

Ladies and Gentlemen, Distinguished Guests, and Esteemed Panelists,

Welcome to today's webinar on "Accelerating Private Sector Investment in Climate Finance." It is an honour and a privilege to host this critical dialogue, especially when the urgency to address climate change is more pronounced than ever before. As we gather virtually from different parts of the world, our shared goal remains clear: to explore innovative strategies and foster collaborative efforts that can drive substantial private-sector investment in climate finance.

Climate change is not just an environmental issue; it is an existential crisis that affects every aspect of our lives. According to the United Nations Environment Programme, the world needs to invest US\$1.6tn to US\$3.8tn annually between now and 2050 to limit global warming to below 2°C. The Intergovernmental Panel on Climate Change (IPCC) has repeatedly warned that we are running out of time to make the necessary changes. Governments alone cannot shoulder the burden of financing the transition to a low-carbon economy. With its vast resources and innovative capacity, the private sector plays a pivotal role in bridging the financing gap. Yet, mobilising private capital at the scale required remains a significant challenge.

India, with its rapidly growing economy and population, stands at the crossroads of development and sustainability. The nation has set ambitious targets under the Paris Agreement, aiming to reduce its carbon emissions intensity by 33-35% from 2005 levels by 2030 and to achieve 40% of its installed power capacity from non-fossil fuel sources. The potential for private sector investment in India's climate finance landscape is immense. The country needs an estimated US\$2.5tn for its climate actions by 2030. However, despite the growing interest, actual investments have been relatively modest. For instance,

renewable energy attracted US\$11.1bn in 2018, a fraction of the required amount.

To accelerate private sector investment, we must create an enabling environment that addresses the barriers and incentivises green investments. This involves policy and regulatory support, innovative financing mechanisms, technological advancements, and a strong focus on corporate responsibility and ESG criteria. Clear and stable policies are essential for investor confidence. Governments need to provide robust regulatory frameworks that facilitate private sector participation. In India, initiatives like the International Solar Alliance and the National Action Plan on Climate Change are steps in the right direction.

Blended finance, green bonds, and public-private partnerships can significantly de-risk investments. The green bond market has grown exponentially, reaching US\$269.5bn in 2020. India, too, has made strides, with its green bond issuances crossing US\$10bn by 2020. Leveraging technology to develop scalable and cost-effective solutions is crucial. From renewable energy technologies to smart grids and sustainable agriculture, the private sector's role in innovation cannot be overstated. Environmental, Social, and Governance (ESG) criteria are increasingly crucial for investors. Companies that prioritise sustainability are not only better positioned to attract investment but also to achieve long-term success.

As we delve into today's discussions, let us remember that the stakes are high, but so are the opportunities. By harnessing the power of the private sector, we can drive the transition to a sustainable and resilient future. Collaboration, innovation, and unwavering commitment are the keys to unlocking the potential of climate finance. Let us use this platform to share insights, explore

partnerships, and build a cohesive strategy that accelerates private sector investment in climate finance. Together, we can create a legacy of sustainability for future generations.

Before we proceed, I am delighted to introduce our esteemed panellists, who bring a wealth of knowledge and experience to our discussion today.

First, we have Suranjali Tandon, an Associate Professor at the National Institute of Public Finance and Policy and a Senior Visiting Fellow at the Just Transition Finance Lab at the London School of Economics (LSE). Suranjali's extensive research and academic background in public finance and climate policy make her a critical voice in our conversation on sustainable finance.

Next, we have, Dhruba Purkayastha, the Director of Growth and Institutional Advancement at the Council on Energy, Environment and Water (CEEW). He is the former India Director for the Climate Policy Initiative (CPI) and has held senior roles at the International Finance Corporation (IFC), The World Bank, and the Ministry of Finance in India. With over 30 years of experience in sustainable finance and international development, Dhruba's insights are invaluable to our discourse.

Joining us as well is Labanya Prakash Jena, the Program Head of the Centre for Sustainable Finance at the Climate Policy Initiative. Previously, he served as the Regional Climate Finance Adviser for the Indo-Pacific Region at the Commonwealth Secretariat. Labanya is a prolific writer on climate change, sustainability, and finance, and his perspectives on regional climate finance will significantly enrich our discussion.

Lastly, we have Mritiunjoy Mohanty, a faculty member in Economics at the Indian Institute of Management (IIM) Calcutta. His research interests lie in

growth, structural change, and the political economy of development. He is also the co-editor of the open-access volume "The Role of Coal in a Sustainable Energy Mix for India." Mritiunjoy's expertise in economic transitions and sustainable energy is critical to understanding the broader impacts of climate finance.

With such a distinguished panel, I am confident that today's discussions will be enlightening and impactful. Thank you, and I look forward to an engaging and productive session.

Now, I would like to begin our panel discussion by inviting our first speaker, Suranjali, to share his insights. Suranjali, the floor is yours.

List of questions for the speakers:

Suranjali Tandon, Associate Professor, National Institute of Public Finance (NIPF)

- What are some of the innovative fiscal policy instruments that India can explore to incentivise green investments and discourage environmentally harmful activities?**
- How can India's public finance system be strengthened to mobilise domestic resources for climate action and sustainable development while ensuring transparency and accountability?**

Dhruba Purkayastha, Director - Growth and Institutional Advancement, Council on Energy Environment and Water (CEEW)

- What are some of the key policy and regulatory barriers that are currently hindering the growth of renewable energy in India, and what**

recommendations would you make to policymakers to address these challenges?

- **How can organisations like CEEW work more effectively with the private sector to mobilise the necessary investments and innovations required to accelerate India's transition to a low-carbon economy?**

Labanya Prakash Jena, Program Head of the Center for Sustainable Finance, Climate Policy Initiative (CPI)

- **What innovative financial instruments and mechanisms should India explore to fund its ambitious climate action and sustainable development goals?**
- **How can India leverage international climate finance more effectively, and what role can organisations like CPI play in facilitating access to these funds for domestic stakeholders?**

Mritunjoy Mohanty, Member of Economics Faculty, IIM Calcutta

- **What are the key macroeconomic implications of India's climate policies and energy transition, and how can policymakers ensure a just and equitable transformation for all sections of society?**
- **How can India's financial sector be better aligned with the country's sustainability objectives, and what regulatory and market-based reforms would you recommend in this regard?**