

## French and Indian Experts Gather to Accelerate Climate Financing in line with India's Presidency of the G20



**Mumbai, Maharashtra Nov 30, 2022 ([Issuewire.com](https://www.issuewire.com))** - How resilient is the Indian financial system to climate challenges? To answer this question, AFD – the Agence Française de Développement/French Development Agency approached the Small Industries Development Bank of India (SIDBI) and the Indian think-tank Shakti Sustainable Energy Foundation (Shakti) to co-create an initiative.

The Green Indian Financial Systems Initiative – GIFS Initiative – was thus devised to facilitate dialogues and discussions between actors and global finance experts on greening the Indian financial system in early 2022. By gathering a community of like-minded finance practitioners composed of banks and financial institutions from India and France, and willing to participate in the greening of the Indian financial system, GIFS Initiative expects to widen and shape the discourse around greening the financial ecosystem and support its operationalization through the Indian institutions.

Following COP 26, India set itself ambitious goals: energy independence by 2047 as well as a commitment to net zero by 2070. Current regulatory and oversight frameworks do not address this holistically. This contributes to information asymmetries and the inability to integrate environmental and climate change risks into banks' risk management strategies and systems. Added to this is a marked shift in global demand, where investors increasingly view environmental, social and governance (ESG)

measures as a hedge against investment risk.

French and Indian experts and leaders gathered to discuss the importance of greening the Indian financial system, particularly in view of India's presidency of the G20 in 2023. Round tables between the various financial stakeholders green have facilitated the sharing of knowledge on the issues and expectations from a multi-actor and multi-expertise action perspective.

It is a recognized label within the Indian financial system, with over 300 stakeholders, including 15 partner banks. It engages in a dialogue with the Indian Bank's Association (IBA) on the subjects of risks relating to finance, enabling access to climate data and other relevant information to facilitate climate financing.

The Director General of AFD, Mr. Remy Rioux was in Mumbai to attend this year's 3rd GIFS conference. He said: "Greener system, not only financial, is the first step for more climate finance. These unparalleled challenges require states, districts, cities, institutions, and citizens to embark on a new journey that I call polyilateralism; instead of acting unilaterally, bilaterally, or multilaterally, we must act on all these levels at once. No institution could have this kind of impact on its own. But together we can push for concrete, atscale transformation!".

Mr. Sivasubramanian Ramann, Chairman & MD of SIDBI, said that "GIFS intends to complement the G20 presidency of India by enhancing preparedness on MSME green financing and strengthening the enterprise ecosystem. Our endeavour is to bring stakeholders on one platform and also imbibe good practices, and align them to our national mission including contributing to capacity building of the demand and supply side of the green Indian financial system. GIFS believes that 'financing the green' can be effectively enabled by 'greening the finance' i.e. embedding the ESG and SDG in the lending value chain".

Finally, Mr. Koyel Mandal, Chief of Programs at Shakti Sustainable Energy Foundation added: "With nations around the world drawing consensus on climate-induced loss and damage in Sharm El-Sheikh, climate risk has become integral to the changing growth paradigm and economy. GIFS aims to play a critical role in building capacity and knowledge on financial exposure to climate risk along with enhancing climate investment for green technologies. It would also seek to support the Indian G20 presidency in 2023, percolating learnings from India and France on climate risk integration while providing a platform for diverse stakeholder perspectives in emerging and developed economies among the G20 nations."

A joint declaration between the organizers was signed during this 3rd GIFS event, strengthening further the GIFS dynamic in the coming years. A network of women experts in climate finance was also launched on the occasion, aiming to strengthen the gender focus of the initiative as well as the training and expert development components.

**For the remainder, the objectives of the GIFS Initiative are threefold:**

- bridging the Indian climate financing gap – only 13% of the green investments needed to achieve the Indian NDC objectives are made, including through the development of adapted climate strategies for the financial sector;
- assist sector players (regulators, supervisors, banks, and financial institutions) in developing and implementing responsible financial practices and strengthening their resilience to climate and energy transition;
- encourage technical and political dialogue between the various actors in the country - while India

will be the presidency of the G20 from December 2022 and will benefit from the increased power of influence.

For more information on GIFS, please visit <https://gifsinitiative.in/>

### **About Agence Française de Développement**

Agence Française de Développement (AFD) Group is a public financial institution that funds, supports, and accelerates transitions towards a more just and sustainable world. As a French overseas aid platform for sustainable development and investment, we and our partners create shared solutions, with and for the people of the global South.

AFD is working on over 4,000 projects in 115 countries where it strives to promote health, education, and gender equality, and to protect common resources with a focus on peace, biodiversity, and a stable climate.

A partner of India since 2008, AFD works with Indian authorities to promote green and inclusive growth. AFD operates through loans to State and public enterprises as well as through technical assistance programs to support sustainable urban development, energy transitions, and ecological preservation in the country.

### **About Small Industries Development Bank of India (SIDBI)**

Small Industries Development Bank of India (SIDBI) set up on 2nd April 1990 under an Act of the Indian Parliament, acts as the Principal Financial Institution for the Promotion, Financing, and Development of the Micro, Small, and Medium Enterprise (MSME) sector as well as for coordination of functions of institutions engaged in similar activities.

### **About Shakti Sustainable Energy Foundation**

Shakti Sustainable Energy Foundation is an enabler of clean energy and sustainability solutions. We work with policymakers, civil society, industry, think tanks, and academia to identify and scale energy system interventions that will reduce GHG emissions and tackle climate change.



### **Media Contact**

Indus Communications/ Mahendra Singh

mahendra.singh@induscommunications.com

Source : Agence Française de Développement (AFD)

[See on IssueWire](#)