



## Mobilizing the Private Sector for Developing Resilient Infrastructure in India

Date: 29<sup>th</sup> June, 2021

Time: 1500-1630 IST | 1200-1330 CET | 0600-0730 EST

supported by



based on a decision of the German Bundestag

Click below to join:

<https://terina.webex.com/terina/onstage/g.php?MTID=ee4e56cc21cfb621fab2415d47188fd>  
[ec](#)

Password- YjuE3

India is a highly climate vulnerable country, with increasing frequency and intensity of climate related natural disasters, having significant adverse impact on the economy and development of the country. <sup>1</sup> This vulnerability to climate events along with the vulnerability to slow onset climate change processes like sea level rise and desertification, necessitates an urgent prioritization of adaptation and resilience building. As widely recognized, a pre-requisite for adaptation planning and implementation is adequate adaptation finance. While global adaptation finance is increasing (35% increase in 2017-18 to USD 30 billion from USD 22 billion in 2015-16), it still falls well short of the average estimated requirement of USD 180 billion for the period 2020-2030.

This challenge further extends to building resilience in the infrastructure of developing economies. As is the general case in East Asia, investment in infrastructure in India should be about 7-8% of its GDP, which translates to about USD 170 billion to USD 194 billion, annually. However, annual spending on infrastructure in India has been only about 5.3% on an average.<sup>2, 3</sup> It is estimated that the extra cost of building resilience into infrastructure is expected to cost ~3% of overall investment needs, while a potential advantage of an estimated USD 4.2 trillion as net benefits is possible over the lifetime of the new infrastructure developed.

<sup>1</sup> Ali H., Modi P., Mishra V. 2019. Increased flood risk in Indian sub-continent under the warming climate. *Weather and Climate Extremes*, Volume 25. <https://doi.org/10.1016/j.wace.2019.100212>.

<sup>2</sup> CRISIL. (2019, November 27). CRISIL Infrastructure Yearbook 2019. Retrieved from CRISIL: <https://www.crisil.com/content/dam/crisil/our-analysis/reports/InfrastructureAdvisory/documents/2019/november/infrastructure-conclave-summary-presentation.pdf>

<sup>3</sup> Government of India. (2021, April 14). Data. Retrieved from Ministry of Statistics and Programme Implementation: <http://mospi.nic.in/data>

co-hosted by





Infrastructure resilience, being a cross-sectoral issue, requires the participation of a range of economic actors – including the national and sub-national governments, development organizations, financial institutes, and most importantly – the private sector. However, the role of the private sector has been minimally leveraged in this area. Adapting and building resilience in infrastructure assets is necessary for the private sector, considering the evident impacts and physical risks of climate change related events on business activities.

In its recent study, TERI has tried to assess the broad barriers that private sector players face in increasing financing towards adaptation and resilient infrastructure. Private sector financing for public infrastructure is traditionally a challenging area, with inclusion of climate concerns, further exacerbating this complex issue. The barriers for private sector financing for climate resilient infrastructure, are wide-ranging, including vertical bottlenecks, like the narrow institutional framework for adaptation financing; horizontal bottlenecks, such as lack of capacity of implementing entities to effectively engage private players for adaptive action; and motivational gap, as a lack of perceived benefits accruing from adaptation results in a lack of demand driven push for private sector adaptation actions and lack of bankable projects. Underlying all these barriers, is the fundamental issue of lack of an appropriate regulatory framework – including policy focus, guidelines and rules – for mandating and encouraging climate resilient infrastructure, which leads to lack of financing for this critical issue.

With the context of these barriers, through this panel discussion, we seek to develop a better understanding of priority measures required to address these barriers and to plan a roadmap for enhancing private sector financing for building climate resilient infrastructure.

### **Key Questions for Discussion**

1. How critical is the role of private sector for addressing the issue of resilient infrastructure in India? What are the key barriers to their effective participation in this issue?
2. What are the primary pre-requisites, from a policy and regulatory perspective, to increase development of resilient infrastructure?
3. What could be the most effective means of mobilizing finance for adaptation and resilience infrastructure, facilitating the involvement of the private sector? Which financial instruments are most viable in the Indian context?

co-hosted by



## TENTATIVE AGENDA

<b>03:00-03:05 PM IST</b>	<p><b><u>Welcome Address</u></b></p> <ul style="list-style-type: none"> <li>• Tamiksha Singh, <i>Associate Fellow, TERI</i></li> </ul>
<b>03:05-03:15 PM IST</b>	<p><b><u>Context Setting Presentation</u></b></p> <ul style="list-style-type: none"> <li>• Ritu Ahuja, <i>Research Associate, TERI</i></li> </ul>
<b>03:15-03:25 PM IST</b>	<p><b><u>Keynote Address</u></b></p> <ul style="list-style-type: none"> <li>• Mr. Sandeep Poundrik, <i>Director General, CDRI</i></li> </ul>
<b>03:25-03:30 PM IST</b>	<p><b><u>Opening remarks by the Chair</u></b></p> <ul style="list-style-type: none"> <li>• Mr. RR Rashmi, <i>Director and Distinguished Fellow, TERI</i></li> </ul>
<b>03:30-04:30 PM IST</b>	<p><b><u>Panel Discussion</u></b></p> <ul style="list-style-type: none"> <li>• Saleem-ul Haq, <i>Director, International Centre for Climate Change and Development (ICCCAD), Bangladesh</i></li> <li>• Sunita Purshottam, <i>Head of Sustainability, Mahindra Lifespaces</i></li> <li>• Anu Jogesh, <i>Associate Director, Climate and Resilience Hub, Willis Towers Watson</i></li> <li>• Sharmila Chavaly, <i>Former Principal Financial Advisor, Northern Railways</i></li> <li>• Saurabh Bhardwaj, <i>Fellow &amp; Area Lead- Climate Modelling, TERI</i></li> </ul>
<b>04:30 PM IST</b>	<p><b><u>Closing and Vote of Thanks</u></b></p>

co-hosted by

