

## PLANET DIALOGUE

**Hosted by: Cognisphere Solutions Limited**

**Date: 20<sup>th</sup> April, 2023**

**Venue: India International Centre, New Delhi**

### Defining Impactful and Predictable Pathways towards Climate Action

Speakers: Anindya Chowdhury, Manas Satpathy, Satyabrata Acharyya, Sunil Kumar

Moderator: Tinni Sawhney

- Building Inclusive, Sustainable, Impact (ISI)
  - Proposed solutions need to be community-centered and they must be backed by stable policy framework with adequate feedback loops
  - However, meaningful changes can only be brought in after we acknowledge the limits of resources
  - Adaptation is the most urgent requirement for the most vulnerable section of the population. Thereby, any mitigation initiative also needs to offer strong adaptation benefits
  - For example, Tasar forest carbon project has resilience angle in the following ways—i) Cocoon production provides stable economic opportunities because of bumper yield received as a result of heavy rain, and even if there is no rain it returns normal yield, thereby strengthening livelihood ii) Trees prevent soil run-off due to heavy rain iii) Increase in huge biodiversity of flora and fauna iv) Rehabilitating practise of traditional water-shed management v) Reducing dependency on inputs by setting up composting units (capacity 1000MT/year) in plantation clusters to ensure supply of organic manures
  - But these projects must be tailored as per the biophysical conditions of a particular area, and this will require us to invest in development of models that are specific to various ecologies and conditions
- Transitioning from the paradigm of “Polluters Pay” to “Protectors Profit”
  - By now oceans have sequestered 90% of the carbon, and now we are at a stage where their ability to capture more gases is faltering, and this is where Nature-based Solutions (NbS) proves to be a viable alternative
  - Restoration of degraded land remains the key component in NbS
  - However, communities have been carrying out NbS free of charge for ages. For the sustainable continuation of these mitigation cum adaptation strategies, it is very important to facilitate equitable, fair, and swift payment systems to compensate the relevant actors
- Financing all the spaces to incentivise stewards of change
  - Emphasising on Investor-Farmer relationship: Investors offer sustainable livelihoods, employment for youth, better habitat, and farmers in return assist them in achieving net zero goals, and other SDG goals (gender equality, biodiversity and sanitation and clean water)

- However, deep community connect remain the cornerstone of impact and social mobilisation.
- Investment required for land restoration remains high since they require long-term fundings. The key question therefore remains as to how can we build investor's confidence for the projects which are approximately 20-30 years long

## **Innovative Financing to support Small-holder and Marginal Farmers to deal with Climate Change**

Speakers: Dhruvi Shah, Sascha Lafeld, Ved Arya, Adarsh Sharma

Moderator: Sudhir Sahni

- The rise of 'Sustainability'
  - There has been rise in conscious decision and efforts by private organizations to bring in Climate Action
  - Numerous organisations however have been already doing similar work but under the ambit of 'Livelihoods'
  - Despite the tremendous growth of Voluntary Carbon Market (VCM) (x10 increase between 2016 to 2022), the absolute amount remains negligible to be able to solve the larger problems. There is therefore an urgent need to mobilise more funds in the realm of resilience building
  - On the bright side, there has been drastic change in preference of time-scale for investments, since most parties are pouring money into these long-term projects as they demonstrate true potential in driving tangible and sustaining impact
- Mechanisms in place
  - Science Based Targets initiative (SBTi) allows for translation of global net zero goals into corporate responsibilities
  - Zero Coupon Zero Principal (ZCZP) as an instrument is recognised and introduced as security. It shall be issued by a Non-Profit Organisation (NPO) to get registered with Social Stock Exchange (SSE) in accordance with the regulations made by the Securities and Exchange Board of India (SEBI). This facilitates fund mobilisation and capital formation for NPOs
  - Section 115BBG Income tax- It allows a concessionary tax rate of 10% for taxpayers who are earning an income by transfer of carbon credits.
  - Agricultural-extension services receive tax exemption under the indirect tax regime or GST under clause (d) of section 66D
  - The top 1000 listed companies are mandated to go through social auditing by preparing the Business Responsibility and Sustainability Report (BRSR). In an effort to align with global ESG reporting trends, BRSR integrates multiple key performance indicators (KPIs) from international frameworks. It integrated 16 thematic areas that are in sync with SDGs. It also incorporates a lot of indicators that comprise qualitative reporting.
  - Additionally, social auditing is mandatory for NPOs seeking to get registered with SSE

- Major gaps
  - Charity economy in India is predicted to grow to \$11 trillion by 2050. However, this will require transitioning towards progressive taxation norms and rules
  - Small-holder financing remain much more complex since it requires careful consideration of both livelihood, and environment factors. Standardised operationalisation of various parameters across different institutions and organisations should receive more focus
  - Lack of understanding is accentuated by lack of data which otherwise could be helpful in identifying real impact of climate change in a hyperlocal setting. In order to drive change, it is important to be able to track change, which is why creation of good quality data is of utmost importance.

## **Evolving an Effective Policy Framework to hasten Climate Action**

Speakers: Pyush Dogra, Sanjay Upadhyaya, Vikas Hosoor

Moderator: Raghini Badhrinarayanan

- Defining 'change'
  - Priority needs to be restoring ecology where resources have degraded, and community resource management where resources are abundant. There is also a need to reframe Non-Timber Forest Products (NTFP) into High Value Forest Product to enhance its market linkage
  - To facilitate creation of resilient systems we have to rehabilitate traditional knowledge systems, and community resource management
  - Decentralised planning will have to emerge as the key principle guiding policy formulation since there is the necessity of making sure the needs for any solution arise from the ground, and then develop bottom to up. This can be achieved by de-coupling geography, solution, and finance which then makes context-specific scalable solutions available for anyone who needs it
  - Policies have to be built with a Landscape-based approach that keeps communities in the center to ensure equitable and sustainable use of land while strengthening measures to mitigate and adapt to climate change
  - We also need to put energy innovations for rural sector in the centre-stage to make way for equitable and just transition for the largest and most disadvantaged section of the population
  - Implementation of any solution also needs to be more well-thought out and in-line with reality. For example, farmers barely benefit from the electricity subsidy since they mostly receive electricity at night which then can't be utilised for farming
  - To be able to tackle climate change we will have to meaningfully construct decentralised production for decentralised consumption
- Way forward
  - We need further symbiosis across various fields and institutions such as Ministry of Agriculture, and Ministry of New and Renewable Energy.

- Currently, test codes required for electrical agricultural innovations do not exist, Ministry of Micro, Small & Medium Enterprises (M/o MSME) could work on this to extend innovation in agriculture
- The important role that technology can play in uplifting the vulnerable communities. Innovations such as Solar Microgrid solutions can be very useful for providing electricity during the day for pump set usage
- Galvanising investments from private sector and creating a common ground for farmers and investors through public-private-partnership (PPP) is paramount in bringing meaningful and holistic systemic changes
- Paving way for data and communications management that then allows for feedback loops to be continuous vis a vis for making systems more dynamic
- Three prominent emerging pathways- 1) Pathway of protection and avoiding deforestation 2) Pathway of forest landscape restoration, restocking and improving system quality in ecosystems 3) Pathway of production landscape management- agroforestry, farm forestry and NTFP