thereupon, other alternative sources should be developed to control emissions. It is not their case that coal-based energy production can be replaced by other sources in the 2030s; yet the winding down of such dependence should commence in that period.

The Indian government has undertaken steps to bolster its nuclear power-generating capacity. India currently has 25 operable nuclear energy reactors with an installed capacity of 8.88 gigawatts (GW). This is barely three per cent of the energy requirement of the country. It is informed that eight more reactors with 6.6 GW capacity are under construction, and another 10 units with 7 GW capacity are in the pipeline. Efforts are underway to strengthen public perception and enhance awareness about nuclear energy's safety and benefits, faster land acquisition, streamline regulatory approval for projects, introduce tax concessions, secure diversified uranium fuel sources and build skilled manpower capacity.

In order to achieve this objective, the Nationally Determined Contributions will have to be recalibrated to indicate the expansion in renewable energy generating capacity that will be needed. The current target of 500 gigawatts of non-fossil generation capacity by 2030 should be doubled to 1,000 gigawatts by 2035. This, no doubt, will require redoubled efforts to identify the critical constraints that hold back expansion and take corrective steps. The targets will have to delineate the share of electric vehicles in sales of vehicles, along with incentives on tax and registration charges for such vehicles. Railways have undertaken electrification along all routes but will need to take a larger share in modes of public transportation.

Raising Additional Resources

The other challenge will be to raise sufficient resources to meet these objectives. India will have to rely upon funds generated from multi-lateral development institutions as well as foreign investment towards its green energy projects. At present, debt financing accounts for about half of the investments in the global energy sector and is associated with projects with low technology risks and predictable long-term revenues like wind and solar power, which have tied up purchase agreements. However, such financing has to contend with off-take risks, interest rate risks, currency risks and regulatory risks. In the Indian context, the use of sovereign guarantees provides the lenders of high-risk projects the assurance that, in the event the primary debtor is unable to service the debt, the central government will assume the responsibility. Government guarantees are normally extended for the following purposes:

1. Improving the viability of projects being undertaken by central government entities;
2. Enabling public sector companies to raise resources on more favourable terms; and
3. Fulfilling the requirement in cases where sovereign guarantee is a precondition for concessional loans to public sector companies.

Success to facilitate a green transition depends on robust policy support, innovative technology, international collaboration and significant investment in sustainable infrastructure and clean technologies. Balancing economic growth with environmental responsibility is essential for a resilient and sustainable future.

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