



Loss and Damage Funding for Climate Damages

For Prelims: COP27 summit, Loss and Damage Funding, greenhouse gas emissions, global warming, Warsaw International Mechanism on Loss and Damages, Green Climate Fund

For Mains: Environmental Pollution & Degradation

Why in News?

At the recently concluded [COP27 summit](#), delegates from the [United Nations](#) agreed to create a **'Loss and Damages' fund** which will compensate the most vulnerable countries for their losses due to climate-related disasters.

What is 'Loss and Damage' Funding?

- 'Loss and Damage' **refers to impacts of climate change that cannot be avoided either by mitigation** (cutting [greenhouse gas emissions](#)) or adaptation (modifying practices to buffer against climate change impacts).
- They also include **not only economic damage to property but also loss of livelihoods**, and the destruction of biodiversity and sites that have cultural importance.
- This **broadens the scope for affected nations** to claim compensation.

How has the Concept of Loss and Damage Evolved?

- Since the [United Nations Framework Convention on Climate Change](#) was formed in the early 1990s, loss and damage due to climate change have been debated.
- The **Least Developed Countries** Group has **long aimed to establish accountability and compensation for loss and destruction**.
 - However, historically blamed for the climate catastrophe, **rich countries have overlooked the concerns of vulnerable countries**.
- [Warsaw International Mechanism on Loss and Damages \(WIM\)](#) was founded in 2013 without funding after extensive pressure from developing countries.
 - However, during the [2021 COP26 climate summit in Glasgow](#), a 3-year task force was established to consider a funding arrangement for loss and damage.
- So far, **Canada, Denmark, Germany, New Zealand, Scotland and the Belgian province of Wallonia** have all **expressed interest in loss and damage funding**.

What are the Concerns regarding the Establishment of the Fund?

- As far as future COP negotiations are concerned, **it only commits to creating a fund and leaves it up to discussion how it will be set up** and, most importantly, who will contribute to it.
 - While there have been nominal commitments by certain countries to donate to such a fund, the estimated L&D is already over **USD 500 billion**.
 - During negotiations in COP27, the [European Union](#) **pressed hard for China, the Arab**

states and “large, developing countries” (probably even India) to contribute on the grounds that they were large emitters.

- There is **no agreement yet on what counts as "loss and damage"** caused by climate change - which could include **infrastructure damage, property damage, and cultural assets whose value is hard to quantify.**
 - Climate funding so far has **focused mostly on cutting carbon dioxide emissions** in an effort to curb **global warming**, while about a third of it has gone toward projects to help communities adapt to future impacts.

What are India's Related Initiatives?

- **National Adaptation Fund for Climate Change (NAFCC):**
 - It was established in 2015 to meet the cost of adaptation to climate change for the State and Union Territories of India that are particularly vulnerable to the adverse effects of climate change.
- **National Clean Energy Fund:**
 - The Fund was created to promote clean energy, and funded through an initial **carbon tax** on the use of coal by industries.
 - It is governed by an Inter-Ministerial Group with the Finance Secretary as the Chairman.
 - Its mandate is to fund research and development of innovative **clean energy technology** in the fossil and non-fossil fuel-based sectors.
- **National Adaptation Fund:**
 - The fund was established in 2014 with a corpus of Rs. 100 crores with the aim of bridging the gap between the need and the available funds.
 - The fund is operated under the Ministry of Environment, Forests, and Climate Change (MoEF&CC).

Way Forward

- While the gain is incremental, **countries ought not to lose momentum and must work harder to ensure that COPs remain credible catalysts** and are not mere occasions for some hollow victories.
- Further, there is a need to **sustain a political commitment to raising new finance**, besides, ensuring that finance is better targeted at reducing emissions and vulnerability. Learning and improving from recent experiences, particularly as the **Green Climate Fund** gets to work.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. Which of the following statements is/are correct about the deposits of ‘methane hydrate’? (2019)

1. Global warming might trigger the release of methane gas from these deposits.
2. Large deposits of ‘methane hydrate’ are found in Arctic Tundra and under the sea floor.
3. Methane in atmosphere oxidizes to carbon dioxide after a decade or two.

Select the correct answer using the code given below.

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (d)

- Methane hydrate is a crystalline solid that consists of a methane molecule surrounded by a cage of interlocking water molecules. It is an “ice” that only occurs naturally in subsurface deposits where temperature and pressure conditions are favourable for its formation.
- Regions with suitable temperature and pressure conditions for the formation and stability of methane hydrate– sediment and sedimentary rock units below the Arctic permafrost; sedimentary deposits along continental margins; deep-water sediments of inland lakes and seas; and, under Antarctic ice. **Hence, statement 2 is correct.**
- Methane hydrates, the sensitive sediments, can rapidly dissociate with an increase in temperature or a decrease in pressure. The dissociation produces free methane and water, which can be triggered by global warming. **Hence, statement 1 is correct.**
- Methane is removed from the atmosphere in about 9 to 12 year period by oxidation reaction where it is converted into Carbon Dioxide. **Hence, statement 3 is correct. Therefore, option (d) is the correct answer.**

Mains

Q. Explain the purpose of the Green Grid Initiative launched at World Leaders Summit of the COP26 UN Climate Change Conference in Glasgow in November, 2021. When was this idea first floated in the International Solar Alliance (ISA)? **(2021)**

Q. Describe the major outcomes of the 26th session of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). What are the commitments made by India in this conference? **(2021)**

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