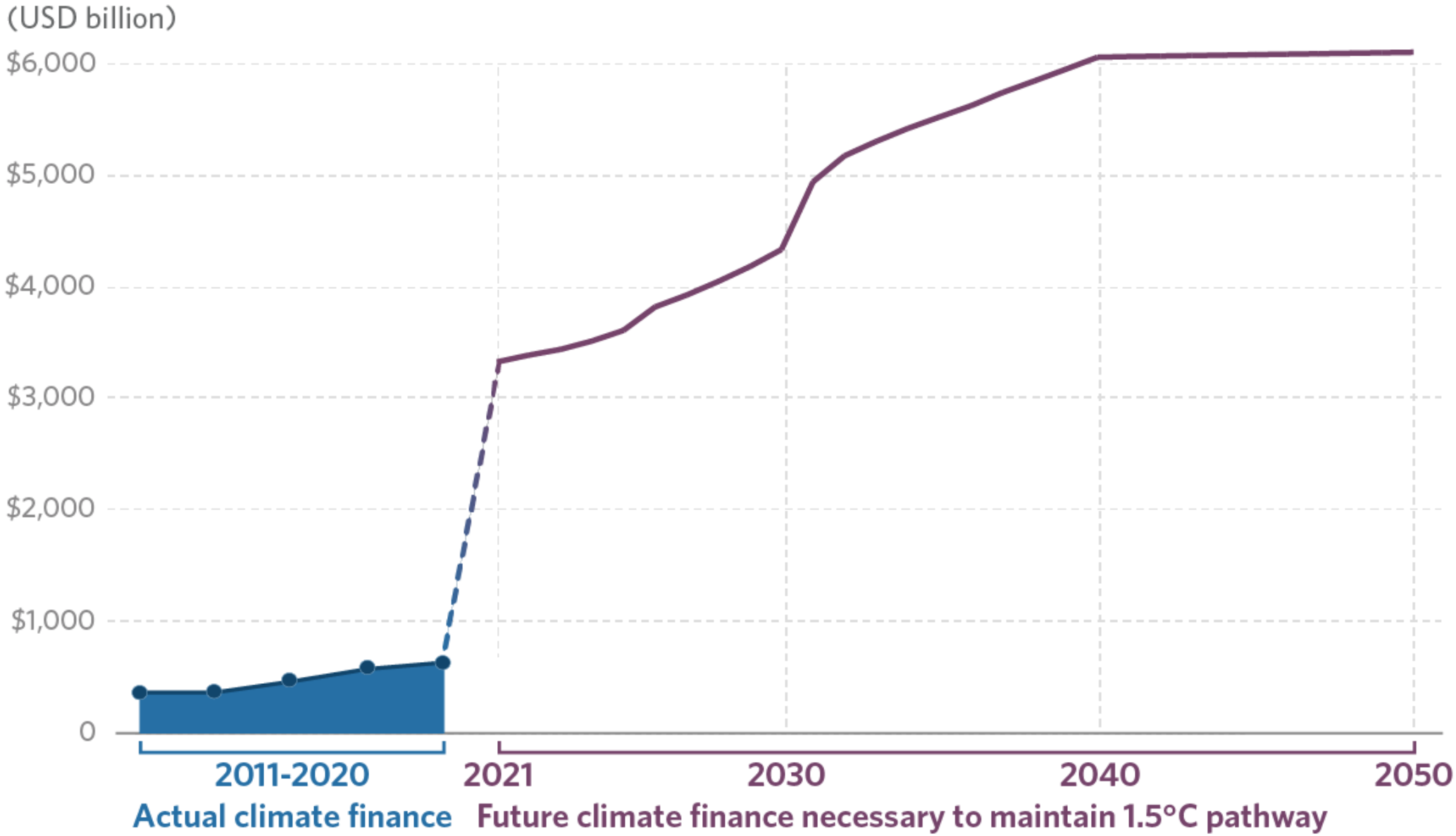
Climate Finance : Projects selection and strategies

Projects Division, BMC

MUMBAI first
To make the city a better place to live, work and invest in

CLIMATE CRISIES 2.0
MOBILIZING FINANCE FOR COASTAL CITIES

Figure 3: Global tracked climate finance flows and the average estimated annual climate investment need through 2050



LANDSCAPE OF CLIMATE FINANCE IN 2019/2020

Global climate finance flows along their life cycle in 2019 and 2020. Values are average of two years' data, in USD billions.

632 BN USD ANNUAL AVERAGE

CLIMATE POLICY INITIATIVE

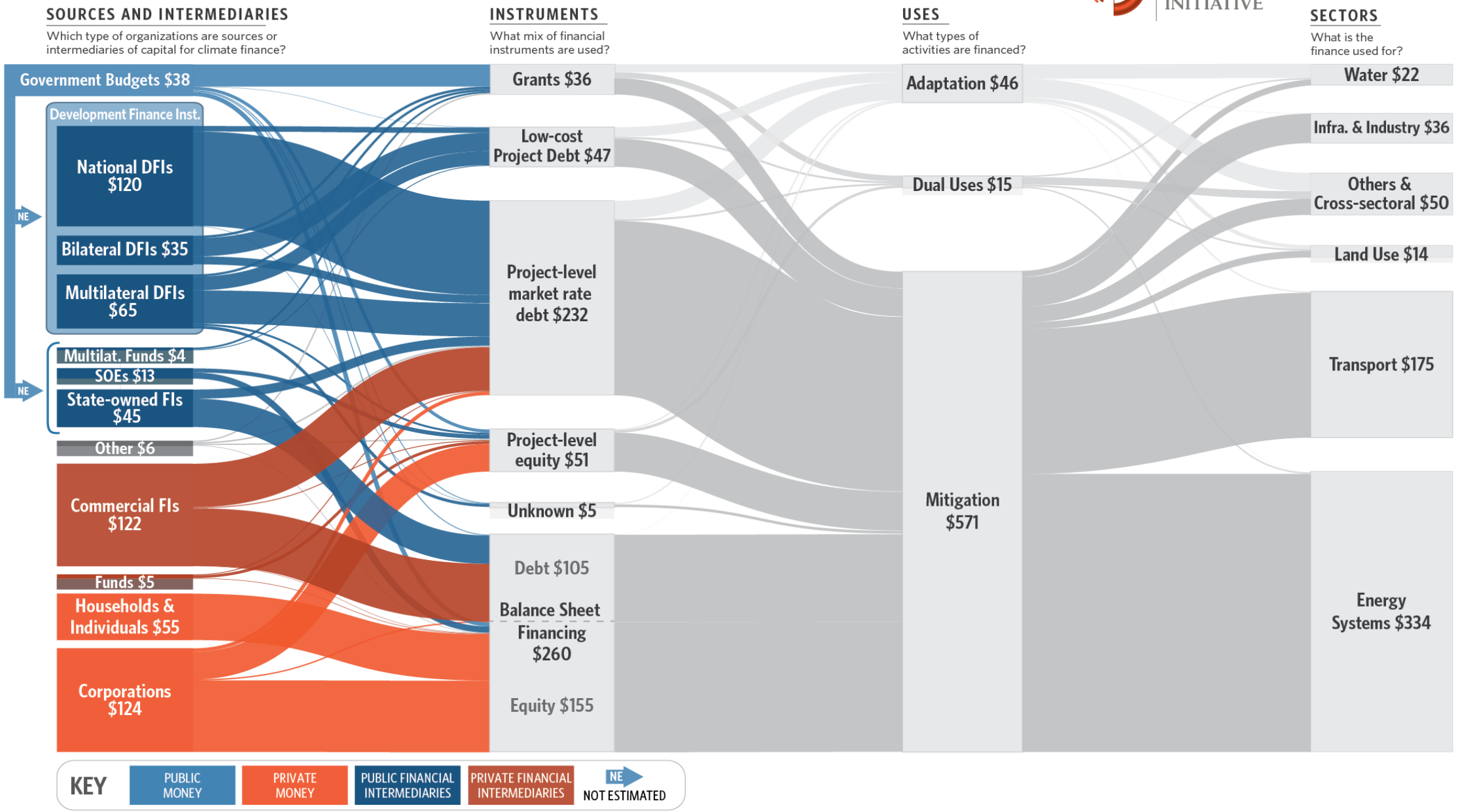
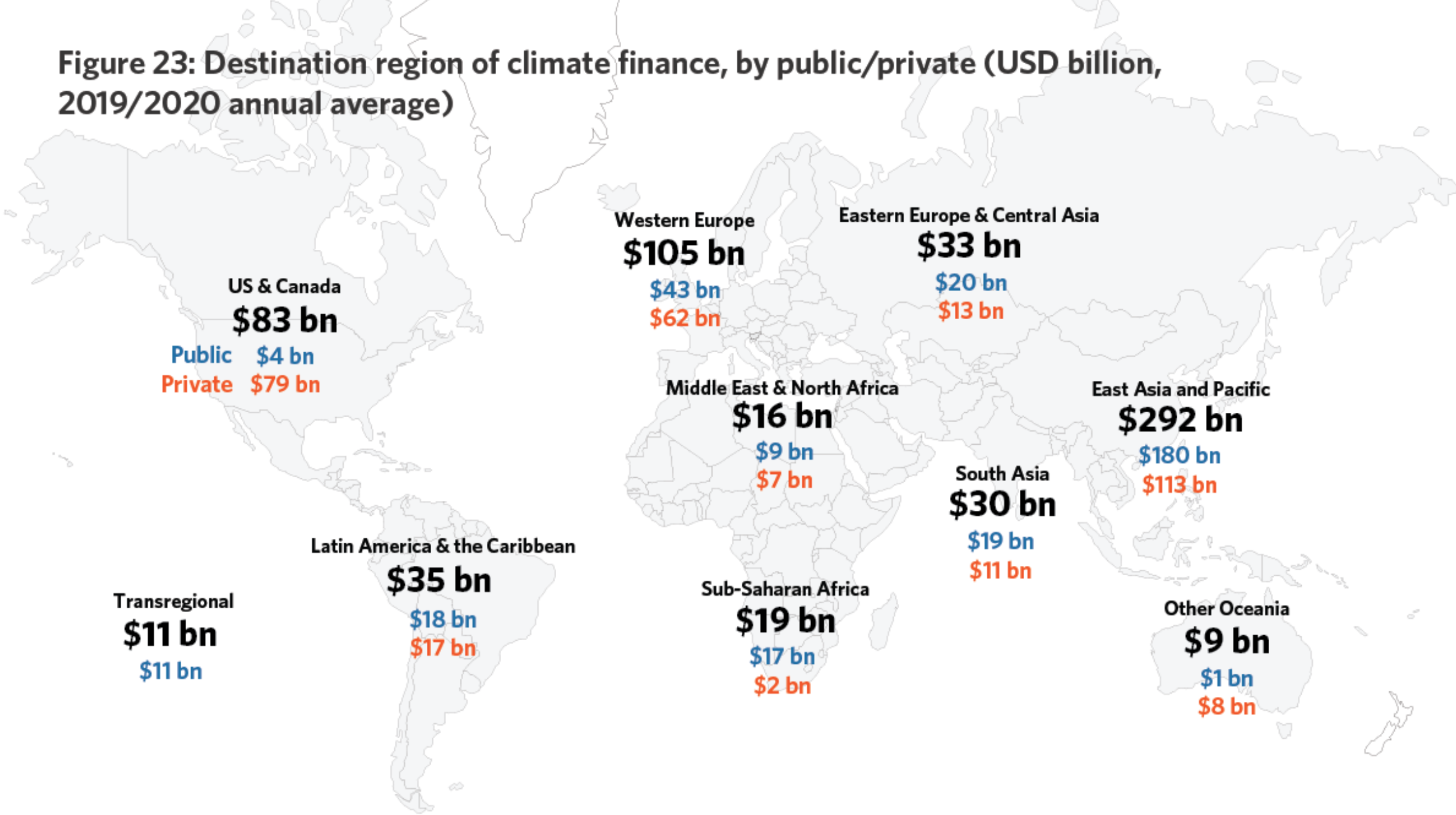


Figure 23: Destination region of climate finance, by public/private (USD billion, 2019/2020 annual average)



Source: Climate Policy Initiative

Climate investment in the economically advanced regions of Western Europe, United States & Canada, and Oceania were primarily funded by private finance

Other regions sourced their climate investments mostly from Public sources.

More than 75% of 2019/2020 tracked climate investments flowed domestically.

The majority of climate finance — 61% (USD 384 billion) — was raised as debt, of which 12% (USD 47 billion) was low-cost or concessional debt.

Equity investments, the next-largest instrument category after debt, came to 33% of total climate finance

Solar PV and onshore wind main recipient of renewable energy finance, attracting over 91% of all mitigation investment.

Household spending is the third largest share of annual private climate finance, driven largely by an annual consumer spending of USD 25 billion on electric vehicles in 2019/2020.

Renewables were primarily financed through private capital, reflecting the sector's growing commercial viability.

Low-carbon transport is the fastest-growing sector

Investment tracked to **private road transport (battery electric vehicles and chargers) accounted for 48% of low-carbon transport finance,** building on multiple years of government subsidy policies and falling technology costs.

INDIA

Non-fossil energy capacity to reach 500 GW by 2030;

To meet 50% of electricity requirements with renewable energy by 2030;

Reducing total projected carbon emissions by a billion tonnes by 2030;

To reduce the carbon intensity of its economy to less than 45%

To achieve net zero by 2070.

Climate Finance India

Total investment received for climate action
in 2019 is estimated at USD 20 billion

Almost 90% of it in solar PV and wind capacity.

About a billion USD was invested in sustainable transport.

Green bonds, led by
State Bank of India (SBI) and the Indian Renewable Energy Development Agency (IREDA)

Private Sector Facility (PSF),

To scale up GCF' s activities and de-risk the delivery of capital flows,

a dedicated division designed to fund and mobilise private sector actors, including institutional investors, project sponsors and financial institutions.

PSF promotes private sector investment through concessional instruments, including low-interest and long-tenor project loans, lines of credit to banks and other financial institutions, equity investments and risk mitigators, such as guarantees, first-loss protection, and grant-based capacity-building programmes. PSF structures these instruments across different practices including:

- **Financial Institutions:** Mainstreaming climate change considerations in the financial system
- **Project Finance:** Tailoring life cycle concessional finance to de-risk infrastructure projects for climate
- **Climate Funds:** Structuring anchor investments in climate equity/debt Funds
- **Climate Markets:** Developing Capital/Carbon markets that require bespoke structuring solutions
- **Climate Innovations:** Scaling investments into high-impact climate technologies and innovations

Project Investment Criteria

Impact potential : Can the project contribute to GCFs objectives and result areas?

Paradigm shift potential: Can the project catalyse impact beyond a one-off project? To what extent will it remove barriers to the engagement of the private sector, and bring about systemic change towards low-carbon and climate-resilient development pathways?

Sustainable development potential : Does the project have wider benefits and priorities? Are environmental and social safeguards and gender equality an integral part of the project?

Needs of the recipient: Does the project provide financing needs to the beneficiary country and population? Is there an absence of alternative sources of financing?

Country ownership: Is there beneficiary country ownership, and capacity to implement a funded project in alignment with the country' s policies, climate strategies, and institutions?

Efficiency and effectiveness: Does the project foster cost-effectiveness and private sector funding mobilization?

The Global Environment Facility (GEF)

Trust Fund	Project Type	Number of Projects	Total Financing	Total Co-Financing
GEF Trust Fund	National	86	$609,462,025	$34,314
	Regional/Global	35	$851,093,179	$13,965
	Regional/Global	1	$95,688,016	$534
Special Climate Change Fund	National	3	$14,818,182	$1,470
	Regional/Global	1	$3,500,000	$490

The Green Climate Fund (GCF) in INDIA

No. of projects : 4

Total GCF financing : 314.8 m USD

Line of credit for solar rooftop segment for commercial, industrial and residential housing sectors National Bank for Agriculture and Rural Development (NABARD) Country India GCF Investment USD 100m in senior loans Description.

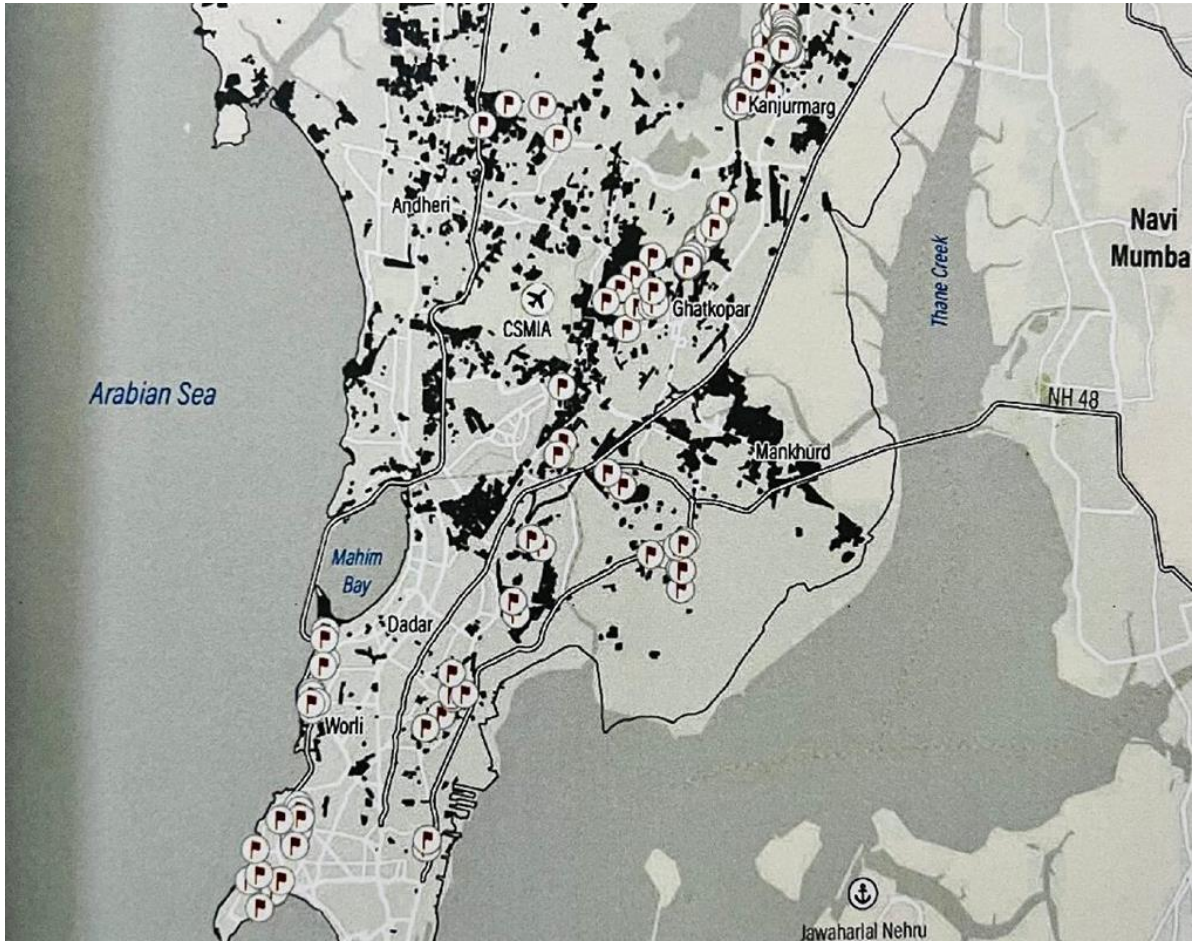
The Programme will enable access to long-term and affordable financing for the construction of 250 MW of rooftop solar capacity in the commercial, industrial and residential housing sectors in India.

Projects Selection and strategy

1) HOUSING :
INFORMAL HOUSING –
CYCLONE EVENTS

2) PLANNING FOR
LANDSLIDE PRONE
AREAS

3) RAISING SEA LEVELS :
COASTAL LINING CRZ
NORMS_ DELTA WORKS



4) CONTOUR MAPPING- HOLDING TANKS - ENERGY BASED STORM WATER DRAIN SYSTEMS

5) RAISING THE LEVELS OF ROADS w r to SEA LEVELS CONTOUR LEVELS

6) PLANNING FOR THE GROUND LEVEL APARTMENTS/ STRUCTURES

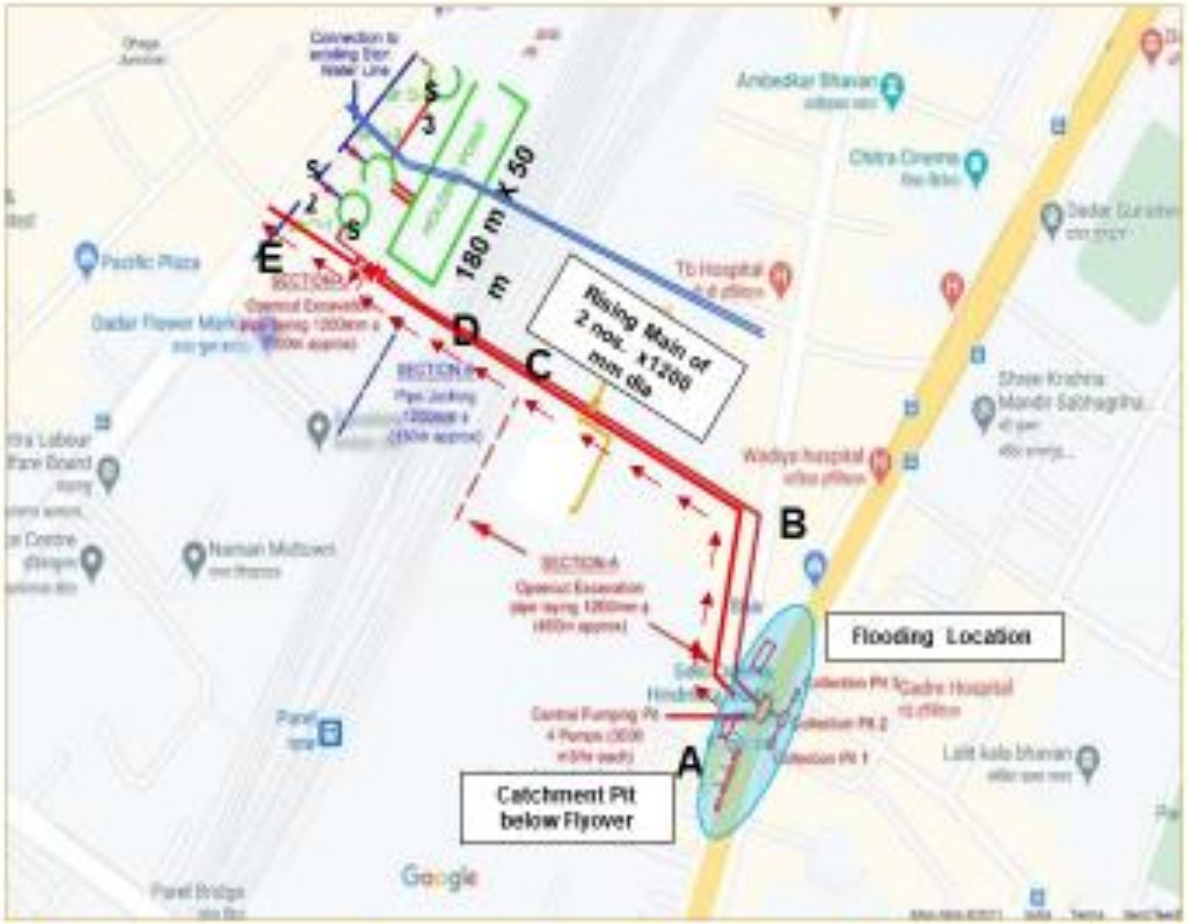
7) BLACK OUT / ELEVATINGNG THE LEVELS OF ELECTRIC STATIONS/ SUBSTATIONS

8) ELEVATING THE LEVELS OF RAILWAY TRACKS IN CENTRAL AND WESTERN LINES

9) CHANGES IN DP NORMS TO MAKE BUILDINGS MORE GREEN AND RETROFITTING and WATER HOLDING AND REDUCED RUN-OFF. FLOOD RISK ZONES/MAPS AND MAKING REAL ESTATE COSTLY by HIGHER CHARGE

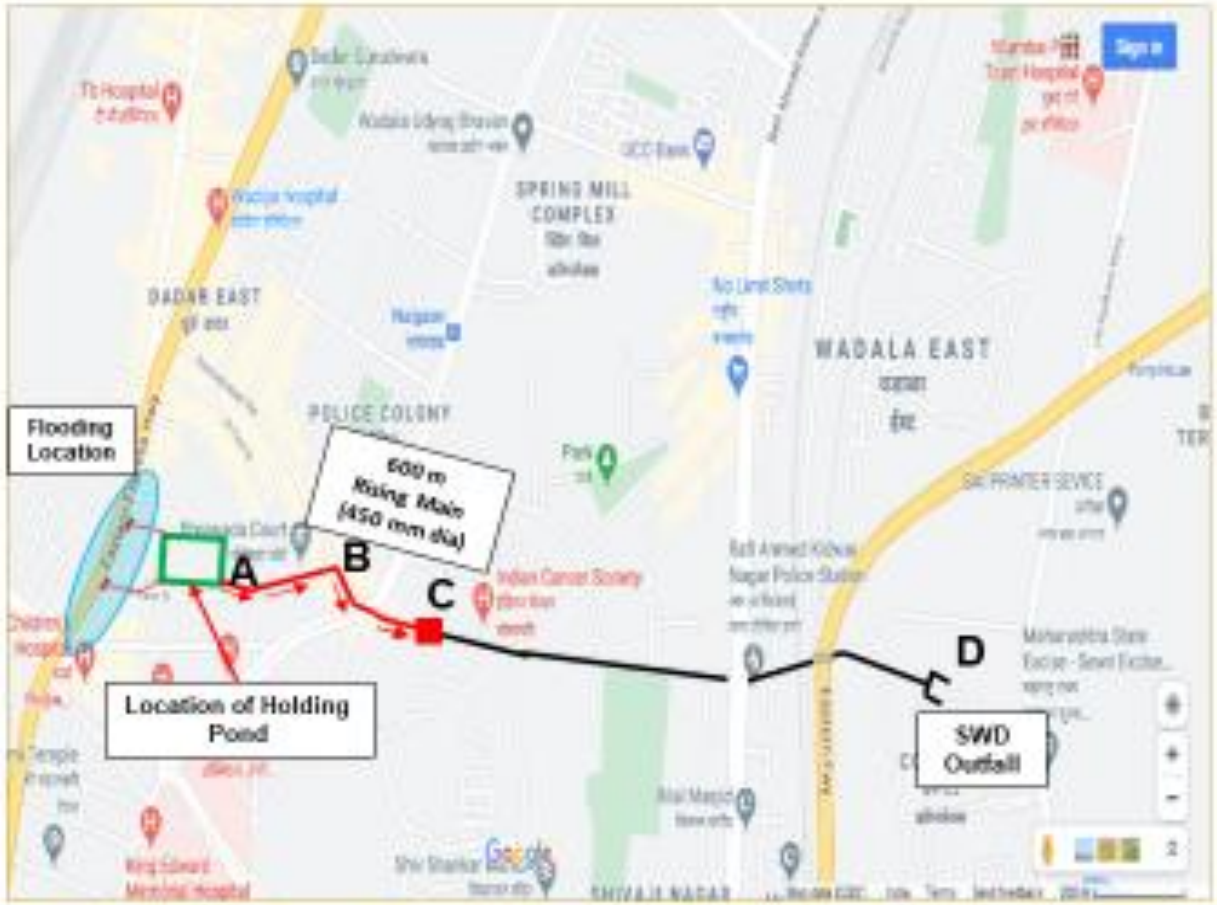
10) INCREASING GREEN COVER TO REDUCE TEMPERATURE-ALBEDO EFFECT

Holding Tank of Capacity 16000 cu. m.



Total Capacity	Capacity (Stage I)	Project Duration	Status of Project	Water Holding Duration
37000 cu.m	16000 cu.m	6 Months	Stage 1 Completed	About 65 Min (Final Capacity 150 mins)

Holding Tank of Capacity 9500 cu. m.



Total Capacity	Capacity (Stage I)	Project Duration	Status of Project	Water Holding Duration
15000 cu.m	9500 cu.m	6 Months	Stage 1 Completed	About 95 Min (Final Capacity 150 mins)

Mitigation side :

ENERGY: (72%)

Reduce incandescent lighting – which policy instrument?

Ban/ regulation/ taxation/ promotion of alternatives/ education/..

TRANSPORTATION: (19 %)

ELECTRIC – but electricity from where? What is the mix now?

WASTE: (8%)

Do we have gas capturing systems? Do we treat the gas?

GAP REPORTS

THANK YOU .....