

Green Financing

FIBAC PANEL DISCUSSION

NOVEMBER 2022

PANEL QUESTION

How are you seeing Green / Climate financing shape up in India?

India - early moves...



North Star national ambitions for climate action

- 2070 Net Zero
- 50% renewable energy targets, etc.



Thought leadership from RBI on climate risk management

- Inclusion of renewable energy in priority sector lending in 2015(1)
- NGFS(2) membership in 2021 with 114 other central banks
- Discussion paper on climate risk & sustainable finance, survey of 34 SCBs...



Strong regulatory and policy incentives

Viability gap funding, PAT Scheme (3) domestic, proposed carbon markets etc.

1. bank loans up to a limit of Rs 15 crore to borrowers for purposes like solar based power generators, biomass based power generators, wind mills, micro-hydel plants and for non-conventional energy based public utilities viz. street lighting systems, and remote village electrification. For individual households, the loan limit will be Rs 10 lakh per borrower

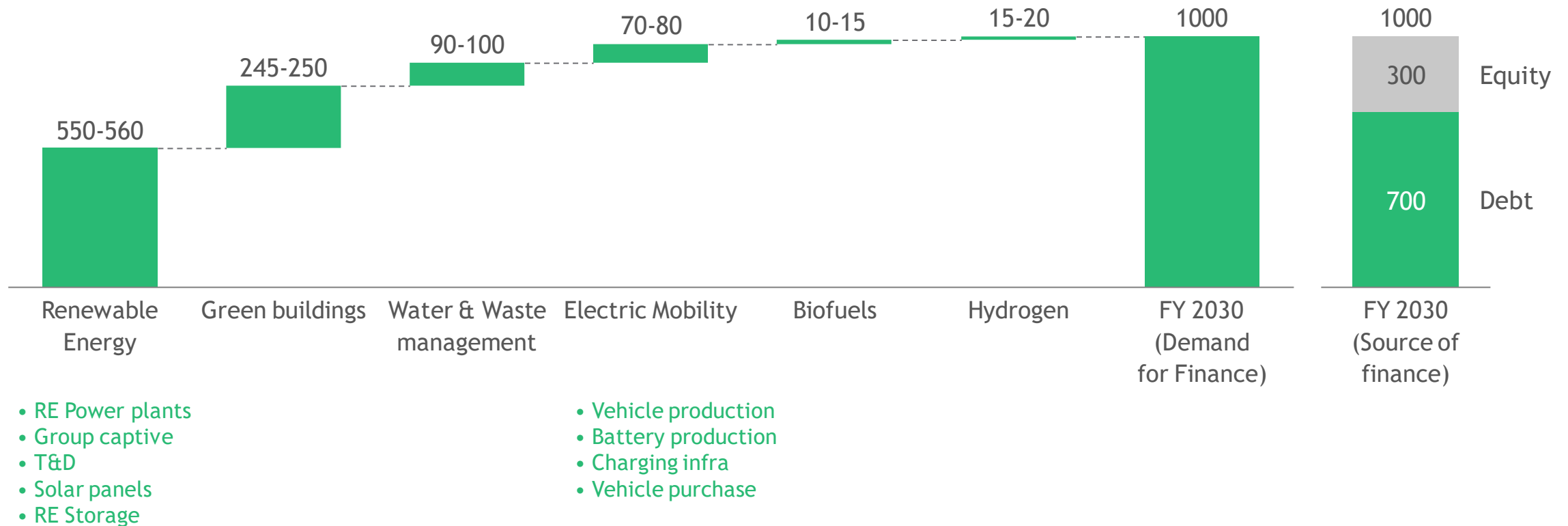
2. NGFS = Network of Central Banks and Supervisors for Greening the Financial System

3. Perform Achieve and Trade (PAT) scheme is a flagship programme of Bureau of Energy Efficiency under the National Mission for Enhanced Energy Efficiency

Climate transition finance

\$1T investment by 2030 - Opportunity or Obligation?

Investment required across sectors by 2030 (in billion \$)



Source: IEA Energy outlook, IGBC, FAME, Ministry of Power, BCG analysis
Based on India's climate commitment on RE by 2030

Question for audience

Are you optimistic that Indian FS will gear up for climate financing over next 5 years?

YES

NO

PANEL QUESTION

How is your institution gearing up?

PANEL QUESTION

What innovation is required?

Question for audience

How much is the Green / Bio ecosystem worth relative to India's GDP?

1 $\frac{1}{2}$ of India's GDP

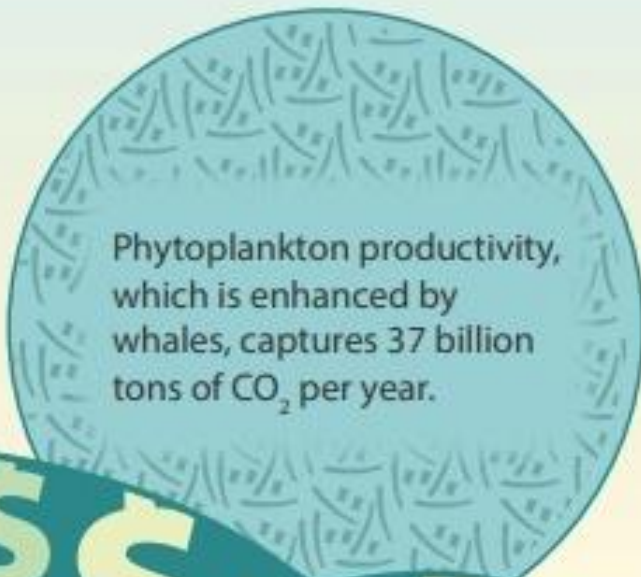
2 As large as India's GDP

3 1.5x India's GDP


How much is one whale worth?




Fishing industry estimated at over \$150 billion. Whales contribute to the food web chain and increased fish stocks.




Phytoplankton productivity, which is enhanced by whales, captures 37 billion tons of CO₂ per year.



Each whale sequesters 33 tons of CO₂, on average, when it dies and sinks to the ocean floor.



Whale watching industry estimated at over \$2 billion globally.



Question for audience

How much of India's SCB credit is exposed to green ecosystem?

1

25%

2

50%

3

80%

PANEL QUESTION

What are the hurdles?

PANEL QUESTION

Any policy recommendations?

Audience Q&A

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