Landscape of Green Finance in India

September 11, 2020
A first-of-its-kind study presenting the most comprehensive information on green investments in India for FY 2017 and 2018.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Output</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Estimate total amount of green finance</td>
<td>• A comprehensive report</td>
<td>• Quantum and nature of public and private mitigation investments</td>
</tr>
<tr>
<td>• Identify data gaps, challenges and inconsistencies</td>
<td>• Sankey diagram</td>
<td>• Identification of data gaps and limitation</td>
</tr>
<tr>
<td></td>
<td>• Roadmap for creation of an online Measurement and Reporting portal</td>
<td></td>
</tr>
</tbody>
</table>
Scope and Methodology

- **Timeframe:** FY 2017 and FY 2018
- **Sectors:** Power Generation, Energy Efficiency and Power Transmission, Sustainable Transportation
- **Instruments:** Debt, Equity, Grants
- **Scope of accounting:** Disbursements as opposed to commitments
- **Taxonomy:** ‘Green Finance Taxonomy’ developed by CPI and cKinetics
- **Methodology Document:** Background paper
Sankey Diagram
Sources - Domestic private finance actors contributed the largest share (56%) INR 139 thousand crores (USD 21 billion)

Breakdown of Sources of Finance by Origin and Channel of Delivery
Instruments - Debt, through project or corporate finance, was the largest financial instrument used to channel green finance, **INR 70 thousand crores/year (54%)**
Power Generation

Breakdown by sub-sector

- Solar: 54%
- Wind: 31%
- Multiple: 14%
- Policy support & research: 1%
- Hydro: 1%
- Other RE: 0%
Power Transmission and Energy Efficiency

Key role of Public Sector Undertakings: ~34%*
Power Transmission and Energy Efficiency

Key role of Public Sector Undertakings: ~34%*

Breakdown by Source of Finance

- PSUs: 7068.1 INR Crores (34%)
- Government Budgets: 1671.6 INR Crores (33%)
- DFI Bilateral: 4561.6 INR Crores (22%)
- DFI Multilateral: 1904.2 INR Crores (9%)
- Residential, Commercial & Institutional: 282.8 INR Crores (1%)
- Philanthropy: 38.3 INR Crores (0.5%)
Sustainable Transportation
Nascent industry in FY 17&18 led by 3-wheeler (rickshaw) sales and MRTS investments

Low-carbon transport constituted 12% of total tracked green investments, totaling to INR 27.50 thousand crores.
Observations and next steps
Data Gaps and Limitations

- Non-availability of **data on disbursements**
- Lack of harmonized **green taxonomy**
- **Non-standardised reporting** and non-financial disclosure policy
- **Variations in format** and categorization of inter-state data
Next Steps

- **Coverage Expansion**: Inclusion of adaptation/LULUCF
- **Improved Collaboration**: building relationships with government agencies, data providers, and other stakeholders
- **Online portal**: to present the measurement and reporting of data and user-friendly visualization
- **Designing domestic climate budget tagging framework**: similar to gender budgeting

**Steps to CBT development:**

- Identify existing PFM parameters
- Set framework to identify climate change expenditure
- Define weighting methodology
- Determine how climate change expenditure will be identified **in the PFM system**
- Design tagging procedure and reporting format
### Climate Budget Tagging and Monitoring/Reporting System

#### Tamil Nadu Annual State Budget

<table>
<thead>
<tr>
<th>DEMAND 14 ENERGY DEPARTMENT</th>
<th>Tamil Nadu Annual State Budget</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SUMMARY</th>
<th>RUPEES IN THOUSANDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>2810 NEW AND RENEWABLE ENERGY</td>
<td></td>
</tr>
<tr>
<td>02 Solar</td>
<td></td>
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<tr>
<td>800 Other Expenditure</td>
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<tr>
<td>State's Expenditure</td>
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<td>TOTAL SUB MAJOR HEAD 2810 02</td>
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<td>State's Expenditure</td>
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<td>TOTAL MAJOR HEAD 2810</td>
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<tr>
<td>TOTAL NET MAJOR HEAD 2810</td>
<td></td>
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<tr>
<td>ADD - RECOVERIES</td>
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<tr>
<td>TOTAL GROSS MAJOR HEAD 2810</td>
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</tbody>
</table>
Climate Budget Tagging and Monitoring/Reporting System

APPENDIX XXII
(See Paragraph 14.6)
FORMAT FOR FURNISHING INFORMATION ON 'GENDER BUDGETING'
(i) 100% provision towards women

<table>
<thead>
<tr>
<th>Demand No : .............</th>
<th>Name of the Ministry/Department : .........................</th>
<th>₹ in crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Details of Scheme</td>
<td>BE 2016-17</td>
<td>RE 2016-17</td>
</tr>
<tr>
<td></td>
<td>Plan</td>
<td>Non Plan</td>
</tr>
</tbody>
</table>

(ii) Pro-women (at least 30% of provision)

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Note: Two separate statements in the format prescribed above may be furnished

Director (Budget)/Deputy Secretary (Budget)
Ministry/Department ................................
Tel No. ..............................................

To
Shri T. Uthaya Kumar
Additional Budget Officer, Ministry of Finance,
Department of Economic Affairs, North Block, New Delhi
Thank You

Jolly Sinha | Shreyans Jain | Rajashree Padmanabhi