



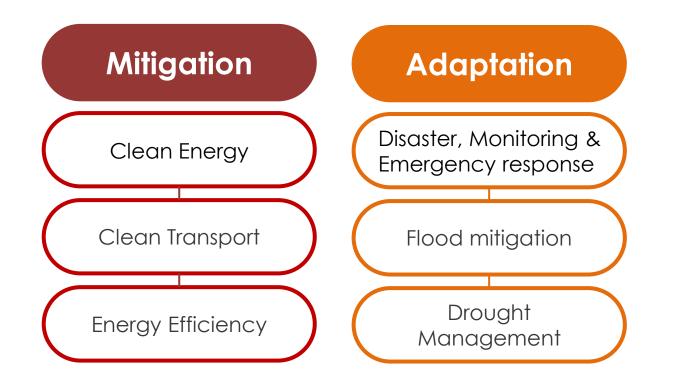
Landscape of Green Finance in India

Neha Khanna August 2022



Introduction and Scope

The study reports on **actual spending and investment data** from public and private sector for both domestic and international sources.



MITIGATION FINANCE



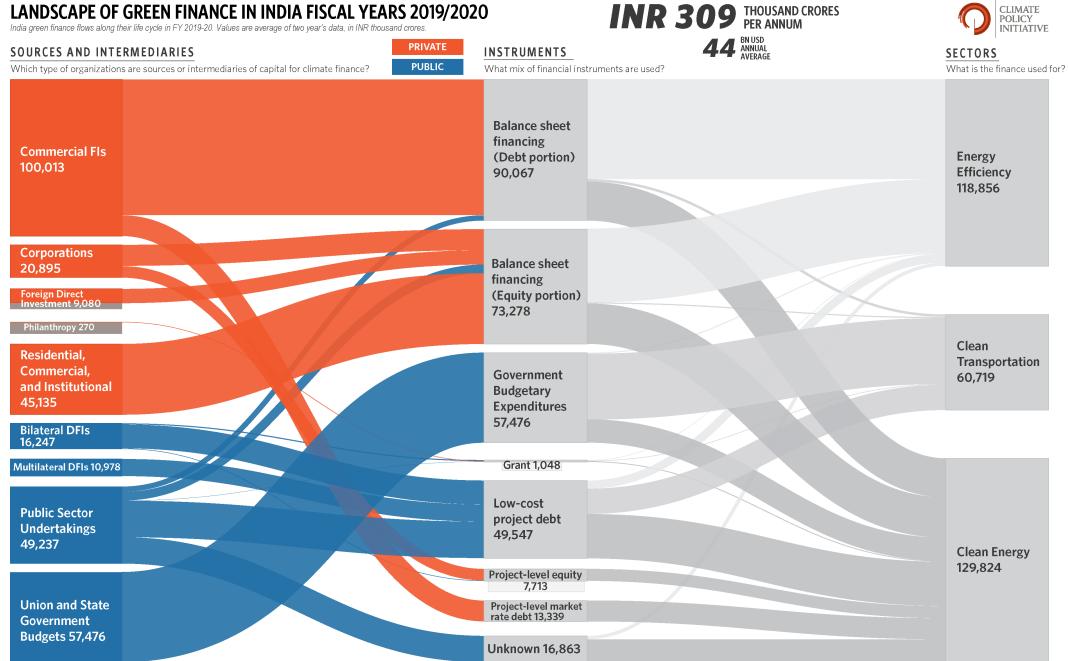
Green finance flows, while increasing, are falling short of India's estimated needs

(INR Crores) 1,200,000				
		Finance required: 1,100),000 INR Crores	
1,000,000				
800,000				
600,000				
400,000		315,983	302,821	24%
200,000 110,666	137,188			of estimated needs to meet NDCs
0 2016	2017	2018	2019	



LANDSCAPE OF GREEN FINANCE IN INDIA FISCAL YEARS 2019/2020

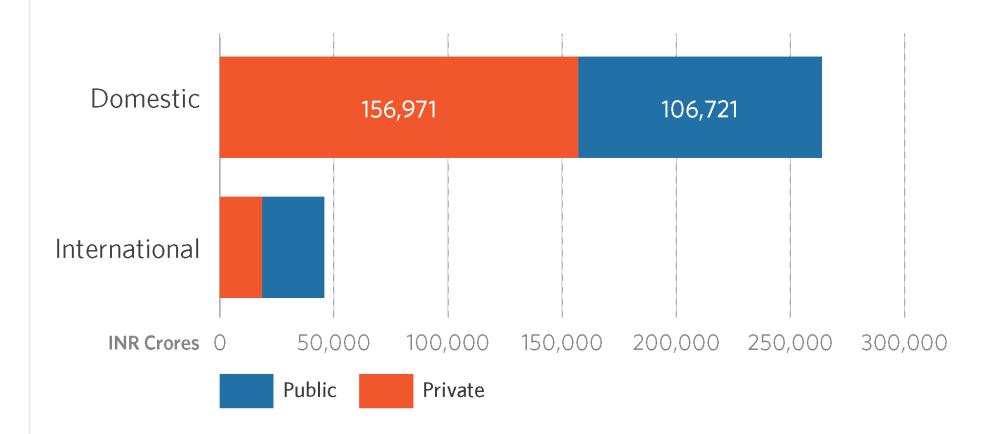
India green finance flows along their life cycle in FY 2019-20. Values are average of two year's data, in INR thousand crores.





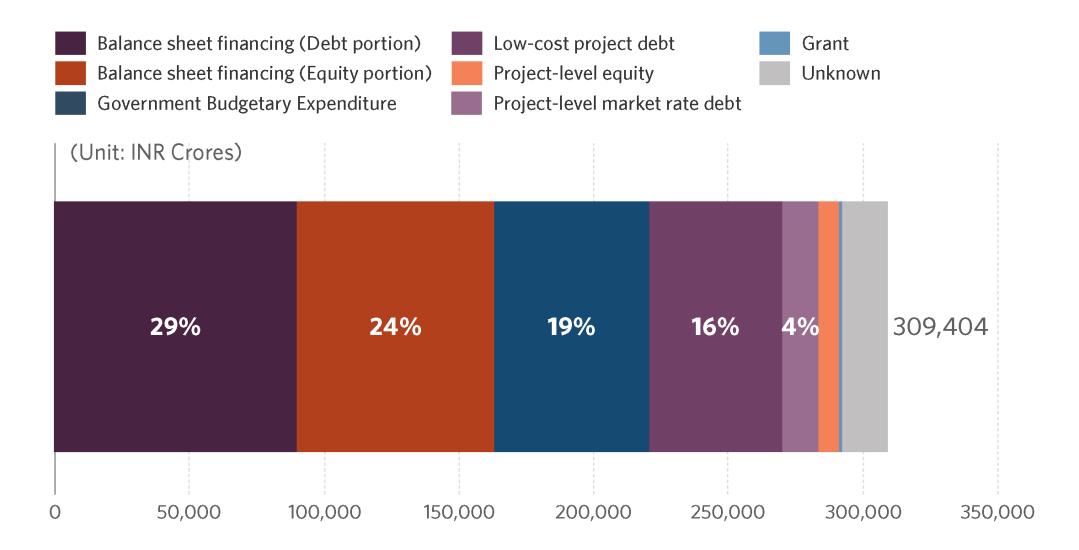
Domestic sources account for 85% of total green finance

The share of international sources increased from 13% in FY2019 to 17% in FY2020.



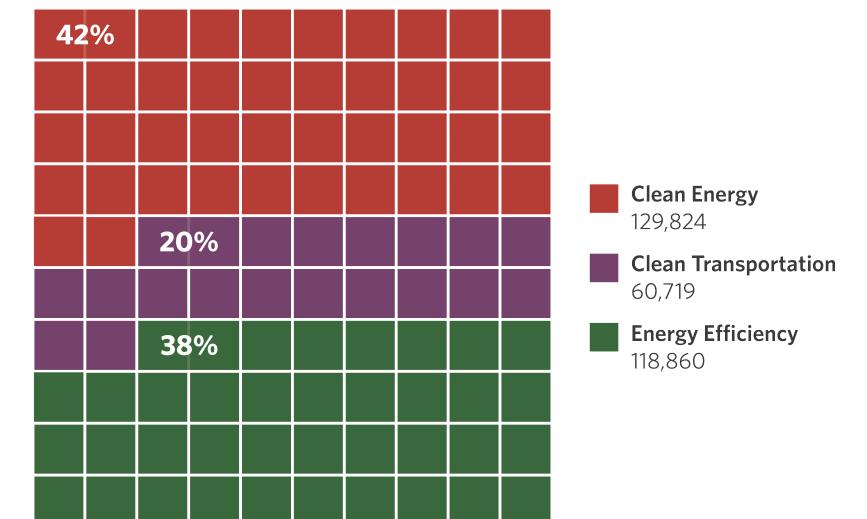


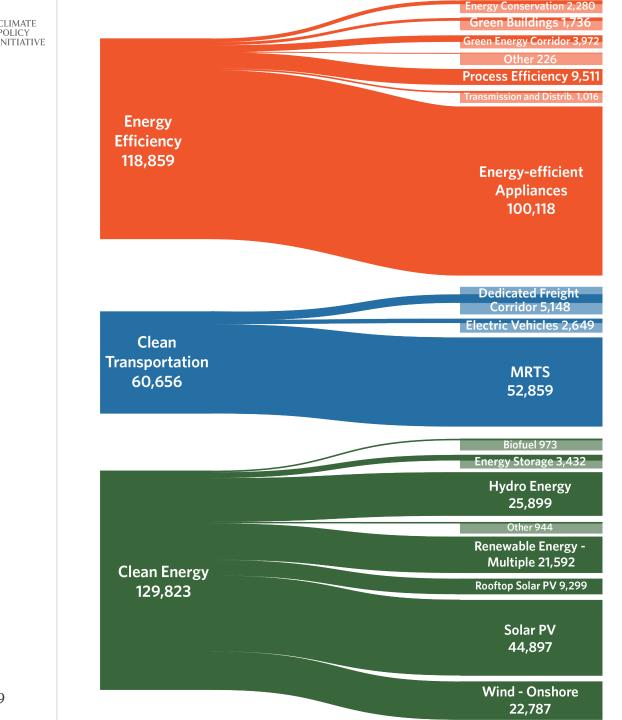
Debt accounts for about 50% of total finance flows, equity for 26%, and government and budgetary expenditure at about 19%





Total fund flow towards mitigation was almost equally split between clean energy (42%) and energy efficiency (38%) and were significantly higher than clean transport (17%)





Flows to all sectors increased.

However, these flows were limited to certain sub-sectors such as solar in clean energy segment and Mass Rapid Transport System (MRTS) in clean transport segment

OLICY

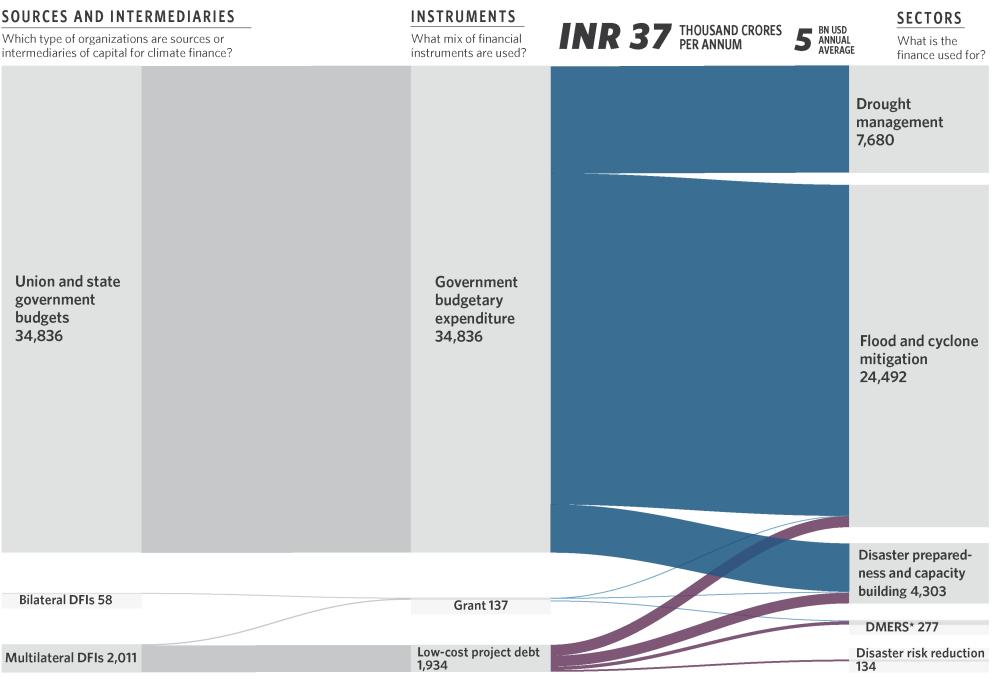
ADAPTATION FINANCE





SOURCES AND INTERMEDIARIES

Which type of organizations are sources or intermediaries of capital for climate finance?



*Disaster monitoring and emergency response system



Tracked flows showed major contribution by Government

Flood and cyclone mitigation received the largest portion of funds

94	%						1
							I
			5	%		1%	

Domestic

Government Budgetary Expenditure 34,837

International

- **Low-cost project debt** 1,934
- **Grant** 152

DATA GAPS





What are the challenges?

Difficulty in Green Tagging Non-availability & trackability of **disbursements**

Variation in granularity, format & categorisation

The **lack of a harmonized green finance taxonomy** in the country, and non-standardized reporting of data, makes green tagging of entries arbitrary.

Disbursements vs. commitments

Committed amounts are often disbursed over several years.

The Public Financial Management System does not disclose flow of finance and end use. Information on budgets and private projects vary in granularity. These can also be issued under different categories, making tracking difficult.



How do we fill the green finance gap?



Growth by 150% is appreciable; Further accelerated growth in finance flows required to achieve NDC and Panchamrit targets

There is a need to diversify green finance flows and to mainstream adaptation finance.

Policy and Regulation	Data Collection	Market based	Adaptation
	and Reporting	Incentives	Investment Plans
• Green taxonomy	 Green tagging in	 Promoting	 These plans can
	budgeting	innovative financial	point to priority
 Policy interventions for improving technology and mainstreaming supply in priority sectors 	 Standard disclosure requirements An integrated Measurement, Reporting and Verification system 	products and de- risking green investments	action areas, and guide both public and private action.

Contact -

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Global Landscape of Climate Finance: climatefinancelandscape.org

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Thank You