



# Strategies and Innovative financial instruments for leveraging Meeting India's Climate Finance Needs

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[www.nabard.org](http://www.nabard.org)

# About NABARD



Apex Development Finance Institution owned  
by Government of India



30 Regional Offices, 400 District Offices, 4  
training establishments  
2,623 Multidisciplinary Team of Professionals



Balance Sheet Size: USD 47.6 Billion

## CORPORATE MISSION

*“Promote sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institution development and other innovative initiatives”*

# Demand & Supply Factors



Demand for Finance -2.5 trillion USD at 2014-15 prices



INDC:-estimate for all actions between now and 2030-  
adaptation & mitigation



Supply side –International Funds



Supply side national fund-NAFCC

# Demand & Supply Factors



Leveraging private sector-mitigation interventions



Private Sector –CSR initiatives in CC adaptation



Institutional Credit & Banking sector



Policy Initiatives-incentive system

# NABARD's Approach for Mainstreaming Climate Finance



Development of replicable adaptation models for varied agro-climatic regions



Infrastructure finance – adaptation and mitigation



Climate proofing of investments



Development of financial model and norms to mainstream climate finance in rural banking system

# Climate Finance: Major Models by NABARD



## NRM: Building Resilience

**Participatory Watershed Development Programmes (> 1.8 million ha)**

**Tribal (indigenous people) Development Projects for sustainable livelihoods (> 0.5 million families)**

**Sustainable farming system approaches (SRI, SSI, SWI) through dedicated funds**

## Innovative Financial Models

### **Umbrella Programme for NRM:**

replacement of irrigation pump sets, energy plantations, renewable energy finance projects (loan based NRM product through community)

### **Rural Infrastructure Development:**

Canal top solar systems, distribution efficiency improvement in power sector, etc. (financial product developed for infra. Finance)

### **Technical Support:**

Model Schemes on sustainable agriculture practices: spacing norms for irrigation wells, agro-forestry, land management, organic cultivation.

# NABARD – NRM PORTFOLIO



## Watershed Projects

- ◆ Coverage of 1.78 m ha in 1830 watershed projects, 1.39 million people across 3424 villages covered
- ◆ Total support US\$ 279 million (INR 16783 million)
- ◆ Supported from dedicated funds as grant and / or loan for participatory watershed projects

## Tribal Devt. Projects

- ◆ 610 projects covering 0.47 m tribal families
- ◆ US\$ 345 million (INR 19000 m) grant assistance for Agri-horti based livelihood covering 0.4 m ha
- ◆ US\$ 20.8 million (INR 1354 M) credit assistance to community institutions for investment in value addition and marketing

## UPNRM

- ◆ Sectors covering Agriculture, post harvest mgmt & marketing,
- ◆ 276 projects with outlay of US\$ 87 million (INR 5250 million)
- ◆ Loan based projects with need based grant

## Other Interventions

- ◆ Farmers Technology Transfer Fund (FTTF) – innovation like farmers club programme (about 1.5 lakh clubs), lead crop scheme, village development programme (convergence model, etc.

# Role of NABARD in mainstreaming sustainable finance in India



**Development of model banking schemes – financial products**



**Capacity building of rural financial institutions for project finance**



**Development of sustainable banking standards for project finance**

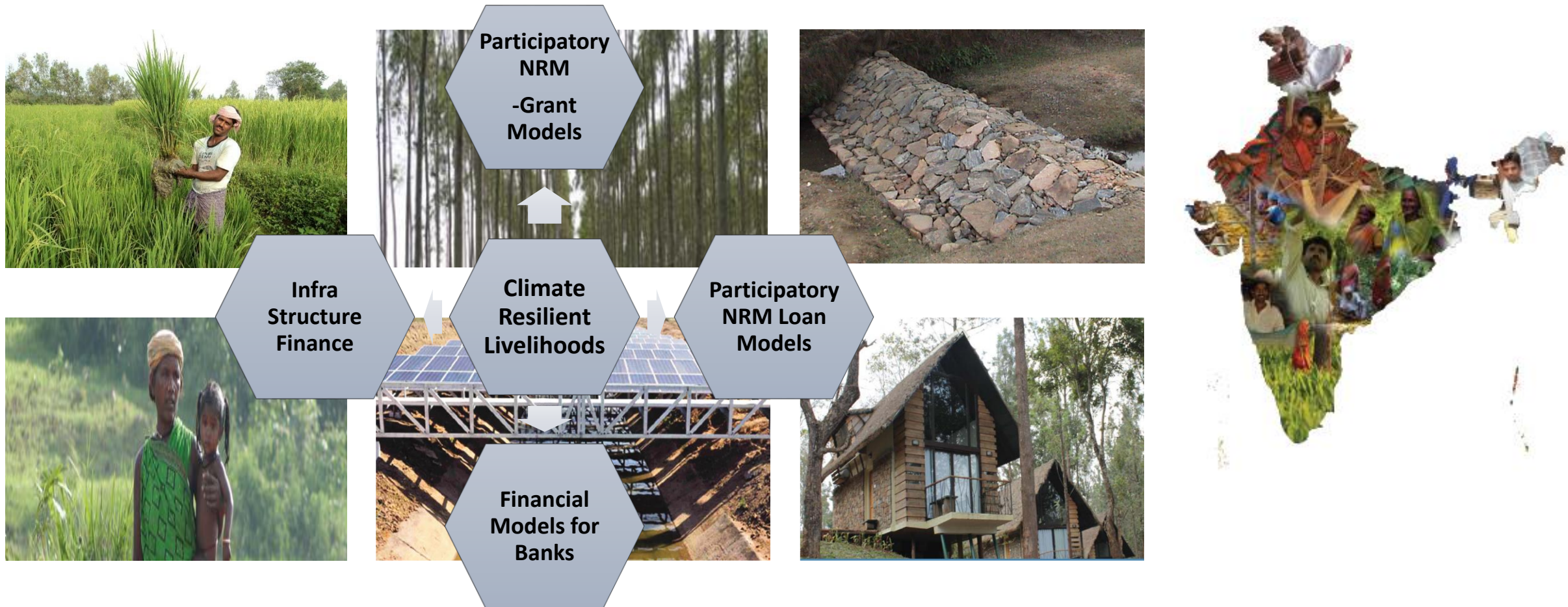


**Conceptualised, nurtured and mainstreamed largest micro finance programme in the world – SHG Bank linkage programme**





# NABARD's Key Climate Finance Innovations



# ADAPTATION FUND BOARD

# Adaptation Fund- Status



5 proposals Sanctioned of US\$ 7.3 Million (Rs.44 crore)

One concept note on Kanha Pench Corridor (MP) of US\$ 2.54 Million (Rs. 15 Cr.) approved by AFB – Draft DPR received by NABARD

Total US\$ 7.3 Million sanctioned against country cap of US\$ 10 Million  
- Six States covered (MP,AP,UK,RAJ,TN,WB)

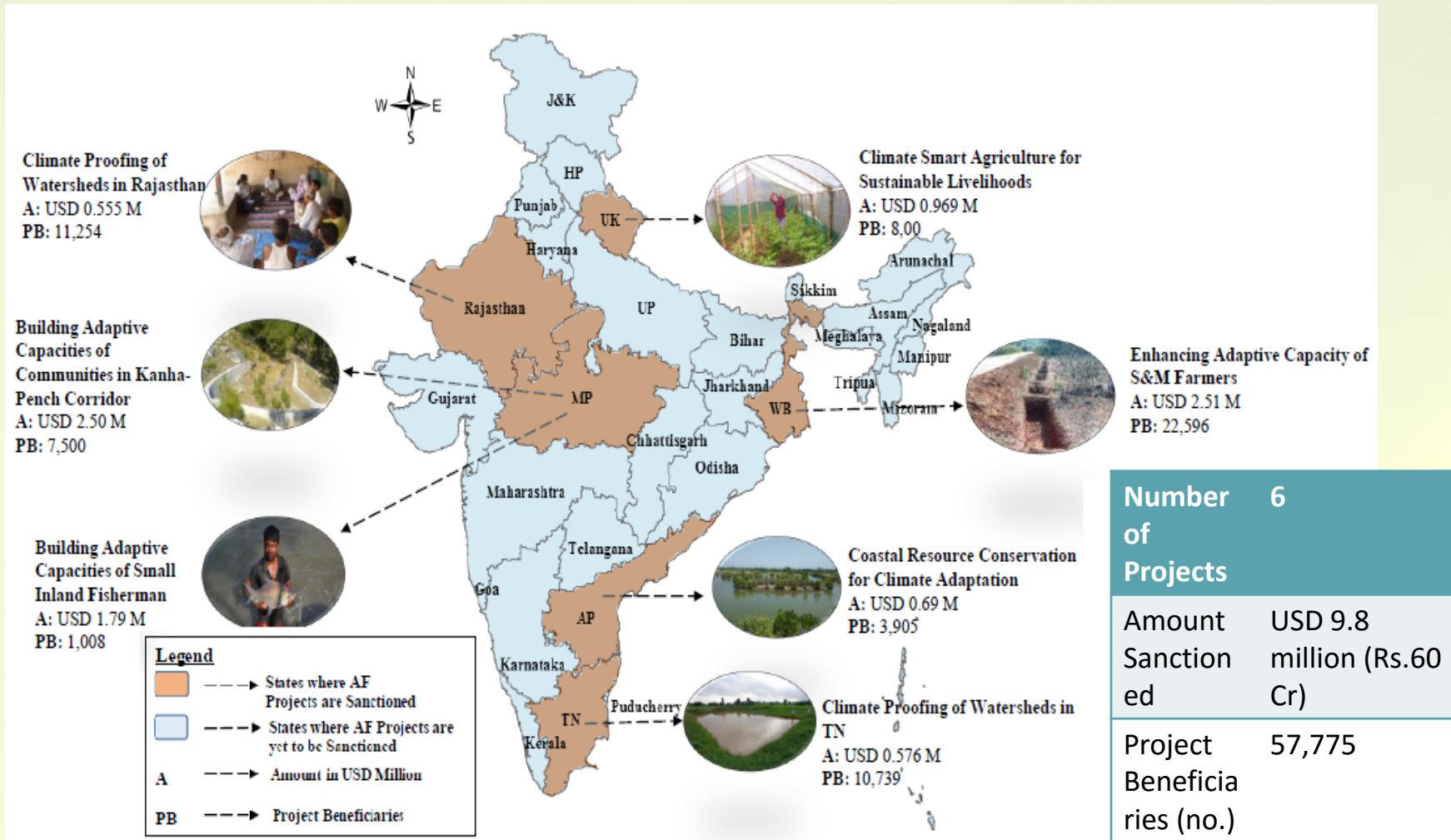
Projects sectors : dryland farming resilience(WB), Inland fisheries (MP) and Mangroves Fish farming (AP)

# Proposals Sanctioned - Adaptation Fund



Sl. No.	Name of Projects	Amount sanctioned (Rs.Crore)	Amount Received (Rs. Crore)
1	Enhancing Adaptive Capacity and increasing Resilience of Small and Marginal Farmers ( West Bengal)	15.06	2.38
2	Building Adaptive Capacities of Small Inland Fishermen Community for Climate Resilience and Livelihood Security (Madhya Pradesh)	10.74	2.86
3	Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise (Andhra Pradesh)	4.14	1.02
4	Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu	8.04	3.15
5	Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities (Uttarakhand)	5.82	1.10
	<b>Total</b>	<b>43.8</b>	<b>10.52</b>

# Climate Change: Projects under Adaptation Fund (AF) - UNFCCC



गाँव बढ़े तो देश बढ़े

[www.nabard.org](http://www.nabard.org)

YouTube [nabardonline](https://www.youtube.com/nabardonline)

Taking Rural India >> Forward



# NATIONAL ADAPTATION FUND FOR CLIMATE CHANGE (NAFCC)

# NAFCC- Efforts & Status



**12 proposals Sanctioned – Rs. 235 crore**  
(Punjab, Odisha, HP, Manipur, TN, Kerala, Mizoram, Chhatisgarh, J & K, Meghalaya, Telangana, Puducherry)

- 12 concept notes Approved – Rs. 253 Crore  
(MH – 2 nos., HAR, MP – 2 nos., AP, KTK, Assam, Bihar, UP, Gujarat, Jharkhand)
- 4 DPRs submitted in June quarter so far (AP, MP, Karnataka, Haryana)

## Efforts for Operationalization of NAFCC:

2 Project Write-shops, 2 training programmes for bankers; 11 State Level Workshops; 6 State Level training Programmes; 3 Regional Workshop with MoEF&CC

# Climate Change: National Adaptation Fund for Climate Change (NAFCC)



Number of Projects	12
Amount Sanctioned	USD 35.7 mil.(INR 236 Cr)
Project Beneficiaries (no.)	9.16 lakh



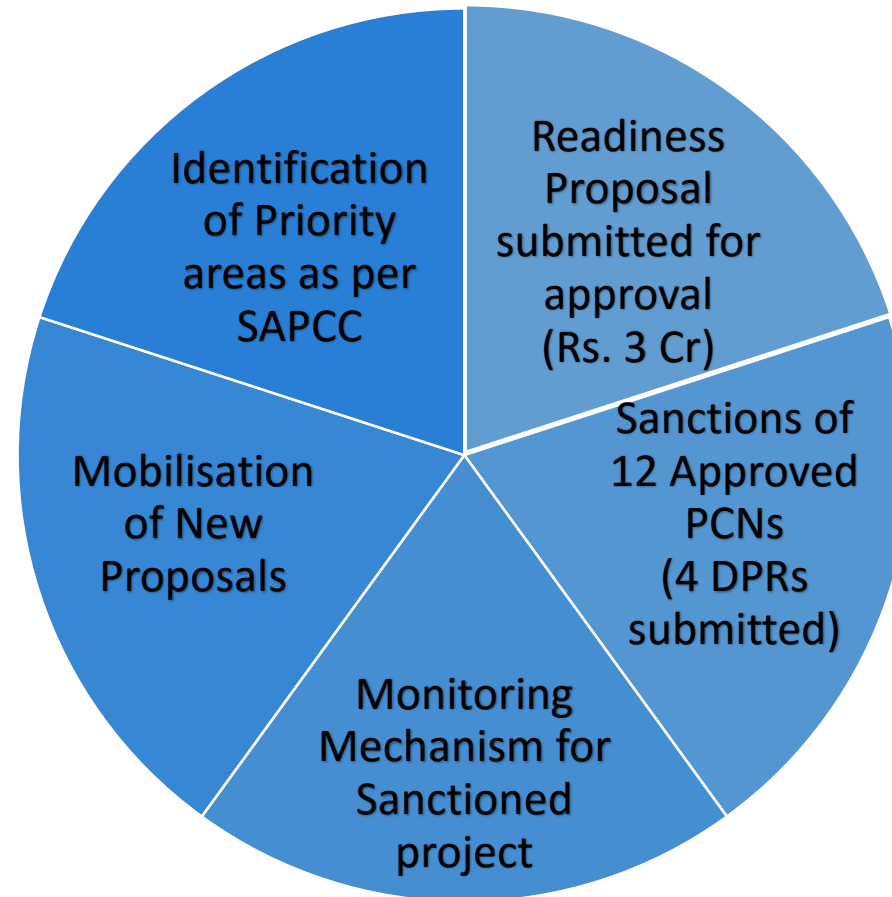
# Amount Sanctioned & Disbursed

(Rs. Crore)



Sr. No.	State	Amount Sanctioned	Amount Released by MoEF&CC	Amount Released to EE
1	Punjab	17.40	13.92	2.58
2	Odisha	20.00	16.00	1.12
3	Himachal Pradesh	20.00	10.00	3.31
4	Manipur	10.00	5.00	3.65
5	Tamil Nadu	24.74	12.30	3.75
6	Kerala	25.00	12.50	6.00
7	Mizoram	10.38	5.19	0.41
8	Chhattisgarh	21.47	10.74	1.07
9	Jammu and Kashmir	22.52	11.26	2.86
10	Meghalaya	22.92	11.46	1.23
11	Telangana	24.00	6.00	0.00
12	Puducherry	16.76	3.95	0.00
	<b>Total</b>	<b>235.19</b>	<b>118.31</b>	<b>25.97</b>

# Proposed Interventions under NAFCC





# GREEN CLIMATE FUND

# GCF - Status



2 PCNs (Haryana & Odisha) discussed and DPRs are under Preparation – Executing Entities (EEs) to submit DPRs before June End

Three concepts from MNRE (15,000 Solar Pumps, Creation of Innovative Debt Fund, Payment Security Mechanism) received

- Two proposals received from Telangana (Mission Kakatiya and Wastewater Mgt. in Hyderabad) – DPR of Mission Kakatiya is near completion.

# GCF Proposals – Status so far



Haryana – USD 46 million (DPR Stage)

Odisha – USD 31 million (DPR Stage)

Telangana - Mission Kakatiya – Approx. USD 80-90 mil. (DPR Stage)

MNRE 3 concepts – USD 210 million (PCN)

Hyderabad City Water Management – USD 244 million (PCN)

DPR Stage – 3  
USD 167 million

PCN Stage - 4  
USD 454 million

# GCF Project Focus Areas



Climate Resilience of Rainfed farming system



Adaptation through agro-forestry systems with mitigation co-benefits



Climate Change resilience building for tribal livelihoods



Strengthening of crop-weather advisory systems



Renewable energy and resource efficiency improvement



**Thank you !**

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# Projects under Adaptation Fund (AF)



**Integrated Mangrove Fish Farming Systems for Coastal Areas against Sea Level Rise (Andhra Pradesh)**



**Enhancing Adaptive Capacity And Increasing Resilience Of Small And Marginal Farmers (West Bengal)**



**Building Adaptive Capacities of Small Inland Fishers for Climate Resilience and Livelihood Security (Madhya Pradesh)**

Integrated Mangrove Fishery Farming System



Localised Weather Advisory

