DISCLOSURE INSIGHT ACTION

SHAPING A SUSTAINABLE FINANCIAL SYSTEM

Future-proofing global finance for a net-zero, nature-positive world

INDIA

INTRODUCTION

India is currently **the 5th largest economy in the world** with

US$5 trillion

GDP target by 2025

India's **3.5 billion tonnes CO_2e** per year represent nearly

7%

of total world emissions

The Indian economy is among the fastest growing economies globally

India is currently the fifth largest economy in the world with a US$5 trillion GDP target by 2025. According to the International Monetary Fund, the country's GDP growth has been among the highest in the world in the past decade – regularly achieving annual growth of between 6–7%[1].

However, the Indian economy contracted by 8% in FY20-21 as a result of pandemic-induced lockdown, which impacts the future growth prospects and targets[2].

Added to that is the challenge of excessive natural resource use. With an ecological footprint that is double its biocapacity, adopting a business-as-usual approach, India will not be able to sustain the wellbeing of its people or its natural capital. Therefore, the country urgently needs to bring about economic reforms that steer India in the direction of a green, fair and inclusive economy.

Climate risks add to the challenge, but also provide new opportunities

According to United Nations data, India's 3.5 billion tonnes CO_2e per year represent nearly 7% of total world emissions. At the current rate of GDP growth, even if the carbon intensity reduces by 50% by 2050 from 2005 levels, annual emissions will still be about 14 billion tonnes[3]. There is an urgent need to reduce emissions for several reasons, including:

- **Extreme weather events**
  On a per capita basis, India has hardly put much carbon into the atmosphere – 10% of the US'. Yet, India faced the highest number of fatalities (2,267) and the biggest economic loss (US$68,812 million) from extreme weather events in 2019.

- **Contributing to emissions**
  India is the fourth largest greenhouse gas emitter in the world. Projections show that India's steel demand is going to grow by a factor of roughly four by 2050. Similar calculations are being done for estimating growth in the use of cement, aluminium and chemicals – all hard-to-abate sectors.

- **Climate risks for businesses**
  The latest CDP data shows Indian companies have identified climate-related risks of around US$100 billion (INR 7,13,800 crores) within the next five years. The reported financial impact of climate-induced risks in direct operations by Indian companies is US$65 billion (INR 4,63,800 crores).

1. https://www.financialexpress.com/economy/india-may-pip-japan-to-become-3rd-largest-economy-by-2050-after-china-us/2102977/
2. https://timesofindia.indiatimes.com/business/india-business/second-covid-wave-may-derail-indias-budding-recovery-8-2-9-8-gdp-growth-in-different-scenarios-sp/articleshow/82406419.cms
3. https://currentaffairs.adda247.com/india-ranks-7th-in-global-climate-risk-index-2021-of-germanwatch/

FINANCING INDIA'S CLIMATE AND SUSTAINABILITY ACTION

US$4.5 trillion is needed to achieve India's goals for **urban sustainability** and **renewable energy** by 2040.

India's nationally-determined contribution (NDC) submission document provided a preliminary estimate, suggesting that at least US$2.5 trillion more (at 2014–15 prices) would be required than BAU to meet India's climate change actions between 2015 and 2030. A more recent estimate suggests that US$4.5 trillion is needed to achieve India's goals for urban sustainability and renewable energy by 2040.

Estimates vary across studies but the financing gap that India is facing in terms of its climate action ranges from US$75–200 billion per year. The Government of India (GoI) has a strong policy push in the area of sustainable finance with a focus on renewable energy, smart cities, waste management, mobility and climate change. Financing enablers such as Green Climate Fund, Green Environment Facilities, National Clean Energy Fund, National Adaptation Fund, together with other measures like a carbon tax, environmental cess, Compensatory Afforestation Fund Management and Planning Authority (CAMPA) revenues can strengthen the sustainable finance landscape in India. But India's public resources are limited: its annual budgeted expenditure on all sectors is approximately $300 billion per year. Limited public resources mean private finance will have to play a major role[4].

India has graduated from its low-income status and is now a lower-middle-income country according to World Bank classification. This means that access to concessional lending from the World Bank will decrease and India may not have substantial access to multilateral finance/grant funding to fill the financing gap.

It is important to note that India has been the largest recipient of loans from the World Bank, amounting to around US$102.1 billion, between 1945 and July 2015[5].

The financial sector has a crucial role to play in diverting finance from high-emitting sectors to climate-mitigating ones, while also incorporating environmental, social and economic benefits[6].

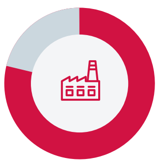
India's average green finance investment is around US$20 billion per year (It was US$17 billion in 2017 and US$21 billion in 2018). Power generation accounted for 80% of green investment. Government budgets and public sector companies account for around 30% of funding. Commercial banks account for the largest source of private sector funding at 40%[7].

Green finance in India is in its nascent stage. Green bonds, for instance, constitute only 0.7% of all the bonds issued in India since 2018, and bank lending to non-conventional energy constituted about 7.9% of outstanding bank credit to the power sector, as of March 2020. Nevertheless, India maintained a favourable position compared to several advanced and emerging economies[8].

India's average green finance investment is around **US$20 billion**/year

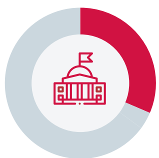
US$21 billion in 2018

US$17 billion in 2017



80%

Power generation accounted for the majority of green investment



30%

Funding accounted for by Government budgets and public sector companies

40%

Commercial banks account for the largest source of private sector funding

4. https://www.lse.ac.uk/granthaminstitute/news/what-next-for-sustainable-finance-in-india/
5. https://www.koanadvisory.com/wp-content/uploads/2019/08/Delivering_a_Sustainable_Financial_System_in_India_-_Final_report-2016Delivering_a_Sustainable_Financial_System_in_India.pdf
6. https://www.climatepolicyinitiative.org/wp-content/uploads/2020/07/Accelerating-Green-Finance-in-India_Definitions-and-Beyond.pdf
7. https://ficci.in/spdocument/23424/Sustainable-Recovery_IUKSFWG_Report.pdf
8. https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/04AR_2101202185D9B6905ADD465CB7DD280B88266F77.PDF

KEY SUSTAINABLE FINANCE POLICY ACTORS

Regulator	Responsibilities and Actions Taken
RESERVE BANK OF INDIA (RBI)	India's central bank controls the monetary and other banking policies of the Indian government. RBI initiated statements and action on green finance as early as 2007 when it issued a notification on 'Corporate Social Responsibility, Sustainable Development and Nonfinancial Reporting – Role of Banks', mentioning the importance of global warming and climate change in the context of sustainable development. Further to that, many policies and regulations have been taken forward by RBI promoting green finance. Some prominent ones include: - Inclusion of renewable energy under Priority Sector Lending[9] (2015). - RBI Report on Trends and Progress of Banking, which argued that India's banks need to be sensitised to international initiatives (such as the Equator Principles) and urged financial institutions to adhere to sustainable practices[10] (2019). - RBI study that showed that climate change has a significant impact on food price inflation[11] (2020). - RBI joining the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) (2021).
SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)	SEBI is a statutory regulatory body that monitors and regulates the Indian capital and securities market while ensuring the protection of the interests of the investors, formulating regulations and guidelines. In 2011 SEBI released national voluntary guidelines on responsibilities of business that initiated action towards green financing. SEBI proposed new norms for the issuance and listing of green bonds (2016), and the recent Business Responsibility and Sustainability Reporting (BRSR) announced by SEBI has made it mandatory for 1,000 listed companies to disclose on BRSR starting FY 2022.
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)	A regulatory body under the jurisdiction of the Ministry of Finance, IRDAI is tasked with regulating and promoting the insurance and re-insurance industries in India.
PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (PFRDA)	PFRDA is the regulatory body under the jurisdiction of the Ministry of Finance for the overall supervision and regulation of pensions in India.
CLIMATE CHANGE FINANCE UNIT (CCFU) IN THE MINISTRY OF FINANCE	The CCFU was formed within the Ministry of Finance as a coordinating agency for the various institutions responsible for green finance in India. The key functions, in addition to being the nodal agency for climate financing matters, include providing guidance and inputs to the Ministry of Environment, Forest and Climate Change to feed into climate change negotiations as well as to develop capacity to analyze emerging issues; and provide inputs into the design, operationalization and working of the Green Climate Fund as per the Cancun agreement, among others.
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY (IREDA)	A government-backed agency for promoting clean energy investments, IREDA announced plans to become India's first Green bank. The key objective of IREDA is to give financial support to specific projects and schemes for generating electricity and/or energy through new and renewable sources and conserving energy through energy efficiency.

9. The RBI has the regulatory powers to direct credit to specific sectors as provided for in the Banking Regulations Act of 1949 and the RBI Act of 1934. The Priority Sector Lending (PSL) norms are a unique feature of Indian banking.
10. https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/0RTP241219FL760D9F69321B47988DE44D68D9217A7E.PDF
11. https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/1CLIMATECHANGEF7C6AD14719E43DAA7FA84C1F8F1CFED.PDF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KEY SUSTAINABLE FINANCE POLICIES AND REGULATIONS

	Policy/Regulation	Supervisory/ Enforcement	Implementing Agency	Positioning on Sustainable Finance	Year of Implementation	Addresses Climate Change?	Addresses the Safeguarding of Water Resources?	Addresses the Protection of Forests?
1	**Solar Mission**	**MnRE**	MnRE	- Achieving 100 GW of solar power by 2022. - Enabling the policy framework for implementation of the mission. - Creating a conducive environment for developing solar manufacturing capability in the country. - Supporting research, development and capacity building activities. - Initial Government efforts were in building a corpus of funds – the National Clean Energy Fund, now known as the National Clean Energy & Environment Fund (NCEEF) – from the proceeds of coal cess (carbon tax on coal). The government-owned IREDA utilises a part of the NCEEF to lend to banks at a 2% interest rate, which is further loaned out for renewable energy projects at a concessional interest rate. - In a bid to promote the domestic manufacturing of solar panels, the Indian government in July 2018 imposed a safeguard duty for two years - 25% for the first year, 20% for the next six months, and 15% for the final six months[12].	**2010 – current**	**X**	-	-
2	**National Mission on EE (NMEE)**	**Ministry of Power**	Bureau of Energy Efficiency	- Energy incentives, including reduced taxes on energy-efficient appliances. - Financing a public-private partnership to reduce energy consumption through demand-side management programmes in municipal buildings and the agricultural sector. - NMEEE includes four initiatives: Perform, Achieve and Trade; Energy Efficiency Financing Platform; Market Transformation for Energy Efficiency; and Framework for Energy Efficient Economic Development. - One of the key elements of the NMEEE is the FEEED, which focuses on developing fiscal instruments to promote energy efficiency financing. FEEED is designed to provide comfort to lenders with the provisions of risk guarantee for performance contracts through the Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) and equity infusion through the Venture Capital Fund for Energy Efficiency (VCFEE). - To operationalize the fund, PRGFEE rules have been notified and presently five financial institutions have been empanelled under PRGFEE: Andhra Bank, Yes Bank, Tata Cleantech Capital Limited (TCCL), IDFC Bank, and IndusInd Bank. These institutions are eligible to get a risk guarantee of up to 50% of the loan amount or INR100 million per project whichever is less (MoP, 2020a)	**2010 – current**	**X**	-	-
3	**Green India Mission**	**Ministry of Environment, Forest & CC**	Ministry of Environment, Forest & CC	- In 2018–19, INR1.59 billion has been earmarked for the Green India Mission (GIM) which marks an increase of 48.8% over the previous allocation. GIM has also taken up the World Bank-funded Ecosystems Service Improvement Project (ESIP) which is being implemented in two states: Chhattisgarh and Madhya Pradesh.	**2010 – current**	-	-	**X**
4	**Water Mission**	**Ministry of Water Resources**	Ministry of Agri, WR	- Financial assistance of INR5 million to major states and INR3 million to small states/UTs as a grant for the formulation of State Specific Action Plans (SSAPs) for the water sector.	**2010 – current**		**X**	

12. https://www.orfonline.org/research/financing-indias-renewable-energy-vision-60516/

KEY SUSTAINABLE FINANCE POLICIES AND REGULATIONS

	Policy/Regulation	Supervisory/ Enforcement	Implementing Agency	Positioning on Sustainable Finance	Year of Implementation	Addresses Climate Change?	Addresses the Safeguarding of Water Resources?	Addresses the Protection of Forests?
5	**Faster Adoption of Hybrid and Electric Vehicles (FAME)**	**Dept of Heavy Industries**		In the first phase of the scheme 0.28 million hybrid and electric vehicles are supported by way of demand incentive amounting to about INR3,590 million. Phase II of FAME India Scheme for a period of three years began in April 2019 with a total budgetary support of INR100,000 million. From April 2019, the second phase of the FAME II scheme encompasses strict speed, range and energy efficiency requirements, with an outlay of INR 100,000 million. Under the first phase of the FAME scheme, 88 models of electric two-wheelers were eligible for a subsidy.	**April 2015**	**X**	-	-
6	**Energy Efficiency Financing Platform (EEFP)**	**Ministry of Power**	BEE	EEFP provides a platform to interact with financial institutions (FIs) and project developers for implementation of energy efficiency projects. It is an awareness-generation and capacity-building platform for various stakeholders. For capacity building of FIs, BEE signed an MoU with the Indian Banks' Association for the Training Programme on Energy Efficiency Financing.	**2015**	**X**	-	-
7	**Renewable Purchase Obligations (RPOs)**	**MNRE**		An economic fiscal and obligatory policy ordains that a certain minimum percentage of power needs to be purchased, by the utilities and some large power consumers, from renewable sources. The Ministry of Power noted the RPO trajectory for solar and non-solar renewable energy until 2021-22. Both RPOs until 2021-22 are set reach 10.5% each, totalling 21%.		-	-	-
8	**Compensatory Afforestation Act, 2016**	**MoEF&CC**		The Compensatory Afforestation Fund Act 2016 has made compensatory afforestation mandatory, in the case of diversion of forest land to non-forestry uses. Similarly, the Compensatory Afforestation Fund Management and Planning Authorities (CAMPAs) at both the Centre and States ensure expeditious and transparent utilization of amounts realized from forest land diverted for non-forestry purposes.	**2016**			**X**
9	**National Afforestation Prog**	**MoEF&CC**		A total of 29 State Forest Department Agency projects are currently operating in the country with a total expenditure of INR38.20 to treat an area of 2.19 million ha till 2018-19 under the National Afforestation Programme.		-		**X**
10	**Namami Gange**	**Mof Water Resources**		Reviewing and assessing the existing situation of Ganga River Basin, past river management and implications and lessons learned.		-	**X**	-
11	**Corporate Social Responsibility**	**Ministry of Corporate Affairs**		CSR programmes being undertaken by several large companies in India suggest that they have started thinking about their impact on the environment and are striving to become responsible corporations. Data analysed by the Ministry of Corporate Affairs (MCA, 2020) for CSR expenditure of all Indian companies in 2014–15 showed that 14% (INR12,130 million) of total CSR spending in India was made on activities focusing on conserving the environment. It was the third highest expenditure on a social impact issue after education (32%) and health (26%) and was greater than the amount spent on rural development (12%). These figures highlight that companies today have an increasingly broad understanding of the risks and opportunities that climate change poses to their strategies and operations and that larger issues of sustainability triggered by climate change are becoming an integral component of dialogues with the major stakeholders.		**X**	**X**	**X**

Nb: This is not an exhaustive list of actors but key regulatory and policy initiatives in India

MAKING ENVIRONMENTAL FACTORS INTEGRAL TO INVESTMENT AND CORPORATE GOVERNANCE

Over the last decade, there has been a growing recognition that all businesses face risks from the environment. These may be physical risks, transition risks or liability risks, which may arise from being held responsible for an environmental disaster. The focus on sustainable finance has also increased since the adoption of the 2030 Agenda for Sustainable Development, and the NDC commitments at the Paris Climate Summit.

In India, ESG investments have outperformed conventional funds. There is evidence to suggest that companies that score high on ESG metrics have outperformed those that don't. The prominence of issues like energy efficiency measures and carbon emissions mitigation as factors considered by asset managers for making investment decisions has grown substantially. However, ESG funds account for only 0.6% of total equity assets under management (Economic Times, 2020).

Among mutual fund managers in India, the risk profile of a company (26.9%) and legal disputes (19.4%) are the two most prominent factors considered while making investment decisions. Private equity managers in India, on the other hand, consider capital gains generated (26.75%) as the most important factor in investment decisions, followed by risk profile of the company (20%).

Given the increased global and national focus of investors and other stakeholders seeking businesses to be responsible and sustainable towards the environment and society, SEBI introduced BRSR – Business Responsibility and Sustainability Reporting. BRSR seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRC). The BRSR is mandatory for the top 1,000 listed companies from FY 2022–23.

BRSR is intended to promote quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time. SEBI has recognised inter-operability with international frameworks; therefore, the listed entities already preparing and disclosing sustainability reports based on internationally accepted reporting frameworks (such as GRI, SASB, CDP, TCFD or Integrated Reporting) may cross-reference the disclosures made under frameworks with the disclosures sought under the BRSR.

The current landscape of environmental reporting and disclosure in India is growing but still at the early stages. There are 67 Indian companies – worth over US$697 billion market cap – that report to CDP (2020). Around 45 companies have adopted the Integrated Reporting framework and 80+ companies are using the GRI format for their sustainability reporting.

The National Stock Exchange of India conducted a study on the data compiled from the 100 listed companies from Business Responsibility Reporting (BRR)[13] in FY 2016-17. 50% developed Sustainability Reporting; 22% published Integrated Reporting; 90% identified environmental risks; 33% identified CC as risk to business; 42% took carbon reduction targets. 11% have committed to SBTs and 6% adopted the TCFD framework.

There are 42 Indian companies that have adopted the TCFD framework according to their own sources, 19 of which are also reporting to CDP. It can be inferred that the penetration of climate risks and target setting to mitigate those risks is limited among Indian companies, but it has gained momentum in the last five years.

India's financial sector is not fully aligned with the global efforts to accelerate Green Finance in terms of awareness, interest, and recognition of 'green' in lending and investment practices. Of the seven FIs that report to CDP India, two are more than 80% aligned with TCFD, while four lie in the range of 50-70%.

13. BRR was introduced by SEBI in 2016 and was a mandatory reporting guidelines for top 100 listed companies.

ANALYSIS (INCLUDING GOVERNANCE CHALLENGES) AND WAY FORWARD

The COVID-19 crisis has amply demonstrated the need to invest in resilience systems to adapt to catastrophic events. The Government of India has announced a special economic and comprehensive package sized at 10% of GDP, which includes interventions for immediate relief, liquidity, and payment deferrals.

These include food and cash in hand to the poorest through Pradhan Mantri Garib Kalyan Yojana (PMGKY) and interventions by RBI to support businesses, especially MSMEs[14].

Most of the green finance in India is through fiscal incentives. However, India's budgets are expected to face pressure given the economic recession and spending on COVID-19 recovery. There is a risk of postponing investment in low carbon economy unless adequate measures are taken to incorporate the green agenda within the recovery measures itself. Furthermore, a large amount of private capital needs to be mobilized to complement fiscal efforts[15]. Against this background, some of the key gaps and policy recommendations are summarised below.

Greening the Financial Sector

India has an opportunity to tap into deep pools of international capital that are searching for viable sustainable projects. The shift to ESG investments is accelerating and likely to pick up pace over the next decade. Some of the bottlenecks that Indian companies are facing with respect to ESG reporting along with possible recommendations include:

- **Lack of an agreed definition of 'green finance' in India.**
While there are a number of international initiatives that focus on aligning definitions, disclosure and reporting practices, India's financial sector is not fully aligned with any organized efforts to accelerate green lending and investment[16]. In short, there are too many players doing different things and measuring impact in different ways. If investors are uncertain about whether particular activities are indeed relevant from a climate/biodiversity viewpoint or are unable to measure the impact of their investments, they may find it difficult to invest in projects.

- **Asset liability mismatch**.
Sustainable finance is dominated by financing for sustainable infrastructure, which usually relies heavily on bank lending. RBI puts a cap on infrastructure lending, and it requires capital that is raised for a longer period, approx. 10-15 years. Banks face a shortage of finance with such long terms, which adds to the financing gap[17].

- **Valuation of natural capital.**
From the investor's perspective environmental risks appear long term and do not get factored into potential default rates. Solving this externality first requires a valuation of natural capital so that it begins to get reflected in the market price. Financial institutions will have to adhere to 'green guidelines and standards' for lending and investment decisions, to be able to correctly evaluate the associated risks.

- **Regulatory inclusion of environmental impacts.**
RBI should consider including environmental risk aspects as an integral part of the supervisory framework and consider them within the revisions of the assessment methodology of the Basel Core Principles for Effective Bank Supervision. It could require banks to assess all 'material risks' in its capital assessment process, and incorporate forward-looking models that factor environmental impacts (both positive and negative) into their stress-testing frameworks[18] .

- **Limited banking credit available** to finance long-term projects, as well as the lack of institutional capacities to mitigate or manage political risk. Companies have no underlying incentive to report better and to perform better as far as sustainability is concerned. This incentive can only be created through financial market depth, so that retail investors can begin to signal that long-term factors such as ESG performance are as important as short-term factors and quarterly financial returns[19].

- **Lack of internalization of climate and biodiversity costs.**
A commercial business does not necessarily internalize the costs of harm to biodiversity through its activities. As a result, traditional businesses always appear to be yielding better returns to investors, in the conventional financial sector of India. On the other hand, companies that have moved towards ESG reporting seem to be driven by tighter regulations, resource efficiency and waste management.

14. https://www.nipfp.org.in/media/medialibrary/2020/06/CEEW-NIPFP-JobsGrowth-and-Sustainability-study-11Jun20.pdf
15. https://www.nipfp.org.in/media/medialibrary/2019/07/WP_272_2019.pdf
16. https://www.climatepolicyinitiative.org/wp-content/uploads/2020/07/Accelerating-Green-Finance-in-India_Definitions-and-Beyond.pdf
17. https://www.yesbank.in/pdf/innovative_pathways_finance_india_pdf
18. https://www.nipfp.org.in/media/medialibrary/2019/07/WP_272_2019.pdf
19. ibid

ANALYSIS (INCLUDING GOVERNANCE CHALLENGES) AND WAY FORWARD

Financing the Decarbonisation agenda

Decarbonisation initiatives in India have been attracting investments. Over the past three years, approximately INR82,885 crore (US$11 billion) has been invested annually in India's renewable energy (RE) infrastructure. It is also a huge opportunity to re-direct financial flows.

- **Decarbonisation would reduce India's oil import bill.** According to a CEEW study, India's oil import bill could be reduced by INR45,210 crore (US$6 billion) per annum by 2030, and INR2,86 lakh crore (US$38 billion) per annum by 2050, if 30% of car sales in India in 2030, and 50% in 2050, are of electric cars[20].

- **Investments in renewable energy sector.** Average annual financial flows in the renewable energy sector have increased from US$1–2.5 billion per year between 2005–2012 to US$10 billion per year between 2013–2017. What have worked in attracting finance in the RE sector are particularly clear long-term targets, an enabling policy environment and close public-private collaboration, which offer a repeatable model to attract more sustainable capital to close the infrastructure financing gap[21].

- **Mobilising finance through the International Solar Alliance.** The members of the Alliance will make joint efforts through innovative policies, projects, programmes, capacity building measures and financial instruments to mobilize more than US$1,000 billion of investments that are needed by 2030 for the massive deployment of affordable solar energy. All partners hope that this will help catalyse investments and research in solar energy across the world, with the private sector expected to play a critical part[22].

- **Systems strategy for sustainable financing.** A system-wide strategy that includes the RBI's risk-based focus and its priority sector lending programme as well as the government's macroeconomic approach to fiscal management. India has already launched tax-free bonds to raise capital for IREDA. While these proved a huge success with investors, it is imperative that the impact of such incentives is evaluated so that public resources are used most effectively to mobilise sustainable finance. Given India's current borrowing needs to finance COVID-19 recovery, now is perhaps the time for its first sovereign green bond[23].

Biodiversity financing

A recent report (Roy, Pandey, and Gupta, 2017) on mapping biodiversity finance in India shows that it is highly fragmented, and lacks a clear policy and a road map. Multiple institutions are involved in directing finance with no systematic tracking. The GoI needs to set out its policy goals and broad strategy for biodiversity finance. The strategy should take into account the level of preparedness in various sectors and identify those that still need subsidies as opposed to those that will take off with a few regulatory fixes[24].

20. https://www.nipfp.org.in/media/medialibrary/2020/06/CEEW-NIPFP-JobsGrowth-and-Sustainability-study-11Jun20.pdf
21. https://ficci.in/spdocument/23424/Sustainable-Recovery_IUKSFWG_Report.pdf
22. ibid
23. https://www.lse.ac.uk/granthaminstitute/news/what-next-for-sustainable-finance-in-india/
24. https://www.nipfp.org.in/media/medialibrary/2019/07/WP_272_2019.pdf

For more information please contact:

CDP Policy Engagement:

Pietro Bertazzi
Global Director – Policy Engagement
and External Affairs
pietro.bertazzi@cdp.net

Anshul Bhamra
Policy Manager
Anshul.bhamra@cdp.net

CDP Worldwide
4th Floor
60 Great Tower Street
London EC3R 5AZ
Tel: +44 (0) 20 3818 3900
climate@cdp.net
www.cdp.net

About CDP
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