14/5/22

Banking system need to factor in the climate risk in order to attain the goal of carbon neutrality by 2070.

Climate risk and financial burden :

As per the National disaster Management Authority floods alone causes ₹ 1,805 crore loss which is also contributed by the change of climate in India.

$\boxed{\text{Climate risk – Carbon neutrality 2070 = Banking reform?}}$

- Cop 26 summit of Glasgow intended to reduce the global temperature by 2°C (or) 1.5°C, where India was intended to cut down the carbon emission by bring neutrality in 2070.
- Carbon neutrality is sustainable with green funding and estimating the economy of green destruction.
- To encourage green, various government and private banks in India such as Tata Sons, State Bank of India and HDFC etc., provides green fund.
- To mitigate the lose of 3% of GDP by 2070 i.e., $ 35 trillion the climate preparedness fund of 34 largest scheduled commercial banks must be expanded.

Sustainable growth ✱ Climate risk → damage to life & property → Financial stability → Preparedness + Technology → Sustainable growth

Climate change + finance

Finance + resilient Technology = Reduced impact of climate change.

Carbon neutrality measures by Government of India:

1) Kerala's Meenangadi village have been taken for launching carbon neutrality project. (2016)

2) "Palli" panchayat of Jammu & Kashmir Union Territory has become the 1st carbon neutral panchayat of India.

3) Provision of subsidised LPG cylinders to the rural household (PM Ujjwala Scheme)

4) Subsidised Electric vehicles and green credits for the nurseries and forest dwellers for maintaining green cover.

5) Subsidized installation of Solar panels from 30 to 70%.

Way forward:

Though the Government provides innovative schemes and funds yet not reached the many population due to ease of Banking and financial priority to other sectors. So, the coordination and eye-on-eye monitoring will make carbon neutrality goal achievable through personal aspect.

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