



Climate Action and Finance Mobilisation Dialogue: India-US

Why in News

Recently, US Special Presidential Envoy for Climate, along with India's Union Minister for Environment, Forests and [Climate Change](#) launched the **Climate Action and Finance Mobilisation Dialogue (CAFMD)** between the two countries.

- India has so far **abstained from committing to a [net zero goal](#)** but is on a **climate pathway that is compatible** with keeping global temperatures to below 2 degree celsius by the end of the century.

Key Points

▪ About:

- It is **one of the two tracks of the India-US Climate and Clean Energy Agenda 2030** partnership launched at the [Leaders' Summit on Climate](#) in April 2021.
 - Earlier, the [revamped US-India Strategic Clean Energy Partnership SCEP](#) (first track) was launched.
- It will provide both countries an **opportunity to renew collaborations on climate change while addressing financing aspects and deliver climate finances** primarily as grants and concessional finance as envisaged under the [Paris Agreement](#).
- It will also **help to demonstrate how the world can align swift climate action** with inclusive and resilient economic development, taking into account national circumstances and sustainable development priorities.

▪ Pillars to the CAFM:

◦ Climate Action Pillar:

- It would have **joint proposals looking at ways in which emissions could be reduced** in the next decade.

◦ Finance Pillar:

- Through this the **US will collaborate in attracting capital and enhancing the enabling environment** to deploy 450 GW of renewable energy capacity in India and demonstrate and scale innovative clean energy technologies and promote bilateral clean energy investment and trade.

◦ Adaptation and Resilience:

- The two countries will collaborate in building capacities to **“measure and manage climate risks”**.

▪ Opportunities for India:

- There's never been a better time to invest in the energy transition. **Renewable energy is cheaper than ever.**
- In fact, **it is cheaper to build a solar farm in India than anywhere else** on the planet.

- Investors are now moving to clean energy all around the world and **the energy transition is already rebounding after the worst of the pandemic** and is now on track to smash the pre-pandemic record of 8.4 billion USD invested in one year.
- The **International Energy Agency** forecasts that if India seizes the clean energy opportunity, it could become the world's largest market for batteries and solar panels.
 - Currently **India's installed power capacity is projected to be 476 GW by 2021-22** and is expected to rise to at least **817 GW by 2030**.

Source: TH

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