Enhancing Finance for Local Green Enterprises to ensure an inclusive green recovery

Challenges and Opportunities















- Development Alternatives (DA) as the GEC Hub in India
- Mainstreaming Green Economy in India
- Greening Finance to Finance the Green: Finance Dialogues
- What stops local green enterprises from accessing finance in India?
- What are enterprises and their support networks asking for?
- What are we (GEC hub India) doing about it?











Sustainable livelihoods (SL) implies...
... informed and empowered communities (people)
...with access to dignified and viable income
generation opportunities (prosperity)
...living in a clean and healthy environment (planet)

Guiding Principles

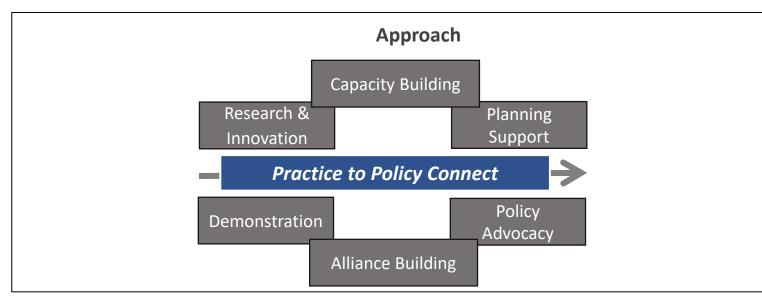
Putting the Last First : Fairness

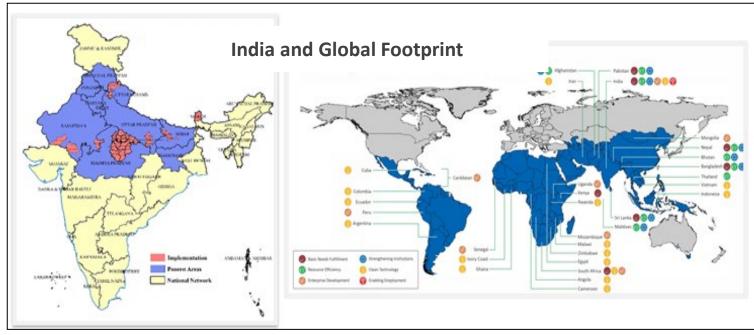
Polluter Pays : Responsibility

Participation : Inclusion

■ Plan Systemically : Holistic

■ Precaution : *Minimize Risk*













OBJECTIVES



Initiated inclusive
civil society movements to mainstream
green economy policies at all levels



relevant stakeholders to accelerate inclusive transitions to green economies

APPROACH: Convening Dialogues and Creating Networks







Agriculture

Bundelkhand

Construction

Bihar

Tourism

Sikkim







Consultations with MSMEs, FPOs, government officials on SDGs and Systems thinking, sustainable agriculture

Policy Roundtables, Green Enterprise

Mela to Green the Brick Sector in

Bihar by promoting fly ash bricks

Stakeholder Consultation & Policy
Roundtables to make Sikkim a zero
waste eco-tourism state

The MP Govt is planning to draft an **Organic Agriculture Policy** and a specific Millet Mission

Tripartite MoU has been signed for achieving **Carbon Neutrality** in Bihar Construction Sector by 2040

Wellbeing of Generations Bill drafted by Sikkim Govt - to track Sikkim's progress on SDGs











Knowledge Repository: Mapping Alternative Perspectives South Asia (Map-SA)

- Online dialogue and knowledge hub
- Classification based on Practice, Policy and Perspectives
- +200 initiatives mapped across
- 7 sectors of the economy
- 11 themes

Co-Developed Knowledge Products





Networks and Partnerships







LOCAL & STATE

RRAN

INTACH

Greentech India

Mascot Foundation

IMI

JCAL

Centre for Science and Environment

Shakti Sustainable Energy Foundation

ECOSS

SRIJAN

Bihar Pollution Control Board Department of Environment, Bihar

Not-on-Map

PSI

Department of Building and Construction, Bihar

Been There Doon That

Ekta Parishad

Government of Sikkim

Department of Forest, Mandi, HP



CENTRE for















NATIONAL

Ministry of Finance (MoF)

cKers Finance

Caspian

NABARD

Ministry of MSMEs (MoMSMEs)

Ministry of Environment, Forest & Climate Change (MoEFCC)

Intellcap

Fusion Finance

NIPFP

National Mission on Himalayan Studies

Yes Bank

SBI Foundation

IFHD

CSOs and Think Tanks





Industry

Business Partners









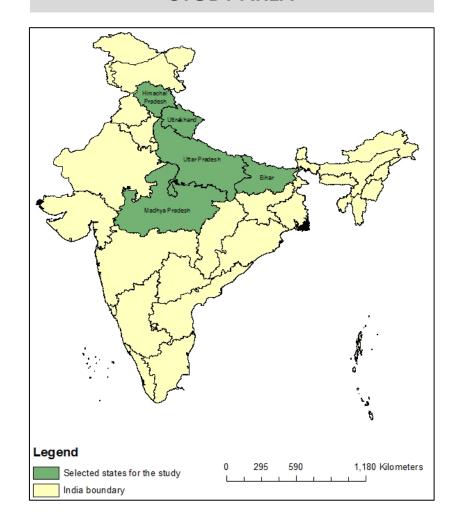
Civil society participation for Sustainable finance reforms: Finance Dialogues

OBJECTIVES

Improve Investment Climate for LGEs in India

in the target states of
Bihar - Construction
Madhya Pradesh/Uttar Pradesh - Agriculture
Himachal/Uttarakhand - Tourism

STUDY AREA



What stops local green enterprises from accessing finance in India?

AGRICULTURE









Lack technical skills and capacities

Inadequate infrastructure

Gaps in Value Chain Financing

Signature issues Finance

- Lack of accessibility and information about formal sources of finance
- 2. Preference for informal finance amongst entrepreneurs
- 3. Challenges in implementation of policies
- 4. Poor repayment capacity of entrepreneurs
- 5. Govt regulation negatively impact entrepreneurs

Seasonal dependent

Popular tourist destinations preferred

Lending for vehicle over homestay business more preferred



Low market demand of FIV

Reluctance of banks to give loans

CONSTRUCTION

Poor technical capacity of

TOURISM



What stops local green enterprises from accessing finance in India?







Causes

No window or platform for authentic information

Sloppy regulatory paperwork, lengthy process to finalize loans, tedious process

Delay in subsidy monies, absence of accountability, unregistered enterprises

Insufficient, irregular demand of FAB, seasonal dependent tourism business

Lack of clarity, poor policy planning

Signature issues Finance

Lack of accessibility and information about formal sources of finance

Preference for informal finance amongst entrepreneurs

Challenges in implementation of policies

Poor repayment capacity of entrepreneurs

Govt regulation negatively impact entrepreneurs

Consequences

Divide between services offered by financial institutions and its end usage

Access finance from friends and family is easier and more convenient

Actual reach of multiple schemes on ground remains inadequate

Unintentional default or delay in loan repayment

Poor policy planning and implementation leads to bad debt







Finance

- Incentivize setting up of LGEs (increased moratorium period, lower interest rates etc.)
- Introducing blended finance products for green enterprises

Awareness & Information

- A platform (meta organization) to aggregate all relevant information, raise awareness, initiate dialogues between different stakeholders influencing the ecosystem of LGEs
- Commisison research studies to find impact of LGEs

Market

- Facilitate access to market
- Local to global —> Facilitate access to global markets for LGEs

Skill & Capacity Building

- Certificate courses on industry specific green technology
- Providing training in order to enhance financial literacy

Governance

- Dialogues between entrepreneurs and policy makers to make the policies more inclusive
- Governments running national level awareness campaigns

Education

 Making entrepreneurship, specially need of enterprises being green a part of formal curriculum

Inputs & Technology

- Cost effective green solutions which are replicable and easily implementable
- Setting up green technology incubators at grassroot levels for micro enterprises

What are we doing about it?







Similar Network Group RRAN, Vikalp Sangam

Expanding Networks

Platforms udyaMe, TAPRISE, Samudyam



Communication Articles, Blogs,

MAP-SA

Partnership

Rang De, SFURTI, NMHS, Micro Credit Facility

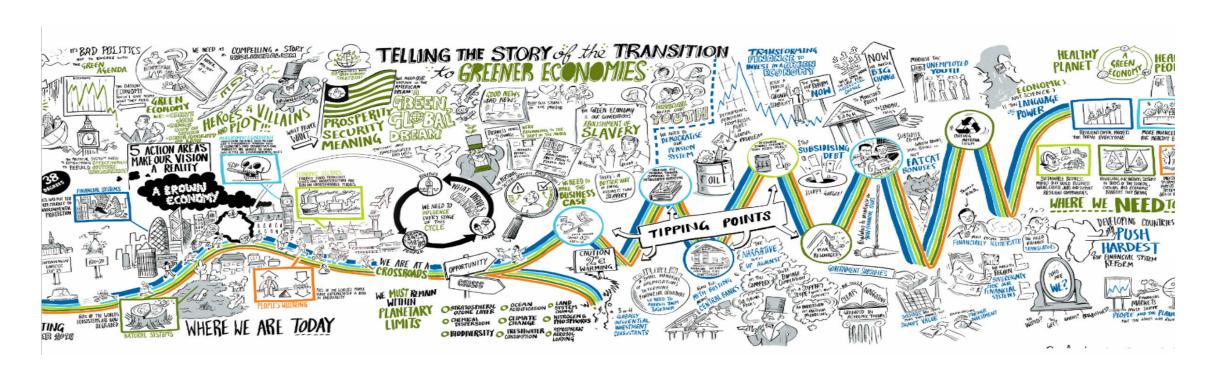
Dialogues

Data collection, expert interviews, validation workshops









THANK YOU

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