

# **Mainstreaming of Climate Finance through Financial Institutions by promoting Climate Resilient Interventions and Low emission pathways for Sustainable Rural Development in India**

**National Bank for Agriculture and Rural Development (NABARD), India**

Empowering Direct Access

23-25 May 2017 | GCF Headquarters, Songdo

# Brief Snapshot

**Project/ Programme Executing Entity** – National Bank for Agriculture and Rural Development (NABARD)

**Programme implementation** – (3-5 years) Life Span of Project – 20 years

**Total Outlay** – Minimum US\$ 1750 million (one cycle) and Investments to the tune of 4 billion can be leveraged with GCF support (in 2 more cycles).

**Project Sponsor Contribution** - US\$ 500 million as Beneficiary contribution

**Amount Requested** - GCF Support requested US\$ 1250 million which includes:

- USD 1000 million as loan from GCF for 20 years
- USD 250 million as grant .

**Project Areas** - Vulnerable Districts of the Country

**Result Area** - Increased resilience of Most vulnerable people and communities , Health and well-being, and food and water security, Reduced emissions from energy access and power generation

# Details of Components

**Water Sector** (enhancement in water use efficiency, rain water harvesting, ground water recharge, water budgeting, recycling of water, etc.)

**Soil & Land Use Management** (Mulching, vermi composting, crop residue management, organic farming, etc.)

**Animal husbandry & Fisheries** (Animal housing, feed & fodder management, breed conservation, rain water harvesting, Biogas Mgt., integrated fish farming, etc.)

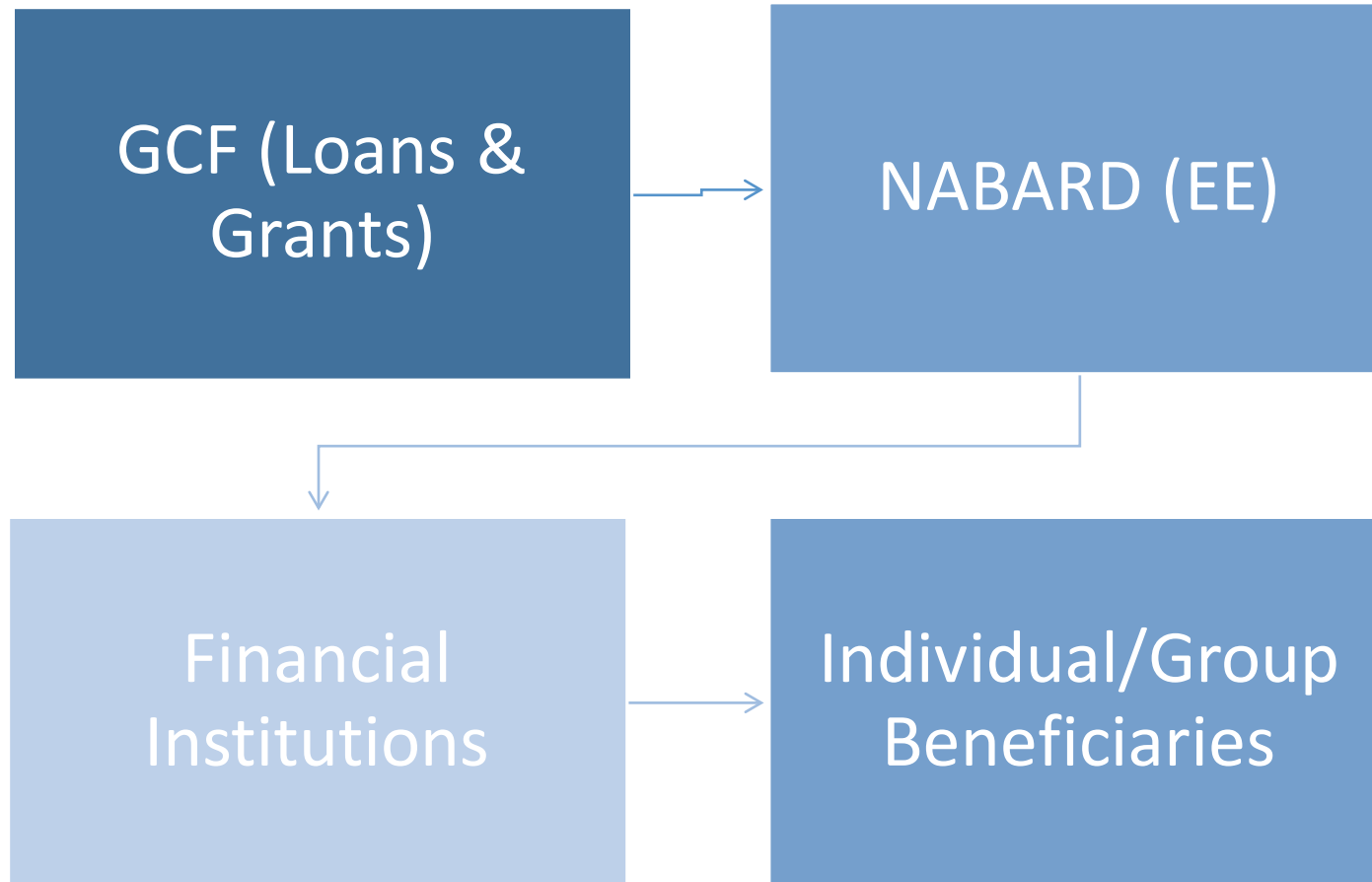
**Plantation and Horticulture** (Polyhouse, orchard development, Agro-forestry, Water conservation & harvesting, etc.)

**Renewable Energy** (Solar lighting, solar water pumps, solar cold storage, etc.)

**Farm Mechanization** (Zero tillage machine, solar power based equipment's, etc.)

**Capacity Buildings**, Incentives for Branches/ Beneficiaries (result based Payments)

# Fund Flow arrangement



# Implementation framework

**Highly Vulnerable districts (More than 100 districts) will be covered in the proposal and Area development Schemes (cluster approach) with Banking plan will be prepared**

**Selection of Beneficiaries by Bank Branches/ Line Deptts/PRIs on the basis of Pre Designed Criteria. A software will be developed which will have details of all applicants, activities, etc. (Duplication of beneficiaries will be avoided)**

**After ascertaining the eligibility as per selection criteria, Project will be sanctioned by Banks for Individuals/ group beneficiaries**

**Implementation of Projects and disbursements of bank loan**

**Release of GCF support by NABARD to Banks. Rural Financial Institutions will be given preference**

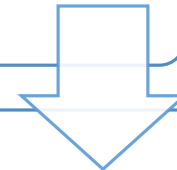
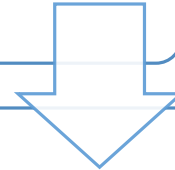
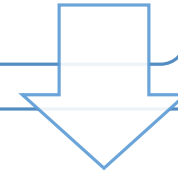
# Monitoring Framework

**National Level Steering Committee(MoEF&CC,  
MoA, MoRD, MNRE, State Govts, Select FI &  
NABARD as Convenor)**

**Review at State Level Bankers Committee (SLBC)  
Level/ State Level Steering Committee**

**District Level review Committee (Convenor LDM)**

**Block level review Committee**



# Environmental and Socio-Economic Impacts

## **Impacts**

This fund is expected to enhance climate resilience of more than 50 million vulnerable population (including women) of India.

## **National impact**

Mainstreaming of Climate Finance in India covering the Rural Financial Institutions.

## **Social and Economic Impact**

Significant impact on enhanced resilience of beneficiaries and reduction in CO2 emission.

Significant health and economic benefits.

Significant contribution to capacity building of beneficiaries and reduced drudgery of women.

# Funding Proposal Development Process

- Development of PCN is under progress by the Executing Entity – NABARD
- Stakeholder Consultations are on-going within NABARD on PAN-India basis.
- Project Concept note would be forwarded to NDA for consideration and approval after finalization of PCN.
- NABARD seek support and guidance from GCF in terms of development of proposal and supporting documents as per FP requirements



# Key challenges

## **Key challenges**

- Better financial structuring of the proposal.
- Hedging and currency risk
- Convergence with on-going schemes of State Governments

## **Assistance or guidance required**

- To address the above mentioned challenges, support from GCF is requested.