



Title: Market and Finance Instruments to Propel Climate Action

Date: February 8, 2024 | **Time:** 11:30 AM - 1:00 PM

Venue: Magnolia, India Habitat Centre, Lodhi Road New Delhi

Background

The compelling evidence of climate change impacts has spurred strong momentum worldwide to implement the Paris Agreement. Countries are actively exploring deep decarbonization pathways and effective strategies, such as carbon market-based measures and other "carbon pricing" policies, to meet their domestic targets and mitigate carbon emissions.

The global landscape of market-based mechanisms is rapidly evolving. Nations are increasingly embracing carbon pricing as a means to drive economic growth, catalyze investments in low-carbon technologies, and foster the creation of green jobs. According to the World Bank's flagship "State and Trends of Carbon Pricing" report, revenues generated from taxes and emissions trading systems (ETS) have reached approximately \$95 billion, with global emissions coverage expanding from 7% to 23% within a decade. Undoubtedly, market-based mechanisms hold significant potential for countries, companies, and individuals to achieve substantial emission reductions.

India, in particular, has made remarkable strides in carbon pricing initiatives. In addition to existing carbon taxation schemes like the Coal cess/GST Compensation cess, India achieved a historic milestone in 2023 with the introduction of the Carbon Credit Trading Scheme (CCTS) and Green Credit Program (GCP). These initiatives are pivotal in augmenting India's efforts towards achieving net-zero emissions by 2070. However, to fully realize the benefits of market mechanisms, it is crucial to design a comprehensive framework that ensures cost competitiveness while driving investments in climate and green projects at a minimal cost.

Market-based mechanisms if designed robustly, could play a crucial role in combating climate change by offering a flexible, market-driven approach to reducing greenhouse gas emissions. As global efforts to address climate change intensify, the potential of carbon markets to drive emission reductions, stimulate economic growth, manage risks, and fund climate projects becomes increasingly significant. With expanding coverage and growing participation, carbon markets remain pivotal tools in transitioning to a more sustainable, low-carbon future.

This session aims to engage cross-sectoral experts to gather insights on critical next steps to operationalize India's carbon markets and green credit program. It will explore means to strengthen the domestic market framework and, more importantly, enhance the role and participation of the private sector in these markets, fostering a collaborative approach towards achieving climate goals.

Key areas for discussion include:

- What are the key challenges in operationalizing India's carbon markets and green credit program, and how can cross-sectoral collaboration help address these challenges effectively?
- How can the domestic market framework be strengthened to ensure the successful implementation of carbon pricing mechanisms and incentivize investments in climate and green projects?
- What incentives can be put in place to attract domestic and international investment in India's carbon market and its low-carbon transition?
- What role can technological innovation play in driving the operationalization of carbon markets and green credit programs in India? How can emerging technologies be leveraged to improve transparency, efficiency, and accountability within these markets?

About the World Sustainable Development Summit (WSDS)

The World Sustainable Development Summit (WSDS) is the annual flagship Track II initiative organized by The Energy and Resources Institute (TERI). Instituted in 2001, the Summit series has a legacy of over two decades for making 'sustainable development' a globally shared goal. The only independently convened international Summit on sustainable development and environment, based in the Global South, WSDS strives to provide long-term solutions for the benefit of global communities by assembling the world's most enlightened leaders and thinkers on a single platform. The 23rd edition of the annual flagship event of The Energy and Resources Institute (TERI)—the World Sustainable Development Summit (WSDS)—will be held from 7-9 February 2024 in New Delhi. The Summit deliberations will focus on the umbrella theme: Leadership for Sustainable Development and Climate Justice.