



NABARD's Experience in Climate Finance

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About NABARD



Development Finance Institution owned by Government of India with a mandate for sustainable agriculture and rural development



Products & Services include : NRM interventions, credit facilitation, rural infrastructure development, micro finance, financial inclusion, etc.



Financial intermediation through credit and developmental interventions



Supervision of Rural Financial Institutions



Balance Sheet Size: USD 47.6 Billion

Climate Finance: Major initiatives by NABARD



NRM Based Initiatives

Participatory Watershed Development Programmes (> 1.8 million ha)

Tribal Development Projects for sustainable livelihoods (> 5.0 lakh tribal families)

Sustainable farming system approaches (SRI, SSI, SWI) through technology transfer funds

Innovative Financial Models

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

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

Technical Support for Model Schemes on sustainable agriculture practices: spacing norms for irrigation wells, 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)
- ◆ Need based grant assistance

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.

Pilot Projects on Climate Change



Climate Change Adaptation in Maharashtra

- Community based adaptation practices
- water budgeting, crop planning, adaptive and sustainable agronomic practices and irrigation management

Climate Proofing in Watershed Projects

- Tamil Nadu and Rajasthan
- Improves effectiveness of watershed investments for building climate resilience

Crop and Weather Advisory Services model

- Weather input by IMD, crop advisories by KVKs, service delivery through farmers club

KEY INNOVATIONS



NABARD as NIE for Adaptation Fund (AF)



Accredited as NIE in July 2012



NABARD has generated many feasible projects on climate change adaptation



Three project under implementation (US\$ 5.0 million)



Projects aim at mainstreaming adaptation in various livelihood sectors.



NABARD as NIE for Green Climate Fund (GCF)



Accredited as NIE for GCF in 10th GCF Board Meeting



Projects with low emission pathways and paradigm shift



Aims at development of resilient livelihood systems



Aims at Promotion of Climate Smart Agricultural Practices

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 work – SHG Bank linkage programme

NABARD's Key strengths under Climate Finance



Experience related to accreditation to Adaptation Fund and GCF

Technical Manpower with experience in Climate Change Project Finance

Experience in handling large projects/ programmes and policy based climate finance

NABCONS : Fully owned subsidiary aimed for Consultancy Support

Key Challenges for accessing international climate finance



Development project pipeline as per specific requirements

Development of financially viable projects

Limited capacity for project development & management

Capacity building of large no. of stakeholders

Integrating climate change adaptation in development planning / programmes

GCF Accreditation – National Process



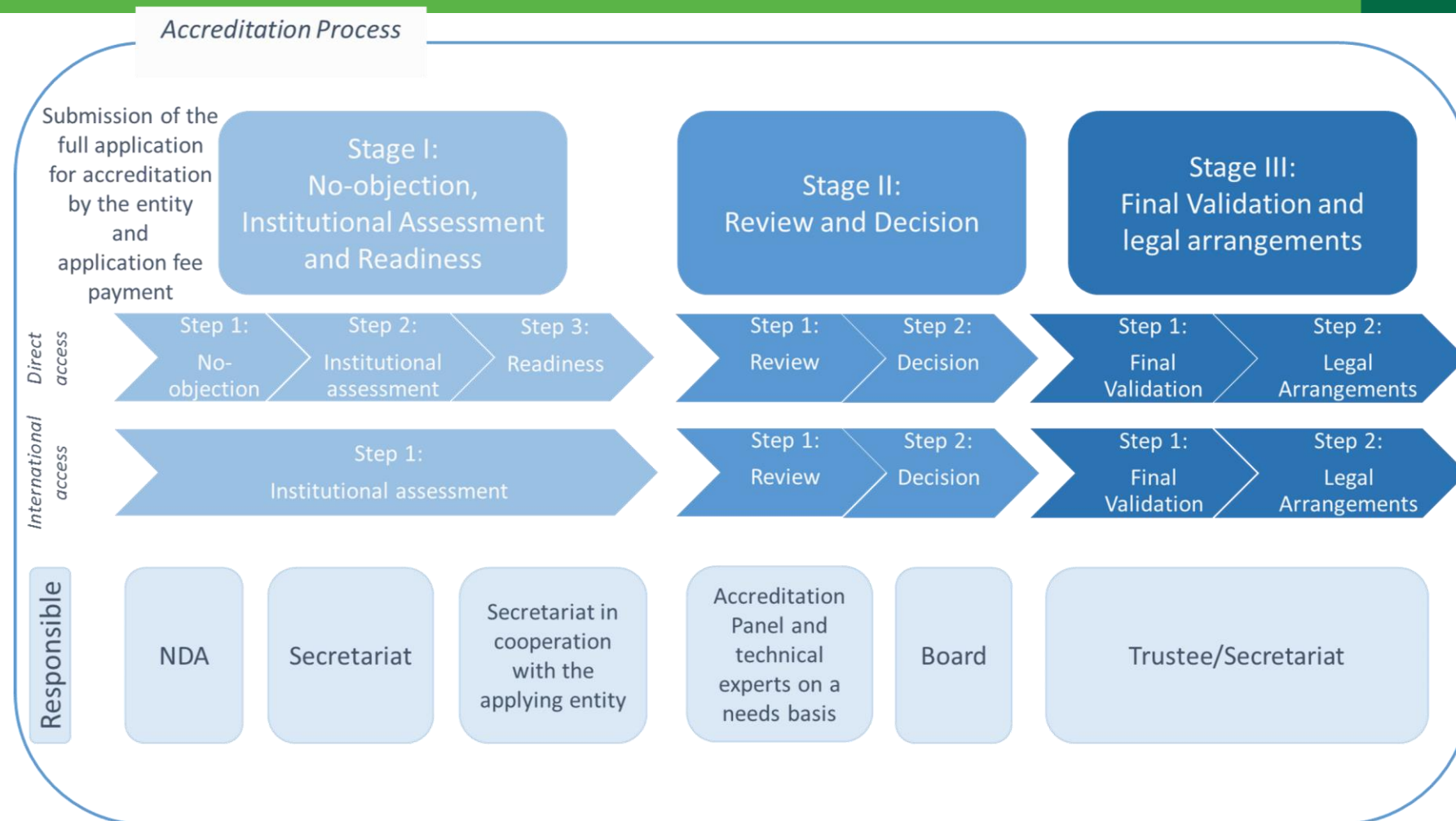
1. Finalization of National Designated Authority or Focal Point.
2. Top Management / Board Approval for applying to GCF
3. Identification of NIE Focal Points
4. Registration with On-line Accreditation System of GCF by submitting institutional credentials: governing instrument, business permit, signing authority documents, etc. (Dec. 2014)
5. Call for proposal by NDA – open advertisement (mid Jan 2015)
6. Nomination of NABARD as NIE by NDA for submission of proposals to GCF (Feb 2015 – first week)
7. As NIE for AF NABARD was eligible for fast track accreditation

GCF Accreditation – Decisions Required at NIE level



- GCF accreditation is based on fit for purpose criteria
- NIE need to decide on following for application:
 - Fiduciary functions: shapes how the implementing entity or intermediary will operate using the Fund's resources (e.g., grants, concessional loans, equity, guarantees)
 - Size of project/activity within a programme: micro, small, medium, large
 - Environmental and social risk category: high risk Category A/Intermediation I (I-1), medium Category B/I-2, low/no Category C/I-3
- Documentary evidences depends on the type of certain fiduciary functions, size of project/activity within a programme, and environmental risk category

GCF Accreditation – Process



Key Challenges



Documentary evidences need to be collected in a logical manner in soft format



Internal processes understood and aligned with the GCF requirements



Timeliness in the responses to the queries raised by GCF is very critical



Communicate with GCF Accreditation team for any clarifications



Dedicated team to work round the clock



Thank you !

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