



# PRESS RELEASE

**FOR IMMEDIATE RELEASE:** Thursday, 13 May, 2010

## Finance sector illuminates the road to Low Carbon Development in India

*Mumbai, 13 May 2010* – India's leading banks are recognizing and seizing opportunities in an emerging low carbon economy, says a new study by the Indian Banks' Association and The Climate Group, an independent non-profit that works internationally with government and business leaders to accelerate the transition to a low carbon economy. Based on a survey of the leading financial institutions, carried out by PricewaterhouseCoopers (PwC), [Climate Change and Finance in India: Banking on the Low Carbon Indian Economy](#) reveals that a host of specialized 'clean tech' funds, green home loans and carbon trading products are now available.

"Banks have a unique role to play in ensuring that economic development is also low carbon development", said **Emily Farnworth, Senior Advisor on the Finance Sector to The Climate Group**, which acts as secretariat to signatories of the [Climate Principles](#). "There is already a group of leading banks in India that recognize the importance of their role and the commercial advantage this will give them. Seven out of the eight banks believe that commercial lending banks in India can play a leadership role in the business community in addressing the challenges of climate change. And they are starting to invest in low carbon technologies and develop new products and services that help their customers and clients address the risks and opportunities of climate change."

The Indian Government has voluntarily set a target to reduce **carbon intensity** by 20-25% by 2020. The targets are supported by legislation that sets standards for vehicle fuel efficiency, introduces green building codes and makes it necessary for energy intensive businesses to take part in a **cap and trade** scheme.

In the survey, four banks rated climate change as 'very important' and in their 'Top Ten Priorities Critical to Success'. Importantly, the action being taken by banks is no longer limited to reducing operational emissions alone, it is also focused on taking advantage of domestic and international climate change policies and frameworks such as the **Clean Development Mechanism (CDM)** and **India's National Action Plan on Climate Change (NAPCC)** to open new markets. Energy efficiency is another key focus, with an estimated market worth more than \$15 billion by 2015 in India.

Said **Prashant Vikram Singh, Executive Director, PricewaterhouseCoopers**, "In the majority of the participating banks, the climate change agenda is driven by top management. Banks that demonstrate a high level of senior support for addressing climate change also demonstrate a high level of activity around initiatives that address the issue. Several participating banks highlighted that climate change will significantly impact on the way it conducts business. This includes taking advantage of the opportunities and also ensuring financial returns are not impacted by climate change."

Banks indicate that integrating sustainable development into the organization's policies and management approach improves morale of employees and provides a strong and confident long-term relationship with stakeholders.

However, public sector banks are less involved in voluntary initiatives and appear to be postponing action until regulation is in place.

**K Unnikrishnan, Deputy Chief Executive of IBA** added, "The correct policy incentives are essential to help banks take the next steps. But banks need to proactively engage with the Government in India to ensure the right incentives are put in place to unlock financing. In addition, there is more that individual banks can do to develop the products and services that clients and consumers need to transition to a low carbon economy. Customers are increasingly demanding such products and banks need to recognize this new market and respond."

**Notes to Editors:**

Full report can be downloaded from: <http://theclimategroup.org/publications/2010/5/13/climate-change-and-finance-in-india/> after the launch of the report.

For more information, please contact:

**The Climate Group:**

Damandeep Singh (India): [dsingh@theclimategroup.org](mailto:dsingh@theclimategroup.org); +91 (0) 98100 45950

Lauren Bird (International): [LBird@theclimategroup.org](mailto:LBird@theclimategroup.org); +44 (0) 7792 656 093

**About The Climate Group**

The Climate Group ([www.theclimategroup.org](http://www.theclimategroup.org)) is an independent, not-for-profit organisation working internationally with government and business leaders to advance smart policies and technologies to cut global emissions and accelerate a low carbon economy. Its global coalition of companies, states, regions and cities around the world recognise the economic and environmental imperatives of taking decisive action now. The Climate Group was founded in 2004 and has operations in Australia, China, Europe, India and North America.