



Growth, Investment and the Low-Carbon Transition in India

Workshop 7 March, 09: 00 – 17: 00, Observer Research Foundation, 20
Rouse Avenue Institutional Arena Road, New Delhi

This workshop is jointly organised by the Organisation for Economic Co-operation and Development (OECD) and the Observer Research Foundation, as part of the OECD's on-going study 'Growth, Investment and the Low-Carbon Transition'. An analytical report, commissioned by the German Federal Ministry for Environment, Nature Conservation, Building and Nuclear Safety (BMUB), is being prepared in support of the 2017 German Presidency of the G20.

The main aim of the project is to explore the case for a co-ordinated policy action on growth, development and climate, to better understand economic and social implications of a low-carbon, climate-resilient transition of G20 economies. The report demonstrates how pro-growth measures to mobilise investment in low-emission and climate-resilient infrastructure can successfully spur economic growth and development, while also achieve the objectives of the Paris Agreement. The national plans put forward for the Paris Agreement are collectively insufficient to meet the objective of stabilising global temperature increase to less than 2°C, in part due to concerns over the implications of climate action for economic growth and development. Yet rather than adding to economic challenges, a decisive action to move economies onto a low-carbon and climate-resilient path can support effective economic growth and development.

The study recognises that G20 economies may face substantially different socio-economic conditions, which would affect the course and speed of their transition. To this end, the report seeks to tailor its findings and conclusions to specific country contexts. In view of this, the OECD in collaboration with ORF seeks to convene a discussion on the report's main emerging policy conclusions and messages to ensure that they adequately reflect India's unique circumstances. Specific challenges in the Indian context include the rural-urban divide in access to public services and modern energy, growing urbanisation and infrastructure needs and local pollution. India also presents a number of opportunities: it has a vibrant service industry, a rapidly-growing renewable energy supply, and has undertaken recent efforts to reform environmentally harmful subsidies.

To solicit expert views and inputs on the discussion of the opportunities and challenges of India's low-carbon transition, the workshop will bring together a number Indian and international experts and practitioners in the field.

Programme

9.00-9.30 **Welcome and registration**

9.30-10.30 **Session 1: OECD work on 'Growth, Investment and the Low-carbon Transition' study**

Introduction and moderation: **Christian Kastrop, OECD** and **Mihir Sharma, ORF**
Scene setter: **Richard Baron** and **Annabelle Mourougane, OECD**

This session will provide an overview of the OECD study on "Growth, Investment and the Low-carbon Transition" in support of Germany's G20 Presidency and discuss its relevance for policymakers and stakeholders in India.

Questions for discussion

- To what extent do the overarching messages from the report resonate with an Indian context?
- What are the main challenges and opportunities in achieving a low-carbon, climate-resilient development pathway in India?
- To what extent can pro-growth policies be associated to climate action to compensate for the cost of climate mitigation policies?
- What would be key levers to better align growth and poverty eradication objectives with a low-carbon, climate resilient future for India?

10.30-11.00 **Tea Break**

11.00-12.30 **Session 2: Coal sector and the transition to a low-carbon economy**

Introduction and moderation: **Vikrom Mathur, ORF** and **Richard Baron, OECD**

This session will explore the role of the coal sector in the generation of Indian Energy going forward, solutions towards lessening the impact of carbon emissions from coal and strategies to ease the transition away from coal, towards cleaner sources of energy.

Questions for discussion:

- What policies can be put forward to encourage a shift away from coal and towards cleaner sources of energy to meet demand?
- What policies should be put in place to support the transition (including e.g. temporary compensation, alternative employment and skills training)?
- Is there a pathway for reformation of the current subsidies that are received by the domestic coal sector in order to encourage the shift, building on recent reform efforts?

12.30-13.30 **Lunch**

13.30-15.00 **Session 3 – Green Finance and Investment**

Introduction and moderation: **Aparajit Pandey, ORF** and **Naeeda Crishna Morgado, OECD**

This session will explore how India can create conditions that attract private investment for climate action projects with a specific focus on how to reform domestic policy to help mobilise private investment in green infrastructure projects, (particularly from institutional investors), and how to promote green finance more broadly.

Questions for discussion

- What are key policy barriers in India to private investment in green infrastructure, including in renewable energy, energy efficiency and public transport, and policy priorities to strengthen India's domestic enabling conditions?
- What are the key barriers faced by green infrastructure project developers in mobilising finance from institutional investors, both local and international? How can public / development finance be used to de-risk investment?
- What steps can be taken to encourage the formation of a viable project pipeline and capacity building for institutional investors and investor intermediaries (Private Equity/Investment Banks) in order to encourage private capital investments in climate action projects?

15.00-15.30 **Tea break**

15.30-17.00 **Session 4: Urban Transition**

Introduction and moderation: **Rumi Aijaz, ORF** and **Geraldine Ang, OECD**

This session will explore the effects rapid urbanisation in India and the main opportunities and challenges this presents for India's low-carbon transition, including in the delivery of clean and efficient access to electricity, transport services, water supply and affordable housing in Indian megacities.

Questions for discussion

- Do Indian cities have in place the capacity and structures to access and mobilise financing in support of the greening of their urban development?
- What innovative and good practice examples can be shared from the experience of Indian cities in greening their energy, transport and water systems?
- Which transport policies / regulations are most suitable to limiting local air pollution and achieving other co-benefits such as reduced traffic congestion, within an Indian context?