

Making Words Count @WSDS 2023

“ Green budgeting is a tool involving budgetary planning designed to systematically map and track the sources of funds, outlays, expenditures, and policies. Areas such as climate adaptation, sustainable consumption and production, biodiversity preservation, and pollution abatement need much more attention.

Dr Vibha Dhawan
Director General, TERI

“ Everyone is responsible to contribute to sustainable development and lead the vision to be a leader. Without a very clear message and a strong partnership with civil society, we will fail to achieve sustainable investments.

H.E. Mr Laszlo Borbely
State Counsellor to Prime Minister, Government of Romania:

“ Sustainable financing for the future will rest on three pillars: more capital, Paris Agreement-aligned policies, and new investment models. Decarbonization is freedom.

Dr Pradeep Tharakan
Regional Advisor – South Asia, Asian Development Bank

“ Every dollar invested in resilient infrastructure will lead to four-fold returns. India needs to build 20 more cities like Mumbai to accommodate the urban push. The globe is already 1°C warmer and it is unlikely we will stay within the 1.5°C target.

Mr Amit Prothi
Director General, Coalition for Disaster Resilient Infrastructure

“ India's green growth strategy has worked. The Indian financial institutions are risk averse and they need to share risk along with MDBs to provide financial access to clean technologies for Indian corporates and SMEs.

Mr Mahendra Singhi
Managing Director and CEO, Dalmia Cement (Bharat) Limited

“ India is a global leader in so many ways. It has shown leadership in solar power, hydrogen, and even in its G20 leadership.

Mr Bård Vegar Solhjell
Director General, Norad

“ Cost of money is far higher in emerging economies than in OECD countries; nearly seven times higher than OECD countries. Therefore, modification of the financial architecture to socialize the climate investments is needed.

Dr Dhruva Purkayastha
Director – India, Climate Policy Initiative

“ We are at a crossroads between two very different futures. We know finance is at the heart of the better environmental future we are hoping for.

Mr Manish Bapna
President and Chief Executive Officer, Natural Resources Defense Council

Actionable Messages

Message 1: To further advance the progress on the goals laid out under the 'Agenda 2030 for Sustainable Development', financing is key and the application of innovative tools like 'green budgeting' will go a long way. States like Bihar, where green budgeting is already being implemented, can be a leading example for other states.

Message 2: Educational models, at all levels, must work toward creating leaders, responsible leaders with a strong sense of environmental and civic consciousness. Without effective leadership, there is little hope that we will be able to achieve the crucial SDGs.

Message 3: Official development assistance, while being extremely important, needs to be augmented with domestic support to make developmental work more relevant, sustainable, and resilient. A key focus area must be 'capacity building' measures that can help regions across the world become self-reliant and sustainable.

Message 4: More capital, Paris Agreement-aligned guidelines, and robust investment models with a focus on sustainable development must be pursued to promote the cause of sustainable financing.

Message 5: As the world population rises and regions become increasingly unstable due to climate and environmental changes, resilient infrastructure is the need of the hour. The recent earthquakes in Turkey and Syria must be treated as serious concerns. Special attention must be paid to the Small Island Developing States (SIDS), particularly environmentally vulnerable regions, to meet the SDGs.

Narrative

The plenary session titled, “Financing Sustainable Development and Climate Actions for Realizing the 2030 Agenda” was conducted as part of the World Sustainable Development Summit (WSDS) - the annual flagship initiative of The Energy and Resources Institute (TERI). The aim of the session was to explore the global achievements toward progress in sustainable financing toward attaining the sustainable development goals (SDGs) so far, and understand what the way forward looks like. A special focus was given to green financing, green budgeting, and other innovative tools as discussed in the introductory remarks by **Dr Vibha Dhawan, Director General, TERI**. The session comprised leaders from different parts of the world, multilateral institutions, and industries. Since a global issue such as sustainable financing for the future can only have a global solution, it is important to have all the relevant stakeholders engaging in climate-related discussions.

The session was moderated by **Mr Manish Bapna, President and Chief Executive Officer, Natural Resources Defense Council**, who highlighted the urgent need to revamp the global financial system that was built in the years post World War II that served the needs of that time. The future requires a careful and immediate restructuring of the financial system to serve the present-day demands. Throughout the session, Mr Bapna helped the audience navigate the complexities of the talks on sustainable financing by bridging the gap between one speaker and the next.

Following the opening remarks, **H.E. Mr Laszlo Borbely, State Counsellor to Prime Minister, Government of Romania** delivered the ministerial address. He emphasized the need of viewing sustainability as a blanket rather than approaching the issue in *silos*. “Everything around us is sustainability,” said the minister. He reminded the attendees of their duty and responsibility to take up issues on sustainable development at whatever scale possible for each of us, as all of us are indeed capable of setting the agenda, becoming leaders, and helping the world achieve the crucial sustainable development goals. The minister stressed on the need for a harmonious relationship between the state and the civil society and how these pillars must act as partners, rather than competitors. He also briefed on Europe’s contribution to the global ODA (official development assistance), standing at 45% of the total global ODA. The minister then spoke of the increasing importance of ‘green budgeting’ and augmenting our respective national budgets to work toward achieving the ‘Agenda 2030 for Sustainable Development’.

The discussion steered toward understanding the role played by multilateral development banks (MDBs). **Dr Pradeep Tharakan, Regional Advisor - South Asia, Asian Development Bank**, enumerated the multitude of programs being run by the MDBs in key countries, including India, for the promotion of the SDGs. The funds and expertise provided by the MDBs to various governmental agencies prove highly beneficial. More capital, along with Paris Agreement-aligned guidelines, and robust investment models with a focus on sustainable development must be pursued to promote the cause of sustainable financing. Alluding to Amartya Sen’s famous idea of development being freedom, he said, going forward, decarbonization will be freedom.

Mr Amit Prothi, Director General, Coalition for Disaster Resilient Infrastructure spoke of not only the importance of creating resilient infrastructure, but also of its benefits. Alluding to studies, each dollar invested in resilient infrastructure will result in a four-fold return. Warning of the risks of excessive urban push in India, he reminded us that at the current rate of rural to urban migration, India would need 20 more cities like Mumbai to accommodate this urban push. He further warned us that given the current trends, it is rather obvious that the 1.5°C target is nearly beyond reach. Turning toward mitigation strategies, he pointed to the twin problem of having to build disaster-resilient infrastructure at a great pace and on the other side, mitigating the effects of natural disasters on our existing infrastructure. Despite all this, he was hopeful that with the right education and thinking, the next generation, i.e., our generation, will be able to

mitigate the climate risks effectively. Calling for a sincere effort to understand the problem better from all perspectives, he emphasized on the crucial role of international cooperation with a special focus on the most vulnerable, i.e., small island developing states (SIDS).

Following the discussion, **Mr Mahendra Singhi, Managing Director and CEO, Dalmia Cement (Bharat) Limited**, applauded India's green growth strategy. However, he cautioned against the risk-averse nature of Indian financial institutions when it came to sustainable development. The Indian financial institutions are risk averse and they need to share risk along with the MDBs to provide financial access for clean technologies for the Indian corporates and SMEs (small- and medium-sized enterprises). Sustainable financing requires a flow of trillions of dollars, he said. The lack of enthusiasm along with a sense of a business-as-usual approach to sustainability is hampering the world's SDG ambitions. There is a major need, especially in countries like India, to mobilize the available resources for the achievement of the SDGs. There is a higher risk in waiting for the promised global 'green fund' as it has shown little to no promise, and is merely a footnote in the various climate agreements. Addressing the need for individual action, he encouraged everyone to adopt a sustainable lifestyle to gift a better, greener future to their grandchildren.

The next speaker was **Dr Dhruva Purkayastha, Director - India, Climate Policy Initiative**. He pointed out the gaps in sustainable financing globally while addressing the urgency of the issue. While there is enough money available for sustainable financing, there is little eagerness. We have countless innovations in the technology sector that could potentially help mitigate the environmental risks, but no technology is scalable, all due to the lack of investments in sustainable development. He further said, there are two shifts required for sustainable financing. One is for the capital to first shift to the emerging countries, away from the OECD (Organization for Economic Cooperation and Development) countries, and the second is to direct that money into more sustainable sectors. The cost is far higher in the emerging economies than in the OECD countries, nearly seven times higher, he added.

The final speaker was **Mr Bård Vegar Solhjell, Director General, Norad**, who joined the session virtually. He lauded India's efforts toward sustainable development and its leadership role in solar power, hydrogen technology, and the G20 presidency. Referring to the progress over the past few decades, he deemed the world a success story, overall, even if it seemingly is not. Many factors of human development point to the betterment of a large proportion of the population of the world, though there is much work still needed to be done. Echoing India's sentiment that this era is 'not the era of war,' he referred to Russia's aggression in Ukraine as an aggression toward the developing world. He also stated that the ODA alone can never suffice as far as the sustainable development needs of the world are concerned. The Global South, having the lowest share in emissions, is also the region that is most vulnerable to the growing environmental challenges, he added.
