

# Sort out funding issues at climate meet

India Inc would be glad to walk the low carbon path, with some support from the Green Climate Fund

CHANDRAJIT BANERJEE

In a few days from now, world leaders will meet in Paris to discuss and finalise the future global compact that will entail action by all countries to limit temperature rise below 2 degree C over the pre-industrial level by 2100.

The Indian actions towards global greenhouse gas (GHG) reductions is espoused in its recently submitted Intended Nationally Determined Contributions (INDCs) to the UNFCCC, which aims at a 33-35 per cent reduction in emissions intensity by 2030 from 2005 levels. The target is challenging, in the context of the overall objective of fulfilling basic development needs.

## Ambitious target

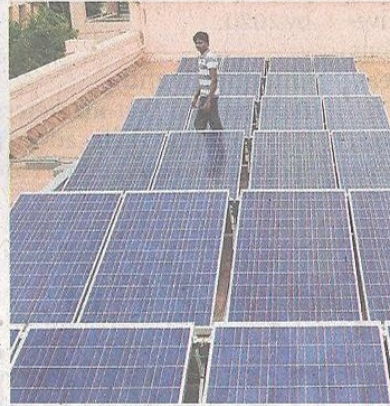
The recent policies underscore the seriousness of the government to ensure a decarbonised economy by

2030. By 2030, the country would increase renewable energy based electricity contribution to 40 per cent. The Prime Minister has laid down a plan to achieve 350 GW of renewable energy (RE) power by 2030.

This will help to meet both economic growth and emissions reductions targets through a massive replacement of the current fossil fuel intensive patterns with RE resources. The other aspect of the plan includes a steep increase in energy efficiency in the next two decades.

This would require 2.5 trillion USD by 2030, to be sourced from myriad stakeholders. Private sector funds require enabling policies and incentives.

Shifts towards cleaner sources of energy are already happening in various sectors through improve-



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ments in energy efficiency standards in heavy industries (in some we are already better than the rest of the world), implementing massive captive solar PV installations, resource conservation (water recycling and use), waste minimisation efforts, and exploring new areas of

RE deployments. The financial sector has come up with innovative financing mechanisms through floating of green bonds and the government offering reduced rates of excise and customs duty on RE installations in companies.

## Funds constraint

India Inc. expects the Paris outcome to meet the challenges of reliable and affordable solutions for technologies. This will open up the scope for South-South cooperation in areas of comparative advantage as well as develop local capacities on climate friendly technologies. Financing climate actions are going to be India Inc.'s priority.

A private sector facility in the Green Climate Fund (GCF) has already been initiated, but the flow of funds is not at scale. The government along with the international

community should ensure that the roadmap for achieving \$100 billion target during 2016-2020 is ready, so that the Indian industries can access the GCF.

A successful Paris outcome would mean meeting the commitments already enshrined in the INDC domestically.

Banks are yet to be industry friendly when it comes to climate actions, and this needs to be taken up at the earliest.

The untapped markets for rural energy access build up a case for immediate attention, which the corporate sector is willing to take up with support from government.

Indian industry looks forward to the Paris talks with an expectation of fulfilling Make in India objectives with least possible emissions.

The writer is Director-General, CII