

Systems Framework for Tracking and Evaluating 'Just-ness' of Climate Finance (A Case Study from India)



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TOWARDS A JUST TRANSITION - THE ROLE OF INDUSTRIAL POLICY

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Climate Change Commitments & Progress

1

Reduce the carbon intensity of the economy by 45 per cent by 2030 and **Achieve net zero** by 2070

24% Reduction so far (not including agriculture sector)

2

Meet 50 per cent of energy requirements till 2030 with renewable energy

40% of total installed capacity as of December 2021

3

Non-fossil energy capacity of 500 gigawatt by 2030

150.05 GW of RE Capacity and 6.78 GW of Nuclear Capacity as of December 2021

4

Reduce projected carbon emission by one billion tonnes by 2030

5

Create additional carbon sink of 2.5 to 3 billion tCO₂e through additional forest and tree cover by 2030

Current estimates suggest **only 50% of target can be met**

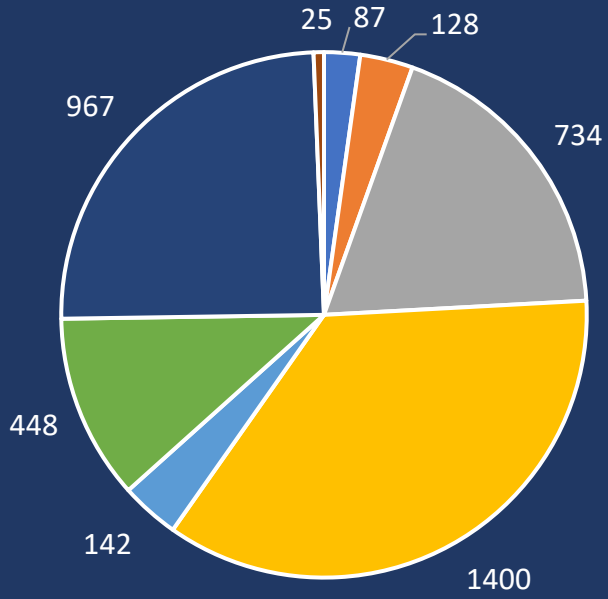
6

Climate change adaptation in areas of agriculture, water, health, etc

Missions under NAPCC allocated **only USD 2 billion** against required USD 28.75 Billion

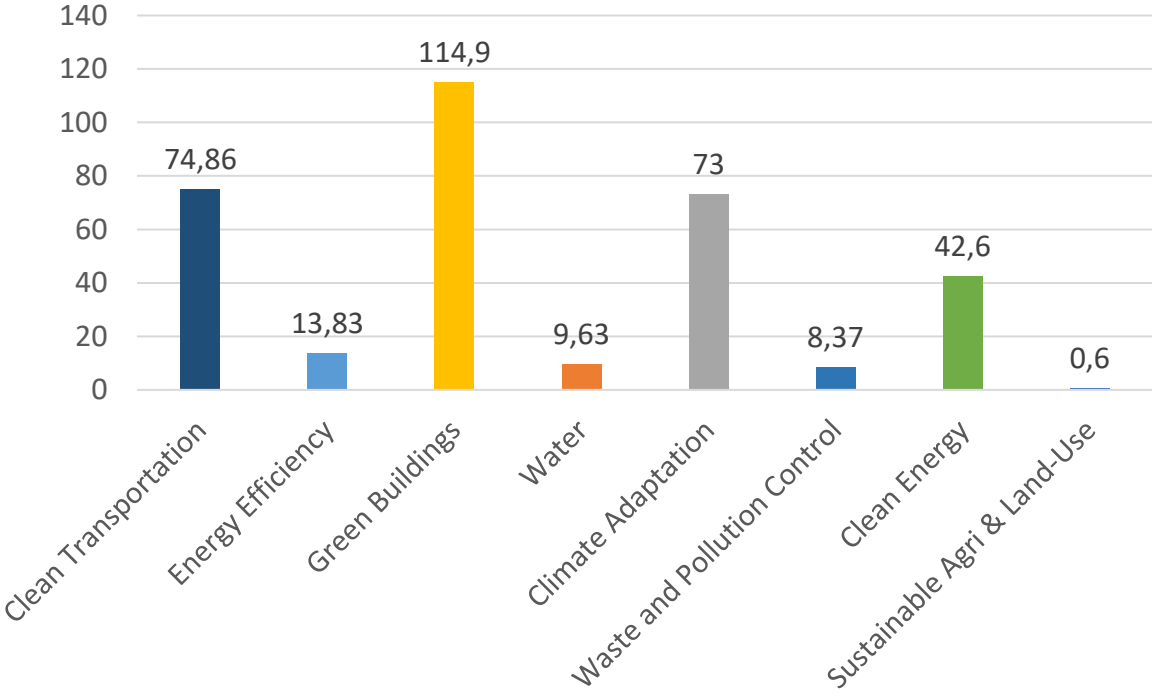
Climate Finance | Investment Potential and Funding Gap

Investment Potential of Key Climate Change Linked Sectors by 2030 (USD Billion)



- Waste and Pollution Control
- Energy Efficiency
- Clean Transportation
- Water
- Green Buildings
- Clean Energy
- Agriculture and Allied
- Climate Adaptation

Annual Funding Gap (USD Billion)



In 2020, a government committee estimated a USD 1.14 Trillion financing gap by 2030 for implementing India's NDCs

An analysis by CEEW suggests an average Annual Funding gap of USD 71 billion till 2070 to meet the net-zero target.

Context

- Green-washing
- Green-capitalism
- Need for Just Transition
- Need for Systems Thinking

Research Design

- Secondary Research – Review of Climate Finance Strategies

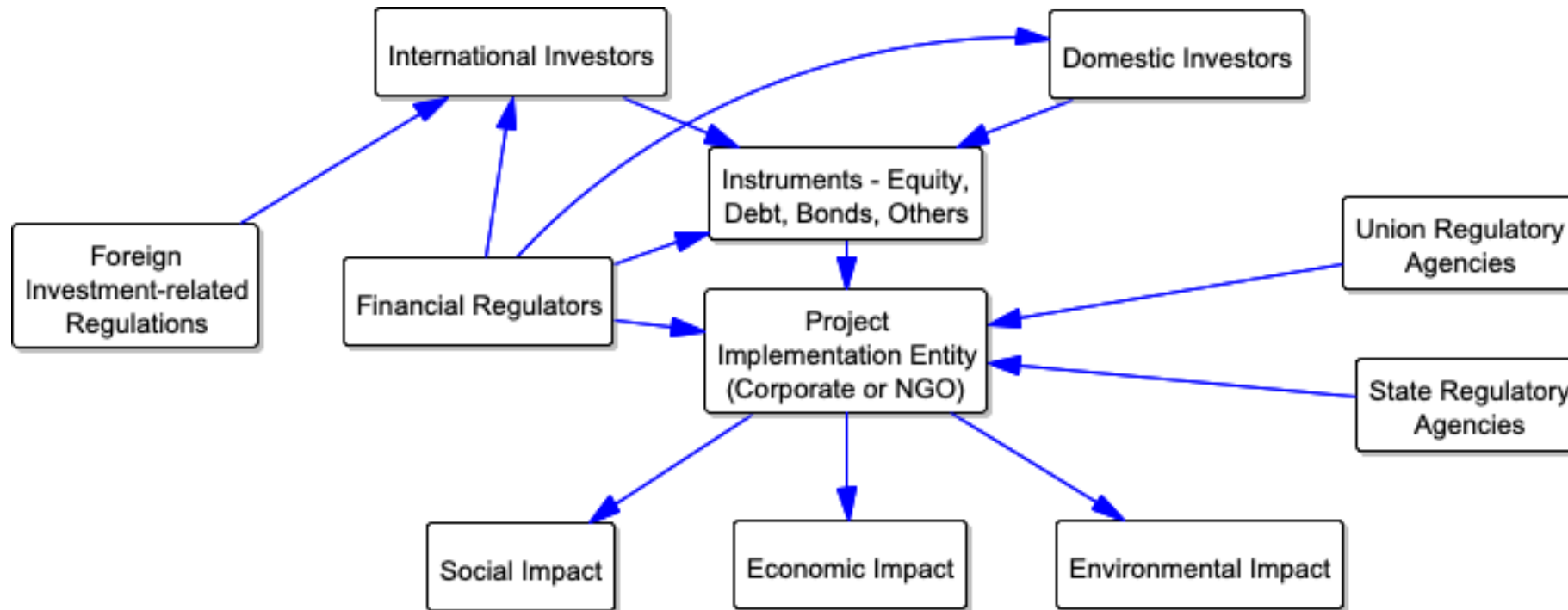
Top-down View of Climate Finance Architecture

- Field Inquiry in Jaisalmer, District, Rajasthan, India
- Qualitative Interviews

Bottom-up View of Climate Finance Architecture

- Analysis

Top-down View of Climate Finance Architecture



Takeaways

- Public Climate Finance

- Opaqueness
- Complicated Process
- Reduced efficiency, higher time lapses and sub-optimal utilization
- Behavioral Challenge

- Private Climate Finance

- Lack of Regulatory Oversight for Disclosures
- Green-washing
- Green capitalism

Top-down Metrics – What we can see?

Quantum of
Investment

Climate Benefits
(Emission
savings)

Economic
Benefits (RoR,
Profits)

Social Benefits
(Number of
Jobs)

Bottom-up Metrics – What people want?

Social Benefits
(Addressing Socio-cultural Inequities)

Economic Benefits
(Local Area Development, Inclusive Development, Sustainable Incomes)

Environmental Benefits
(In consonance with local practices)

Procedural Indicators
(T-A-P)

Behavioral Benefits
(Mutual Respect and Shedding of Power Dynamics)

Recommendations – Five-pronged Strategy

Placing a System
for Tracking and
Assessing Climate
Finance

Institutionalising
Right Indicators

Facilitative
Regulatory
Framework

Focused Efforts for
Behavioral Change

Bottom-up
Approach

Thank You!

Queries, comments, criticism (especially)?



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