

Climate Finance in India: Bridging Gaps and Driving Innovation

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INTRODUCTION

Local financing together with national and transnational funding from public as well as various sources such as private sector, supports actions for climate change mitigation and adaptation (Jacobsen, 1998; Kandlikar & Sagar, 1999). The initiative acts as a fundamental component to reach multiple Paris Accord objectives, which include 2070 net-zero carbon emissions and 2030 renewable capacity of 500 GW (SAPCC). India plans to cut its emission-intensity of GDP by 45% until 2030 (Rajamani, 2011; Raghunandan, 2011).

The fulfilment of India's climate targets necessitates investment of more than \$2.5 trillion until 2030, which is mainly directed toward renewable energy infrastructure and sustainable projects as well as adaptation measures (Mandal *et al.*, 2013). Two major government programs, PAT and the National Adaptation Fund, operate to close the climate finance gap, according to data as per Biermann (2001). Despite these obstacles, high interest rates on green bonds plague private sector participation while inadequate institutional connections persist (Kandlikar & Sagar, 1999).

India's climate finance takes the shape of budget support by line ministries with marginal direct expenditure on climate (Planning Commission, 2013). The 13th Finance Commission allocated ₹5,000 crore for water, renewable energy, and forests each (Finance Commission of India, 2009). The National Clean Energy Fund (NCEF) set up in 2010 with a cess of ₹50 per tonne of coal (later ₹100 in 2014-15) has suffered from inept use of money (Panda & Jena, 2012). The second-largest CDM project-hosting nation of the world, India, approved 33% of Asian and 22% of worldwide projects, 563 of which were approved (Ministry of Finance, 2013). It has been noticed that Debt financing

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