

2 In addition to market based instruments a regulatory framework is the need of hour to mitigate impact of CC.

Explain

The Reserve Bank stated that India needs \$2.5 trillion to meet the climate pledges by 2030. India had also updated the Nationally Determined contribution to reduce 45% of energy intensity by 2030 and 50% of electricity from non-fossil based energy.

India's journey

We have been prompt to fight climate change. We achieved our Paris goal of meeting 30% of energy needs through renewables. Regulatory reforms such as Bharat Stage VI and vehicle scrapping policy have been introduced.

Production linked incentive schemes electric vehicles and advanced chemistry cell have been launched. A robust green tax framework can result in greater mobilization of funds.

A greentax framework

A green tax is tax levied on activities that result in harmful effects to the environment. A green tax of 10-15% on transport vehicle is laid for those older than 8 years currently.

A greentax will push the business and policy makers to migrate for energy efficient technologies. It can help the products to escape the European Union's Carbon Border Adjustment Mechanism.

Government support - the GST on electric vehicles and chargers is 5% and 18% on EV charging services which can be eliminated. Toll exemptions to EVs can greatly abstract EV adoption.

The coal-cess has led to greener methods of power generation which use a green tax. Similar taxes in tandem with industries and GST cannot must be levied to fight climate mess.