

Summary of the sessions organized on 13th Foundation Day of International Centre for Environment Audit and Sustainable Development (iCED), Jaipur virtually on 01.06.2022

One day program on Theme: “COP 26 with special reference to Green Finance was organised by International Centre for Environment Audit and Sustainable Development (iCED), Jaipur virtually on 01.06.2022 to mark its 13th Foundation Day. IA&AS officer posted at Jaipur station along with all officers/officials of iCED participated in the said program.

Shri Pushkar Kumar, Director (T&R) welcomed the participants and highlighted the relevance and objectives of this program. He further stated that Environment and sustainability are one of the core concerns for policymakers, media, government programme managers, academicians & intellectuals and SAIs can play an important role in helping governments to improve their performance. He further elaborated that India’s climate action has the potential to bring investment and new technologies to support the country’s transition to a clean and climate resilient economy and from effective green financing, we can better manage environmental and social risks, take up opportunities that bring both a decent rate of return and environmental benefit and deliver greater accountability.

Ms. Sayantani Jafa, Additional Deputy Comptroller & Auditor General inaugurated the programme. While addressing the delegates, ADAI & DG, iCED stated that since establishment of iCED, its core mission is to develop high quality products in training and research to enrich environment audit through an inter-disciplinary approach enabled by valuable partnerships. She further outlined that on behalf of SAI India, iCED has contributed to research papers for various projects under the INTOSAI- WGEA Work Plans and conducted various training programmes for the Working Group on Environmental Audit (WGEA) as well as the Working Group on Extractive Industries (WGEI) of International Organizations of Supreme Audit Institutions (INTOSAI) including Indian Technical and Economic Cooperation (ITEC) Programme of Government of India.

She further underlined that Sustainable development is a key concept in environment jurisprudence which has aimed at harmonising economic development and environment protection. To combat the imminent threats of climate change, various summits and conferences have based their plan of action on the lines of sustainable development. The 2030 Sustainable Development Goals (SDGs) are a unique set of seventeen-time bound goals that aim to balance all three objectives of sustainability i.e., economic, social and environmental. Sustainability has emerged as a driving force for all sectors of the economy. The financial sector especially has been under the lens toward environment sustainability.

She stressed that being a public auditor, it is imperative for us to know the significance of commitments in CoP 26 regarding Green Financing for achieving SDGs, Sources and funding instruments, Challenges in mobilizing Green Finance in India, Green Initiatives. Before concluding her remarks, ADAI & DG, iCED wished that this one-day program on Green Finance will help in fulfilling the endeavour of iCED.

During this program, external experts were invited to share their knowledge and experience about the role and importance of Green Finance in India. The details of experts are given below:

1. Dr. Nilanjan Ghosh, Director, Centre for New Economic Diplomacy & ORF Kolkata
2. Dr. Armin Rosencranz, Professor & Dean, Jindal Institute of Environment & Sustainability, Sonipat
3. Ms. Mannat Jaspal, Associate Fellow with the Geoeconomics Studies Programme at ORF
4. Ms. Deepthi Swamy, Lead of Climate Program at WRI India

During the workshop, the following talk/sessions were organized:

Talk/Session-I by Dr. Nilanjan Ghosh, Director, Centre for New Economic Diplomacy & ORF Kolkata

Dr. Ghosh started his talk with information on the Green Agenda, Green Finance and Measurement Flaws in the valuation of carbon stocking benefits. He further outlined Green Transition and described how physical capital has grown at the cost of natural capital. He further raised the question of sustainability of growth process and roles of carbon sinks that cannot be substituted by Energy Transition.

He presented an overview of the “Decoupling of Growth and Carbon Emissions”. He further elaborated on India’s Development Vision-2070 and the Impact of Climate change on Ecosystem Services. Later, he outlined the key challenges of Green Finance along with guarantees and the risk involved in the areas. He described the salient features of financial aid and funding by Green Climate fund for mitigation and adaptation activities to promote transition at a low carbon growth path. He also presented a broader conception of Sustainable Development linking it with unity and efficiency which is more significant for a country like India. In the end, he briefed about project evaluation and underestimation of carbon stocking benefits and also discussed the ecosystem services provided by nature in the form of stock.

During the discussion & question session, Director (T&R) asked about numerous initiatives taken globally since 1990 in which the outcome was not met as envisaged as the IPCC report also quoted that if, we do not take the transformative steps, restoration of the temperature of earth cannot be achieved. He further enquired about the SDGs and the target indicators which are not precise and therefore a key challenge in this sector.

In reply, Dr. Ghosh emphasized that we need to develop the indicators to measure progress and NITI Aayog already introduced the SDG index to measure progress which gives information about sustainable consumption and production. He also explained that single SDG cannot help us to understand Sustainable Development and we need a combination of SDGs to understand Sustainable Development because sometimes they are enablers to each other and sometimes they are conflicting with each other. He also added that equity efficiencies and sustainability are the biggest challenges for the development governance today.

Talk/Session-II by Dr. Armin Rosencranz, Professor & Dean, Jindal Institute of Environment & Sustainability, Sonipat

Dr. Armin while discussing about ‘Green Finance’ began with its foundation principles and also about 5-member model. He started his conversation by giving examples about farmers to

use non hybrid food grains and cattle breeders to use eco-friendly cattle culture for cows and hens. He reiterated that rooftop solar is necessary in India. The Central and State governments are required to facilitate in no emission projects such as small rechargeable batteries & lamps and also in e-scooter projects.

During the discussion & question session, DG(ADAI), iCED asked about considerable inequity between Global South and Global North. Green finance is important for Global South and there must be a multilateral framework of Green finance for Global South as it has already suffered from imperialism and colonisation from Global North.

In reply, Dr. Armin stated that as per foundation principle Global North has strong and firm obligation towards Global South with Money, Technology and Industry hence, Global South needs to be benefited from Global North.

Talk / Session-III by Ms. Mannat Jaspal, Associate Fellow with the Geoeconomics Studies Programme at ORF

Ms. Mannat Jaspal started her presentation on ‘**Green Finance**’ and briefed about Sustainability, Green growth, Green Finance and its sources. She further elaborated on the importance of Green Finance in estimation of annual investment requirements for ocean, forestry, land & agriculture and biodiversity sectors. She also briefed about the challenges of Green Finance with a global perspective vis a vis linkage with India. She later discussed the case study about Climate finance where different sets of parameters were discussed such as Skewed at source, Geographical Disparity, Debt Bias, Adaptation Ignorance, Sectoral Preference etc. She further explained about mobilizing of Green Finance and stressed on Green banking system, Green Bonds and Green investors etc.

Before concluding, she explained the importance of Blended Finance from the Indian perspective and emphasized that Green Finance can be promoted by policies of capacity development and improvement in valuation disclosures.

During the discussion & question session, DG(ADAI), iCED asked about scope of optimism and enquired about the possible outcomes of upcoming COP-27 in the present scenario as most of the investments done by Global North to Global North only which is apparent of climate injustice to Global South. She further asked about the shifting of narrative towards India, China and South Africa and complete denial of historical emissions by Global North.

In reply, Ms. Jaspal briefed the importance and relevance of COP in achieving global climate goals, mobilising finance and need of the developing nations to come together to increase ambition from Global North. She further stressed that it is high time to understand that there are certain limitations in Green financing and we cannot fully rely on multilateral banks and public finance to come through because we do not have luxury of time and needed to be more focussed on G20 presidency of India.

DG (ADAI), iCED further wanted to know about the role of Public auditors especially in terms of criteria and policy framework of Green finance.

In reply, Ms. Jaspal highlighted that auditors can play a huge role in exposing Green washing and also help in risk assessment, capacity building efforts in companies etc. The session ended with some of the productive discussions with the Research Associate of iCED on the issues related to ignorance of adaptation policy in Climate change, Bio-fuels and renewable energy sources and Ms. Jaspal clarified the same very elaborately by giving suitable examples.

Talk / Session-IV by Ms. Deepthi Swamy, Lead of Climate Program at WRI India

Ms. Deepthi Swamy started her presentation on “**Modelling of Decarbonisation Pathways for India**” and explained the Energy Process Simulator (EPS) and its use to extrapolate the trends and results of commitments delivered during COP-26. She further described the overview of scenarios, key policy settings etc. about India’s 2030 targets compared to the scenario results. She also briefed about the timing of broad rationale guiding policy, main drivers of cumulative emission reduction in the Net Zero 2070 scenario, capital investments with savings and lastly the additional investment required for the present scenario.

In conclusion, she enlightened about the monetized avoided deaths and effects of climate change with special reference to reduction in water consumption of water plants, percentage change in GDP, jobs, carbon tax & fossil fuels tax revenues in the present scenario.

During the discussion & question session, DG(ADAI), iCED wanted to know about the battery storage transition from lead to lithium batteries which involves considerable Geo-strategic shifts in sourcing of lithium, the role of nuclear energy in India and implementation of carbon taxation in Indian scenario. She further asked about decarbonisation targets in the context of India as our maximum informal sector jobs depend upon fossil fuel & thermal power gateways. She further enquired about the possibility of combination of solar and nuclear energy in Indian geographical context with some of the specifics of wind energy.

In reply, Ms. Swamy stated that in the present scenario, the first step is to plan for 2070 and for this, we have identified the processes and started preparing the road map to achieve the targets. She further described that wind energy is a challenge in offshore and in country like India with constraint of land, we must develop some innovations in Hybrid energy plants. She further added that Nuclear energy is expensive as compared to wind and solar but in future, we might get cheaper reactors and hope to get some developments in India.

She elaborated that carbon taxation is the need of the hour for revenue augmentation of the Central Government to get rid of more reliance on fossil fuel revenues.

Summing-up

The programme ended with a thanks note given by DG (ADAI), iCED to all experts and participants for making this event successful and wished to organize more sessions in near future to understand the topic broadly.