



Title: Mobilizing Finance for Low-Carbon Transition in India - Role of Green Bonds and Partnerships

Date: 8th February 2024

Time: 11.30 AM to 1 PM

Venue: Dr R. K. Pachauri Conference Room, 4th floor, TERI Office, Core 6C, India Habitat Centre.

India's commitment to pursuing a climate-considerate growth pathway for its booming economy has been articulated in its various NDC targets, as well as the goal of reaching net zero emissions by 2070. To meet such ambitious goals and ensure 'green growth', India requires enormous financing and resource mobilization for investments in low-carbon technologies, alternative fuels, sustainable infrastructure, and resilience building. Strikingly, India would require more than USD 12.7 trillion to reach net-zero emissions by 2050. This substantial amount lies well beyond the scope of the domestic public sector financing and would require catalysing private finance and cross-border investment into climate change initiatives.

An emerging financial instrument that holds the potential to attract private investors and enable large-scale capital investments is green bonds. From the very first issuance of a 'climate awareness bond' by the European Investment Bank in 2007, the green bonds market has displayed a potent growth trajectory – with global issuances crossing the USD 2.3 trillion mark cumulatively in 2023, and issuances worth 500 billion coming in 2023 alone¹. However, the growth of green bonds in India has shown a stagnating trend – owing to the nascent stage of the market, low sovereign rating, and the currency volatility risks. The lack of fiscal incentives and regulatory bottlenecks for institutional investors have also exacerbated the slow growth of green bonds in India. Given the dynamic potential of the instrument to raise large-scale capital and offer portfolio diversification to equity and institutional investors, market and policy interventions need to be strategized to catalyse the growth of green bonds in India.

Beyond domestic mobilization, India's longstanding stance on climate finance in the global forum has been that developed nations should lead the efforts to mobilize resources and that it should be long-term, concessional, additional, and specifically for climate-related activities equitably allocated between both mitigation and adaptation. For a fast-developing economy such as India's, the implications of

¹ as of October 2023. (n.d.) Climate Bonds Initiative. <https://www.climatebonds.net>

economy-wide low-carbon transitions have significant impact on the social well-being of the vast population as well. Partnerships, in this view, emerge as cardinal to cover the costs associated with not just the transfer of technology, but also the capacity building of domestic markets to assimilate climate finance, enable just transitioning, and address the aspect of additionality. Thus, it becomes imperative to deliberate the imminent role of partnerships for India in the wake of its fast-growing climate-financing needs.

This event aims to bring together experts and stakeholders to ponder upon the mobilization challenge concerning climate financing for India, from the lens of a potent financial instrument in the form of green bonds and the plausible role of multilateral partnerships. The deliberations shall focus on strategic interventions to accelerate the deployment of green bonds in India, and the scope of partnerships in facilitating India's low-carbon transition.

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.