

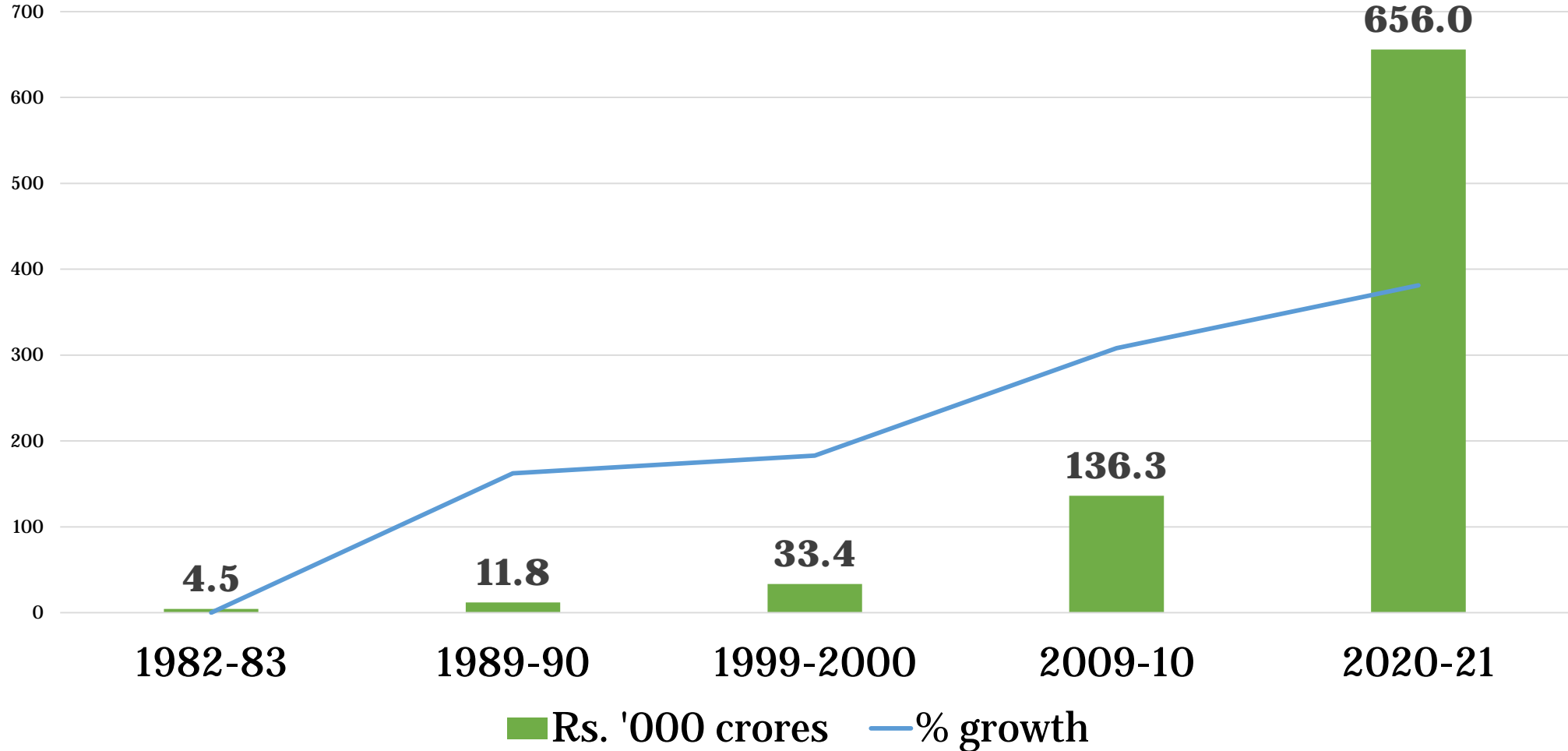


Climate Finance – Overview

Shyampriya R

Journey so far...

Decadal Growth of NABARD's Balance Sheet



NABARD – Committed to Rural Prosperity



Major Functions



Credit & Refinance



Developmental Initiatives



Rural Infrastructure Development



Policy Advocacy



Supervision

Climate Change Challenges



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Climate change challenges - Indian context



- 7th most vulnerable country (Global Climate Risk Index of 2021)
- Predominantly rainfed agriculture - vulnerable to droughts and dry spells
- Large coast line – coastal community highly vulnerable to cyclones, coastal flooding and sea surges
- Impact of global warming on agriculture productivity/sustainability- decline by up to 25%.
- Projected population to be 1.64 billion by 2050 (United Nation's World Population Prospects) – Food security challenges
- Appropriate adaptation strategies and funding to achieve SDG's targets by 2030



India's commitment towards Climate Change

Promote a healthy & Sustainable way of living

Adopt climate friendly and a cleaner path of development

Build capacities, create domestic framework & international architecture

Promote adaptation measures to climate change by enhancing investments

Reduce emissions intensity of its GDP (by 33 to 35%) in 2030 from 2005 level

Achieve 40% installed capacity of power -Non fossil fuel by 2030

Create additional carbon sink of 2.5 to 3 billion tonnes of CO₂ by 2030

Mobilise domestic and additional International funds



India's Initiatives towards Climate Change

National Action Plan on Climate Change(NAPCC)

- Launched during September 2009.
- To fulfill India's vision of sustainable development in the context of climate change
- Lays the pathway for a directional shift in India's response to climate change.
- **Eight core missions** on the basis of which a low-carbon Indian economy is being built.



India's Initiatives towards Climate Change – Eight National Missions on Climate Change

**National Solar
Mission**

**National Mission
for Enhanced
Energy Efficiency**

**National Mission
on Sustainable
Habitat**

**National Water
Mission**

**National Mission
for Sustaining
the Himalayan
Eco-system**

**National Mission
for a Green India**

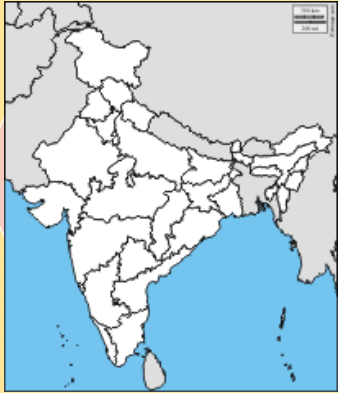
**National Mission
for Sustainable
Agriculture**

**National Mission
on Strategic
Knowledge for
Climate Change**



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State Action Plan on Climate Change



**Climate
profile of
the state**



**Assessment
of
vulnerability
to climate
change**



**GHG
emissions
and energy
needs**



**Climate
change
strategy**



**Climate
change
action
plans**



Climate Finance



Funding Mechanisms

International

- Green Climate Fund
- Adaptation Fund

Domestic

- National Adaptation Fund for Climate Change



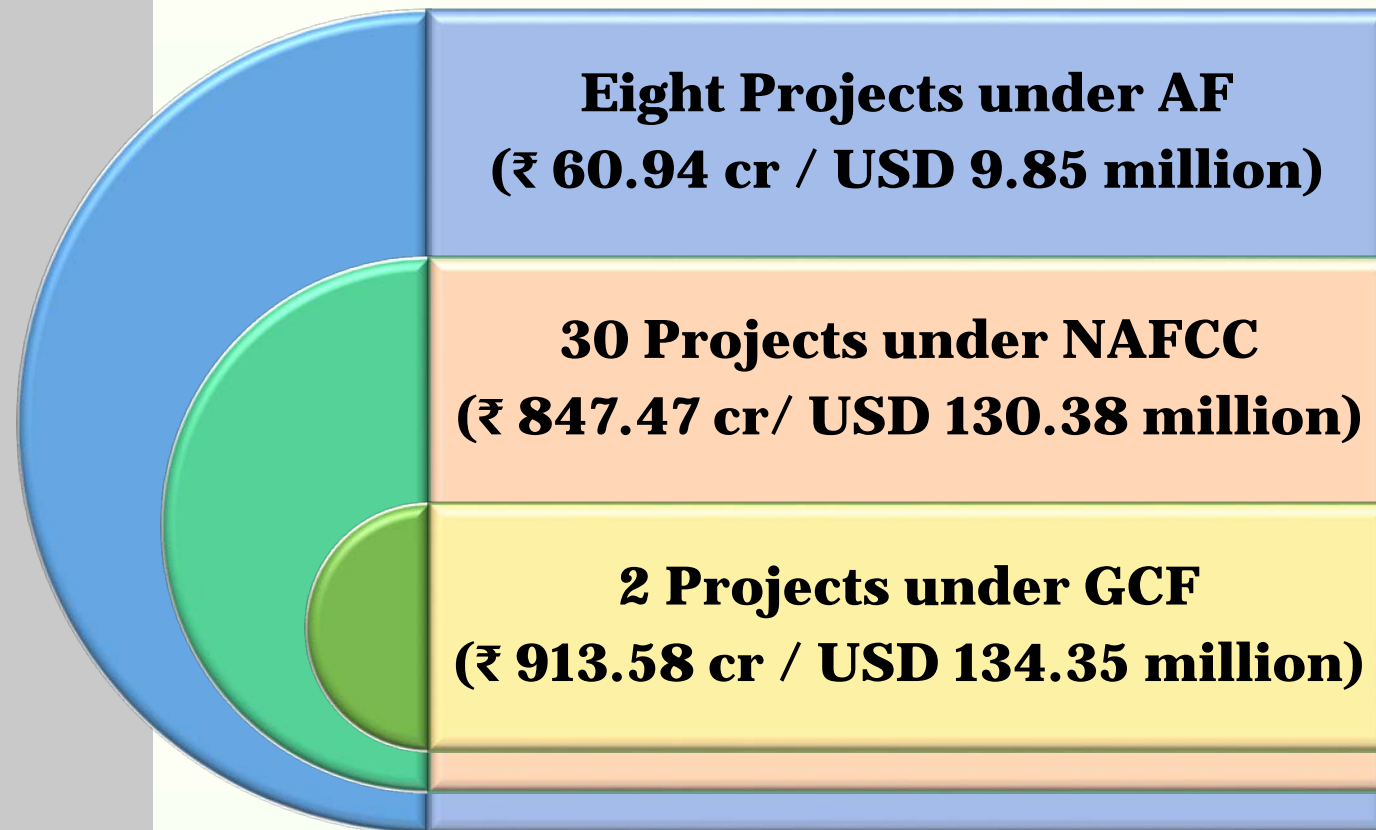
Climate Funding – Financing of Climate Change adaptation Projects by NABARD



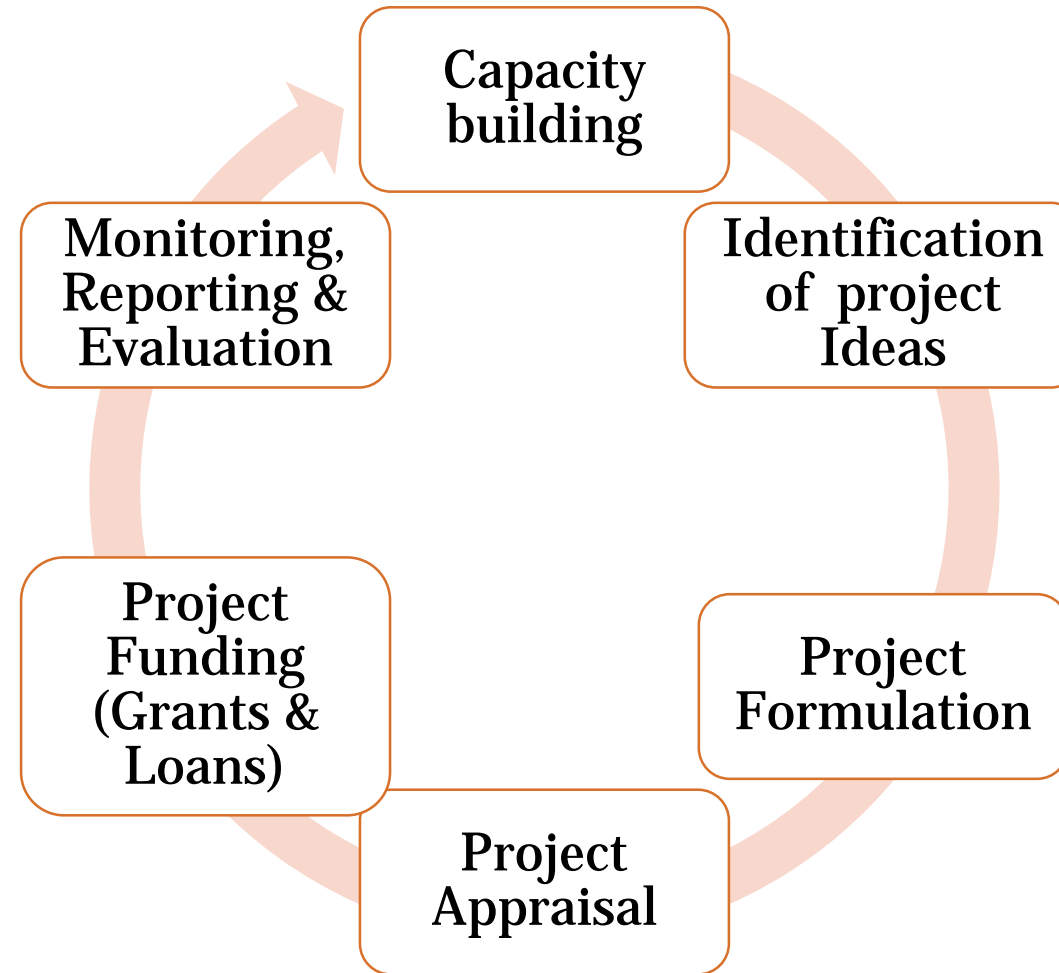
National Implementing Entity-
Adaptation Fund (AF)
(July 2012 / Re-accredited Dec
2017)

National Implementing Entity -
National Adaptation Fund for
Climate Change (NAFCC)
(Govt. of India)

Direct Access Entity -
Green Climate Fund (GCF)
(July 2015)



NABARD – as NIE / DAE



Green Climate Fund



Avg. global temperature – 1.1 °C above pre industrial times

Goal – Restrict temperature rise within 1.5 °C threshold

GCF – world's largest Climate Fund

Mandate – Support developing countries raise and realize their NDCs

Key features

- Country driven
- An open, partnership organization
- Range of financing instruments
- Balanced allocation

Green Climate Fund



**Total corpus –
9.8 billion USD**

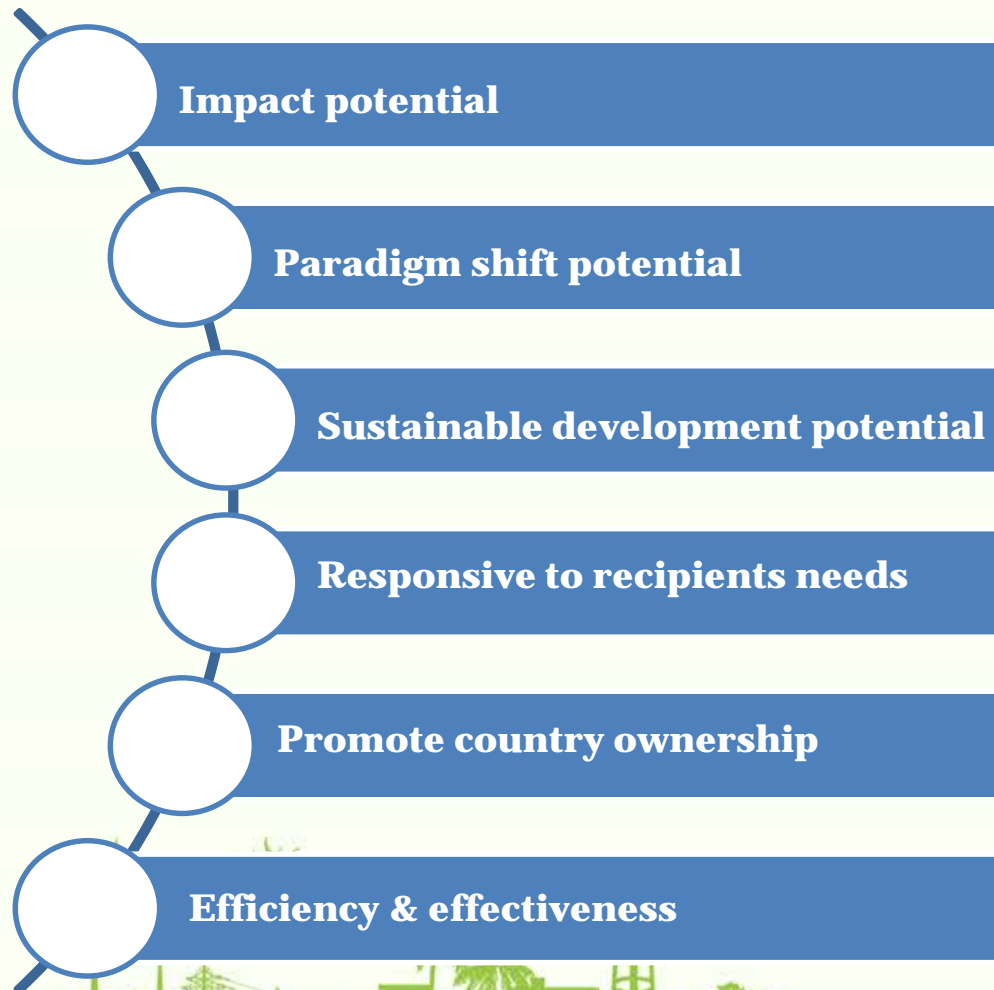
**Committed
expenditure –
9.6 billion USD,
186 projects**

**Implementing
– 6.1 billion
USD**

**Total value –
35.5 billion
USD**

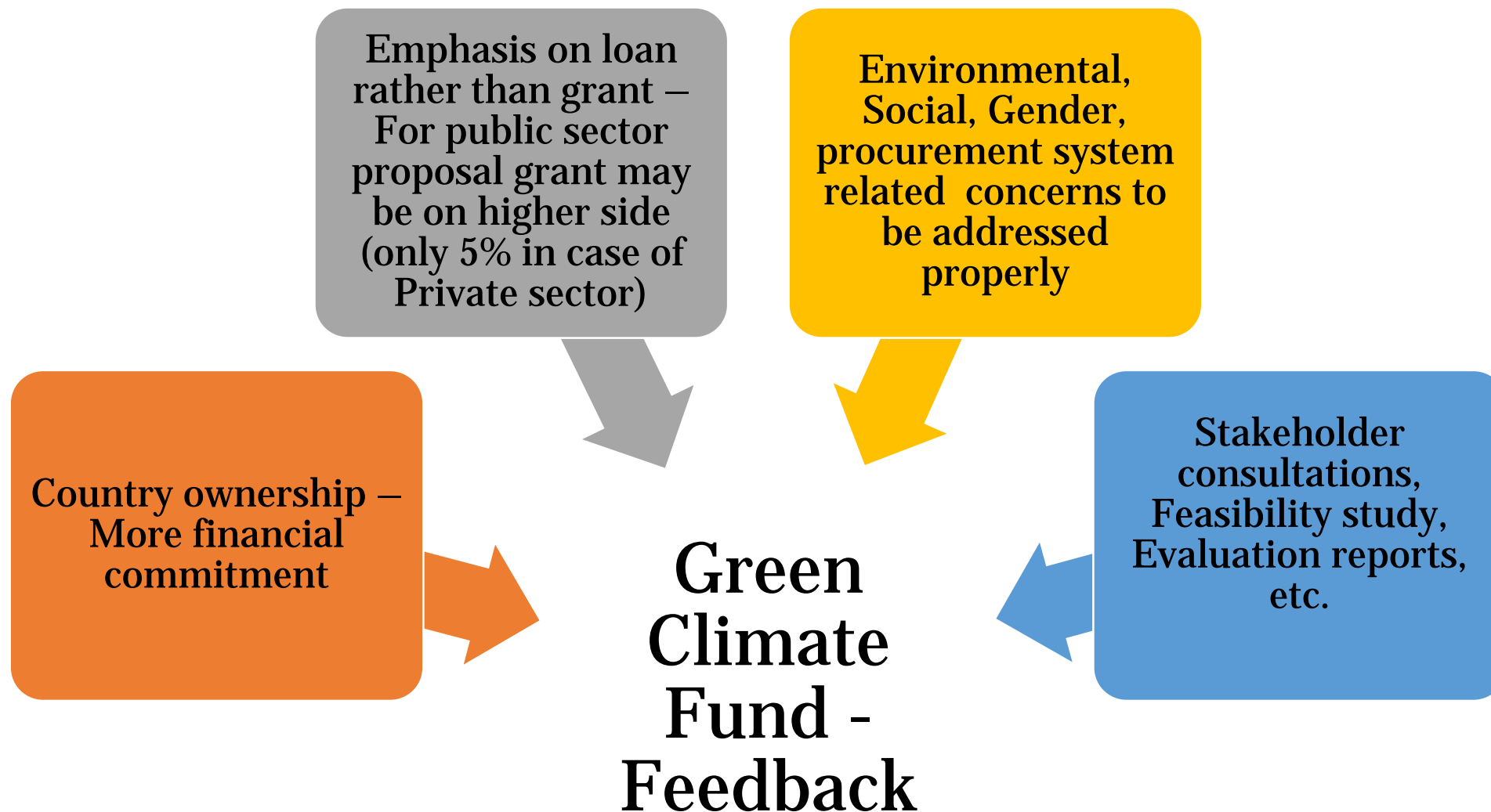


Project Investment Criteria



- to contribute to the achievement of the Fund's objectives and result areas.
- degree to which proposed activity can catalyze impact beyond a one-off project or programme investment.
- Sustainable development potential for the beneficiary country.
- vulnerability, financing needs of the beneficiary country and population in the targeted group.
- Align with national priorities
- Efficiency & effectiveness Economic and financial soundness of proposed project/ programme activity

Interactions with GCF so far – Some Feedback



Status of GCF Proposals & Projects



Proposals Sanctioned by GCF

i). “Ground water recharge & solar micro-irrigation in Odisha”

- Installations of GW recharge system in 10,000 Ponds & 1000 Solar Pumps in 15 districts.
- GCF Grant – USD 34.357 million (Project size- USD 166 million)
- FAA became effective from 21 Sept 2018
- Stakeholders – Farmers & Rural Population, PRIs/Pani Panchayat, etc.

ii. “Line of Credit for Solar rooftop ” to TATA Cleantech Capital ltd (TCCL)

- GCF loan - USD 100 million (total outlay - USD 250 million)
- Stakeholders – Solar Roof Top Promoters

Proposals Submitted to GCF (under Review)



iii. “Access to Clean Energy (ACE) Fund for Off Grid Energy (OGE) Companies by IREDA

- GCF support – USD- 20 million grant & USD -40 million Interest Free Loan)

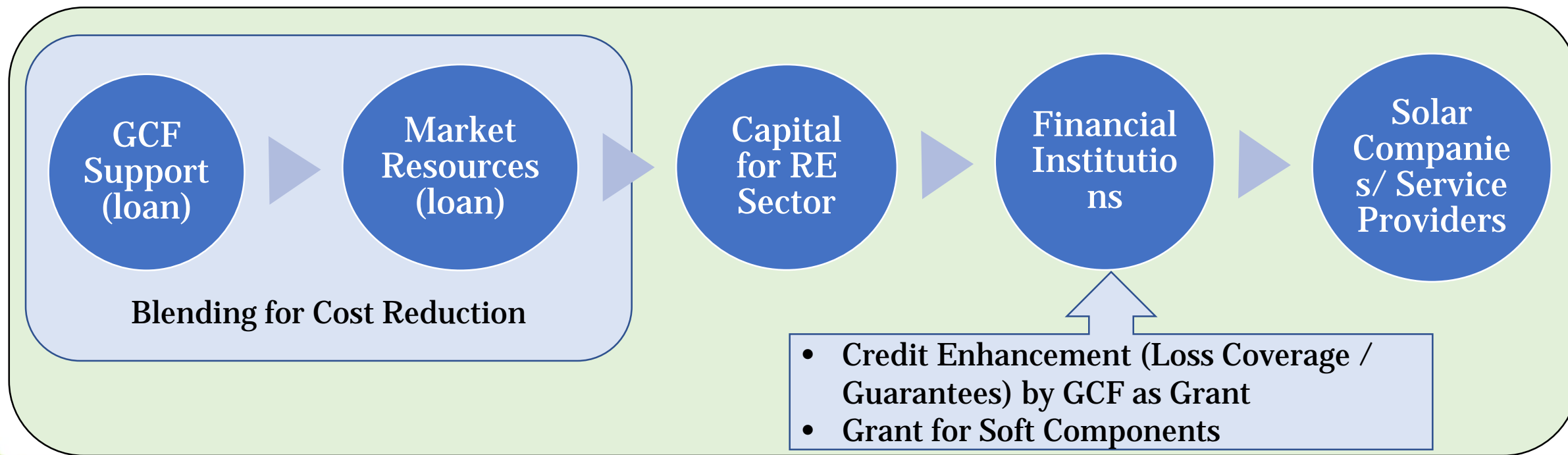
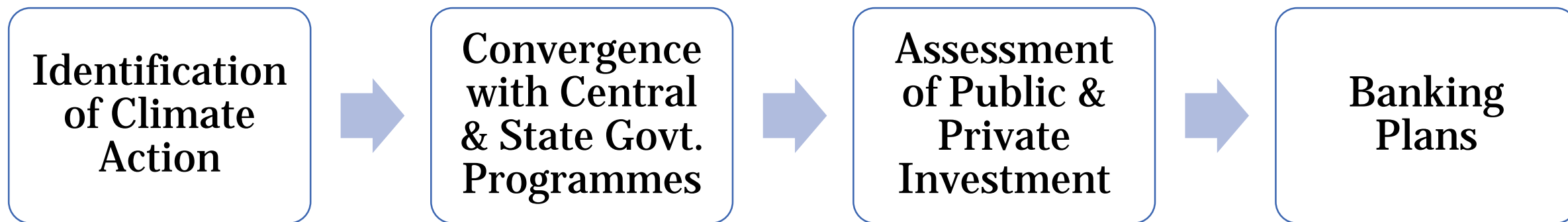


5.2 Million + Project Beneficiaries



Legend	
	Ground Water Recharge and Solar Micro Irrigation, Odisha (USD 34.35 M)
	Line of Credit for Solar Rooftop Segment, PAN India (USD 100 M)
A	Amount in USD Million
PB	Project Beneficiaries

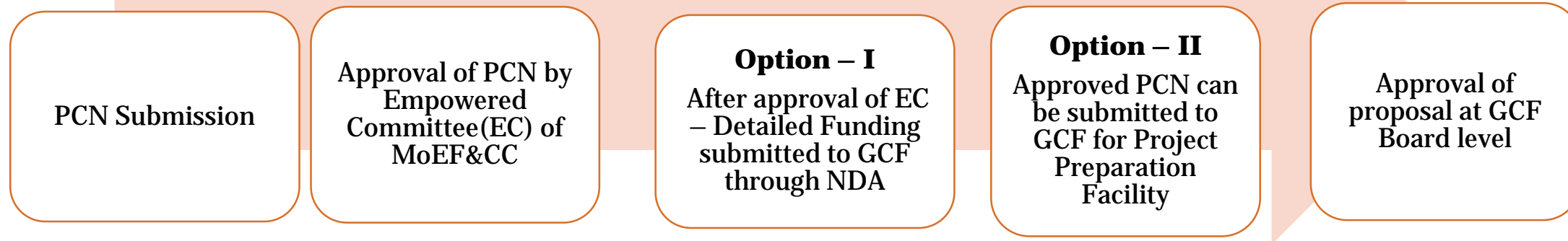
Approach for leveraging of additional Capital under Various Funds



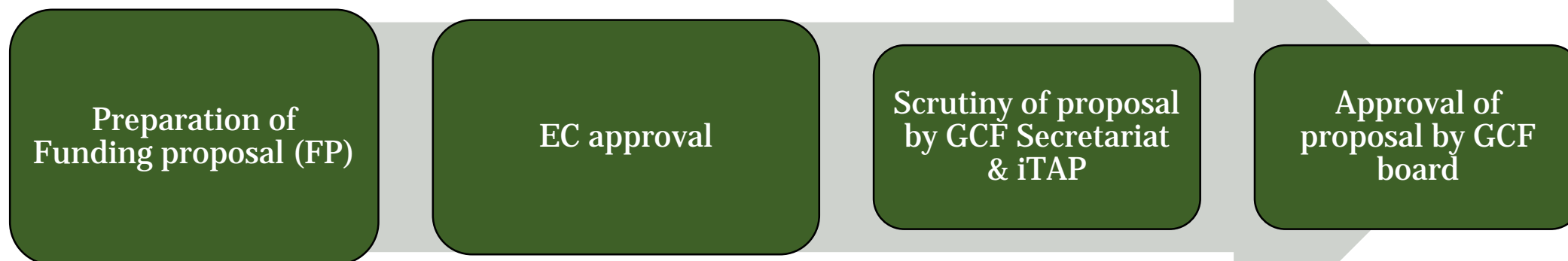
Approval Process of GCF Proposal



For Project Concept Note (PCN)



For Funding Proposal



Adaptation Fund



Established under Kyoto Protocol of UNFCCC

Support developing countries to adapt to climate change

Govt. & Private donors + 2% share of CERs issued under CDM projects

Commitment – 850 million USD since 2010





AF projects : Status and impact potential in India



6

**Projects under
Implementation**

0.11 Million

**Direct & Indirect
beneficiaries**

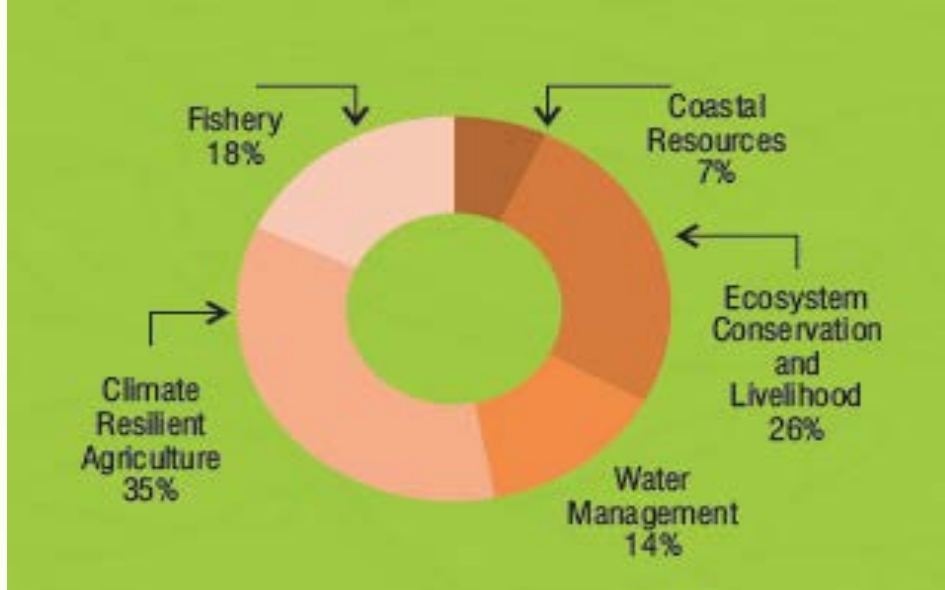


USD 9.58 Million

Amount Sanctioned



Project impact Areas



**Covers 19
Districts**



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Location of AF projects in India



Climate Proofing of Watersheds in TN and Rajasthan
A: USD 1.344 M
PB: 27,696 (Cumulative)



Landscape Restoration in Kanha-Pench Corridor (MP)
A: USD 2.55 M
PB :



Building Adaptive Capacities of Small Inland Fishermen
A: USD 1.79 M
PB: 1,008



Climate Smart Agriculture for Sustainable Livelihoods
A: USD 0.969 M
PB: 8,00



Enhancing Adaptive Capacity of S&M Farmers
A: USD 2.51 M
PB: 22,596




Coastal Resource Conservation for Climate Adaptation
A: USD 0.69 M
PB: 3,905



Climate Proofing of Watersheds in TN and Rajasthan
A: USD 1.344 M
PB: 27,696 (Cumulative)



Legend	
	States where AF Projects are Sanctioned
A	Amount in USD Million
PB	Project Beneficiaries



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Major Sector identified for development of AF projects



Food security

1



Water Conservation

2



Coastal management

3



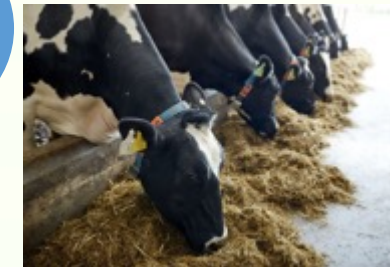
Sustainable Livelihood

4



Forest Management

5



Livestock & Fisheries Management

6

National Adaptation Fund for Climate Change

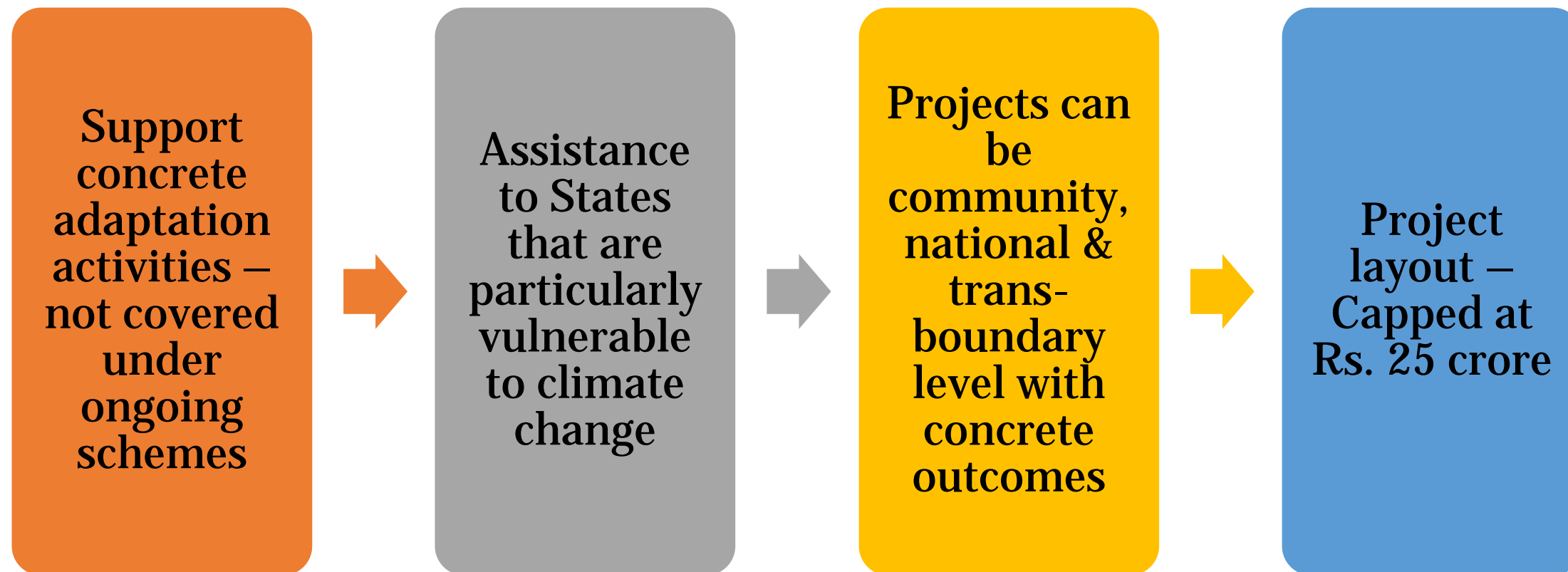
Adaptation projects/programmes aligned with NAPCC and SAPCCs

Climate vulnerability assessment, impact assessment, etc.

Capacity building of various stakeholders

Mainstreaming approaches/learnings through Knowledge Management

Financing under NAFCC



Eligible Project Components & Activities

- Adaptation measures/interventions, climate resilient technology transfer
- Preparing & updating climate scenario, vulnerability assessment & climate impact assessment
- Capacity building of various stakeholders
- Stakeholder mobilization & organization
- Baseline survey through PRA, FGD, etc.
- Integration of Knowledge Management
- Inventorisation and adoption of traditional knowledge on adaptation

Project Management/Execution Components

- Project formulation cost – 1% of the project outlay or Rs. 10 lakh, whichever is lower
- Execution cost of Executing Entity as per the rules of GoI
- Multi-disciplinary team at the project location for effective implementation & monitoring
- Project Cycle Management fee (@3%) to the NIE
- Cost of capacity building of stakeholders /workshops/seminars/meetings outside the project

Criteria to be considered in Project Conceptualization

- Level of vulnerability
- Urgency and risks arising from delay
- Access to the fund in a balanced and equitable manner by involving stakeholders and appropriate allocations
- Lessons learnt in project design & implementation to be captured from similar projects, if any
- Secure regional co-benefits to the extent possible
- Integrated planning
- Impact assessment methods/tools to be used as support tools to estimate adaptive capacity

Operational Modality

Concept Note (State Dept./ Executing Entity & NABARD)

SLSC

Technical Scrutiny Committee, MoEF&CC

Preparation of DPR

SLSC

NSCCC – for final approval

NAFCC projects in TN & Puducherry

3 projects – Rs. 65.00 crore assistance

Sectors – Coastal ecosystems, Watershed development, Surface water management

Completed - NAFCC project in Gulf of Mannar, TN



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Puducherry – Way forward

Karaikal

- Most vulnerable as Regional level climate vulnerability assessment

Sectors

- Rehabilitation of coastal ecosystems
- Afforestation
- Rehabilitation of mangroves
- Early warning systems
- Climate Smart Villages



THANK YOU