



Confederation of Indian Industry



PRIORITIES FOR

COP28 DUBAI

INDIAN INDUSTRY
PERSPECTIVE

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LIST OF ABBREVIATIONS

CII	Confederation of Indian Industry	IRA	Inflation Reduction Act
COP	Conference of the Parties	ISA	International Solar Alliance
COP28	28th Session of the UNFCCC Conference of Parties	LDCs	Least Developed Countries
CBAM	Carbon Border Adjustment Mechanism	LDF	Loss and Damage Fund
CCUS	Carbon Capture, Utilization, and Storage	MDBs	Multilateral Development Banks
DFIs	Developmental Finance Institutions	MMT	Million Metric Tons
ESA	Environmental, Social, and Governance	NCGQ	New Collective Quantified Goal
EU	European Union	NDC	Nationally Determined Contributions
GBA	Global Biofuel Alliance	SIDS	Small Island Developing States
GBF	Global Biodiversity Framework	UNEP	United Nations Environment Programme
GCF	Green Climate Fund	UNFCCC	United Nations Framework Convention on Climate Change
GGA	Global Goal on Adaptation	USD	United States Dollar
GST	Global Stocktake	UAE	United Arab Emirates
IEA	International Energy Agency	US	United States
IFIs	International Financial Institutions	WTO	World Trade Organization
IPCC	Intergovernmental Panel on Climate Change		

FOREWORD



Jamshyd Godrej
 Past President CII, Chairman,
 CII Climate Change Council and
 Chairman & Managing Director
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As we approach COP28, the world finds itself in the midst of a polycrises. We are facing an unparalleled global energy crisis, complex geopolitical challenges stemming from the aftermath of the pandemic while loss and damage due to extreme weather events caused by climate change continue to mount. This convergence has disrupted supply chains, resulted in energy shortages and led to soaring prices that impact the entire world.

Consequently, the commitments made by countries under the Paris Agreement, aiming to limit global warming to well below 2°C, preferably 1.5°C compared to pre-industrial levels, are on the verge of compromise. The global south has been severely impacted, where for the first time in a decade, as per the International Energy Agency (IEA), the number of people without access to modern energy has increased.

COP28 is significant as it features the first ever 'Global Stocktake' of progress under the Paris Agreement. The synthesis report of the Global Stocktake released by the UNFCCC in September paints a very stark picture of the amount of work we have yet to do to be able to maintain global temperature rise to 1.5C. As countries prepare to deliberate on the insights of this report, it provides an opportunity to assess global and national climate action efforts and revise ambitions appropriately.

India under its G20 Presidency has taken up a prominent role in representing the Global South's voice to the world on climate-related issues. India led discussions on climate change and global economic stability, working to find effective solutions to these challenges. These efforts encourage collaboration and address blue economy, land degradation, green hydrogen, resource efficiency and circular

economy principles.

From an Indian industry perspective, the potential outcomes of COP28 hold several opportunities for accelerating decarbonisation in India and to that would enable stronger business-led climate action.

Discussions on the outcomes of the GST, will serves as a guide for businesses. It will enable them to refine decision-making on climate action and direct investments towards opportunities in energy transition, technological advancements, finance, and climate resilience. Additionally, outcomes of the stocktake could also promote policies that offer societal benefits, like improved air quality and job creation in sustainable sectors, ensuring a comprehensive approach to sustainable development.

On the climate finance front, we all are aware about the significant monetary gap, and at COP28, countries should commit to

providing increased access to low-cost concessional finance, in alignment with [COP28 Presidency's Goal](#) and the G20 New Delhi Leaders' Declaration to support developing countries in attaining their climate targets. There needs to be commitment from organizations such as the World Bank Group, and governments to increase co-financing with the private sector through various measures to improve the risk-return nexus for private investors. Carrying forward the momentum of recent positive conversations around multilateral development bank (MDB) reform will be crucial and setting a clean energy mandate for MDBs would go a long way towards accelerating energy transitions in developing countries and emerging economies.

From an adaptation and resilience perspective, increasingly businesses are realizing that they face significant climate risk from extreme weather events such as floods, heatwaves, etc. Given that developing countries and emerging economies disproportionately face the impacts of climate-induced disasters, it is therefore crucial that COP28 delivers on replenishment to the adaptation fund which is the only multilateral fund supporting adaptation. It is also essential to secure commitment to operationalizing the Loss & Damage fund.

CII has been working with Indian Industry to address several of these challenges through various initiatives. For example, the CII-Godrej Green Business Centre aims at offering advisory services to businesses on conservation of

natural resources. CII-GBC has been driving the green buildings movement in India. As a part of its IGBC initiative 11,300 Green Buildings projects with a footprint of over 10.27 billion sq.ft. are registered, out of which 3,260 Green Building projects are certified and fully functional in India.

The CII Climate Action Charter is another initiative which was been designed to stimulate collective action by Indian businesses to address climate change risks. The Charter boasts 170+ members and has worked with MSMEs across 7 industrial clusters in India over past year. Through this they have helped MSMEs identify and become aware of the various climate risks posed to their business.

CII has also been involved intensively on policy advocacy and research related to climate change. In its role as B20 Secretariat under India's G20 presidency, CII under the B20 Task Force on Energy, Climate Change & Resource Efficiency formulated a set of policy recommendations emphasizing the urgency of addressing climate change and the pivotal role of low carbon energy transition and finance in transitioning from fossil fuels to sustainable growth. The report also stresses the need to decarbonise hard-to-abate sectors and stresses the importance of providing clean energy technology and climate finance to the global south.

We have been working with the Ministry of Power and Bureau of Energy Efficiency on the Carbon Credit Trading Scheme for India which helps define a compliance-based carbon market

for the country. We have also been working on developing sectoral roadmaps towards net-zero emissions for Indian Industry. These roadmaps provide a series of recommendations for policymakers and suggest industry-led actions toward an efficient, accelerated, and inclusive transition to net zero.

Looking forward, Indian industry aims to be at the forefront of this transformative journey. As India prepares to participate in COP28, this paper highlights the outcome and perspective regarding the transformative potential of voluntary business-driven climate initiatives in attaining both national and global climate objectives.

Our participation at COP28 is not just about fulfilling commitments; it's about taking a leadership role in driving sustainable and resilient growth in harmony with global climate goals. As we move forward, CII and Indian industry are determined to pave the way for a future that balances economic growth with climate action, ensuring a better planet for generations to come.

INTRODUCTION

Since the culmination of COP27, the global climate dialogue has witnessed a remarkable continuum, building upon the preceding commitments, and confronting the multifaceted challenges arising in the climate context. COP27, while embarking on various progressive pathways, such as the establishment of a fund dedicated to loss and damage, simultaneously highlighted the gaping disparities between global commitments and real-time action. Navigating the continuous warnings from the Intergovernmental Panel on Climate Change (IPCC) about the rapidly closing opportunity for significant greenhouse gas mitigation poses a considerable challenge.

Consequently, commitments made by countries under the Paris Agreement, aiming to limit global warming to well below 2°C, preferably 1.5°C compared to pre-industrial levels, are on the verge of compromise.

COP28 being held in UAE this year, comes at a time when the world is amid a polycrises. The world also faces an unparalleled global energy crisis, and

complex geopolitical challenges stemming from the aftermath of the pandemic, all whilst loss and damage due to extreme weather events caused by climate change continue to mount. This convergence has disrupted supply chains, resulted in energy shortages, and led to soaring prices that impact the entire world. It has disproportionately impacted the Global South where for the first time in a decade, as per the [International Energy Agency \(IEA\)](#), the number of people without access to modern energy has increased.

Climate Change has become a key priority for all countries, impacting aspects of the economy, trade, society, and nature. Globally, countries are taking strong action towards addressing the challenges of climate change. Countries are increasingly implementing policies that have repercussions not just on their own country but also at the global level. Regulations such as the European Union's Carbon Border Adjustment Mechanism (CBAM) have drawn attention from the Global South as it directly impacts



their ability to export goods into the EU. Countries such as Brazil, China, and India have publicly and through bilateral discussions conveyed the issues with the regulation and that regulating CBAM could be considered in violation of World Trade Organization (WTO) rules.

The recent [US Inflation Reduction Act \(IRA\)](#) is billed as the most aggressive response to action on climate change and offers over US\$400 billion worth of tax incentives, grants, and loan incentives to domestic manufacturers of green technology products. Since its announcement in 2022, more than US \$270 billion worth of investments have taken place in the clean energy sector in the US.

India has also been very active in cementing its position as a global climate leader. The 2022-23 Union Budget of India highlighted '[Green Growth](#)' as an essential pillar of its future economic strategy and emphasizes green initiatives for climate change mitigation. It allocates Rs 19,700 crore to the National Green Hydrogen Mission, targeting 5 MMT production by 2030. Rs 35,000 crore is earmarked for energy transition towards net zero objectives. Support for Battery Energy Storage Systems is extended, proposing a 4,000 MWH capacity. The [MISHTI](#) initiative focuses on developing mangroves for shoreline habitat. These measures collectively highlight India's commitment to achieving its updated

NDC goals and promoting climate action.

Recently, India under its G20 Presidency has also assumed a prominent role in representing the Global South's voice to the world. India led discussions on climate change and global economic stability, working to find effective solutions to these challenges. These efforts encourage collaboration and address the blue economy, land degradation, green hydrogen, resource efficiency, and circular economy principles. India also contributed to shaping an action-oriented agenda for addressing critical economic issues in the form of the [G20 New Delhi Leaders Declaration](#).

At COP28, countries need to come together and seek to ensure that resolutions and promises are translated into concrete, impactful actions. Navigating through multifaceted layers of the international climate discourse - from COP27 to the [Bonn Climate Summit](#), onto the recent G20 New Delhi Leaders' Declaration and leading to COP28- an essential alignment thread emerges, binding these platforms in a coherent, unified pursuit of accelerated climate action.

This paper seeks to consider the key focus areas and expected areas of action at COP28 and present a series of preferred outcomes from the perspective of Indian Industry that would enable stronger business-led climate action.



Focus areas of COP 28

In the prevailing circumstances, with COP28 on the horizon and preparations underway for the inaugural Global Stocktake (GST) within the framework of the Paris Agreement, the UAE presidency underscores the profound opportunity to instigate a transformative era in climate action, particularly during this pivotal decade. It is unequivocally evident that cohesive implementation of the right actions, executed at a global scale, holds the potential to overcome barriers in climate action with a strong focus on climate finance and energy transition.

Bridging Dialogues: The Bonn Climate Summit

The Bonn Climate Summit acted as a bridge between COP27's achievements and limitations, and the expectations for COP28. Delegates gathered to outline the path for COP28, with a focus on the Global Stocktake (GST) to consolidate global progress in tackling climate challenges and improve collective efforts. This interim meeting allowed for a detailed examination of global goals beyond 2030 and the development of immediate, effective strategies to address climate impacts, particularly concerning loss and damage, and aligning global financial strategies with the ambitious goals of the Paris Agreement.

The GST, while serving as an instrumental framework, also represents a critical juncture, demanding unwavering commitment to align global efforts genuinely with shared objectives. The UAE presidency has committed to promoting the transition towards a coherent economic model characterized by authentic low carbon emissions, robust growth, and sustainability, firmly grounded in principles of social justice. The vision of the UAE presidency remains aligned with the core principles of the Paris Agreement, placing a steadfast focus on four fundamental pillars.

The theme of COP 28



Fast-tracking the energy transition and curbing emissions before 2030



Transforming climate finance, by delivering on old promises and setting the framework for new negotiations on finance



Mobilizing for the most inclusive COP ever



Putting nature, people, lives and livelihoods at the heart of climate action



Box-1: India-UAE Joint Statement on Climate Change

Shri Narendra Modi, Hon'ble Prime Minister of India, and His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates (UAE) [released a Pre-COP28](#) joint statement recognizing the collective responsibility to address the global challenge of climate change through global collective action while respecting the foundational principles and obligations under the United Nations Framework Convention on the Climate Change (UNFCCC) and the Paris Agreement. The leaders committed to enhancing cooperation on climate ambition, decarbonization, and clean energy, and working together to have tangible and meaningful

outcomes from the 28th Session of the UNFCCC Conference of Parties.



Table: India-UAE Collective Action Area

Global Stocktake	Focusing the discussion on the first Global Stocktake at COP28 and leveraging its outcomes to enhance national commitments.
	Urgent call to the international community to preserve the goals of the Paris Agreement.
	Stressing on principles of equity, common but differentiated responsibilities, considering national circumstances.
Adaptation & Loss/Damage	Prioritizing areas such as transforming food systems, water management, safeguarding natural carbon sinks (e.g., mangroves), biodiversity conservation, and public health.
	Accelerating efforts on loss and damage issues parallelly operationalizing the loss and damage fund of COP28.
	Attracting potential investments in renewable energy, green hydrogen, energy storage, and energy efficiency to promote sustainable economic growth and job creation.
Financial Commitments & Reforms	Emphasizing the urgency for developed countries to meet the USD100bn delivery plan by 2023 and double climate finance for adaptation by 2025.
	Urging MDBs and IFIs to reform financial mechanisms, unlock concessional finance, manage risk, and attract private capital for climate initiatives in developing nations.

Box 2: India's Evolving Climate Commitments

India updated its NDCs in 2022, introducing new targets. The new targets represent a substantial increase compared to the previous ones objectives and encompass the "Panchamrit" articulated by PM Modi at COP26. These objectives include increasing the non-fossil fuel-based energy capacity of the nation to 500 GW by 2030, reducing the total projected carbon emissions by one billion tonnes between the present and 2030, and attaining net zero emissions by the year 2070.

Updated its NDCs

- Goal to decrease the emissions intensity of India's GDP by 45 percent by 2030.
- The aspiration to attain approximately 50 percent of the total installed electric power capacity from non-fossil fuel sources by 2030.
- Additionally, Prime Minister Modi introduced a global initiative to address climate change, known as the "[Lifestyle for the Environment \(LiFE\) Movement](#)."

Climate finance is vital for the achievements of NDC but the USD 100 billion by developed nations to developing ones by 2020 remains unfulfilled. India also requires \$10 trillion to attain carbon neutrality by 2070, yet in FY 2019-20, it only managed \$44 billion (25% of the annual target). This shortfall is partly due to a 5% hedging cost in the region. The absence of a standardized green finance taxonomy and inconsistent data reporting makes domestic entries uncertain and user dependent.

One of the most important issues that India chose to tackle during its G20 presidency is the reform and strengthening of MDBs. The [G20 Expert Group](#) on "Strengthening Multilateral Development Banks (MDBs)" has been constituted and published a report "[Strengthening Multilateral Development Banks: The Triple Agenda](#)". The report suggests a three-pronged funding approach involving a Global Challenges Funding Mechanism, aiming to facilitate private sector investments that could generate an additional \$20 billion annually. Currently, MDB funding primarily relies on equity contributions from sovereign shareholders and discretionary trust funds.



Box 3: India's Corporate Green Shift: Aligning with Global Energy Trends and National Goals

In India's dynamic economic landscape, businesses are quietly spearheading a green revolution by voluntarily adopting sustainable practices. [The CDP India Annual Report 2022 and the World Energy Outlook 2023](#), show that Indian businesses are actively integrating climate-conscious strategies into their governance and operations, aligning with global trends and national commitments to NDCs and net-zero targets. The CDP report indicates a significant shift towards corporate governance models that prioritize climate issues, with 97% of companies reporting having board-level oversight. Additionally, the adoption of Internal Carbon Pricing (ICP) by 42 Indian companies and the country's commitment to initiatives like the National Green Hydrogen Mission aligns with the global momentum towards clean energy, as highlighted by the World Energy Outlook 2023. The global shift, marked by a 40% increase in clean energy investment since 2020 and the peaking of fossil fuel demand before 2030, mirrors India's growing focus on renewable energy and electric vehicles. The challenge lies in recognizing and seamlessly integrating these efforts of businesses into National Determined Contributions (NDCs) and overarching country-level ambitions.

Furthermore, India's role as a significant contributor to global energy demand growth necessitates a robust and sustainable approach to energy and climate policies. The emphasis on clean electrification, efficiency improvements, and the adoption of lower-carbon fuels is crucial for India to meet its climate and energy targets. Given the swift transition in the global energy landscape, Indian businesses are positioned to play a central role in this transformation. Their commitment to sustainable practices, alignment with global clean energy trends, and participation in innovative initiatives like green hydrogen production are integral to India's and the world's efforts to mitigate climate change and achieve the goals set forth in the Paris Agreement.



Box 4.1: CII Climate Advocacy through B20

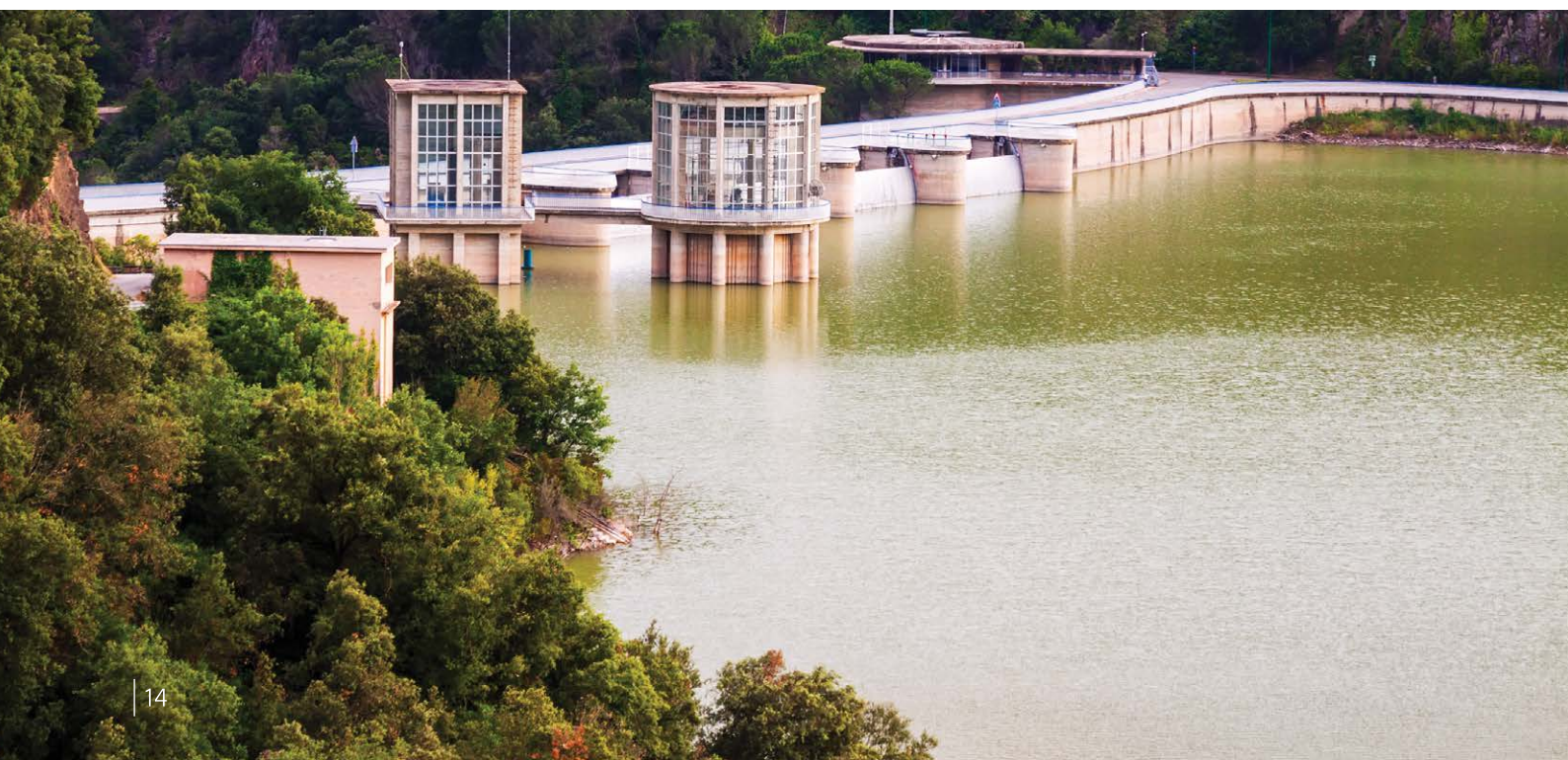
In response to the global energy crisis and post-pandemic challenges, the Confederation of Indian Industry (CII), serving as the secretariat of the Business 20 (B20), has facilitated dialogue and formulated reports reflecting the official stance of the G20's business community. Adopting the commanding theme R.A.I.S.E —Responsible, Accelerated, Innovative, Sustainable and Equitable businesses— B20 India delivered recommendations to empower business leaders to embrace practices that are responsible, expedited, innovative, sustainable, and equitable.

B20 India 2023: Key Policy Areas and Recommendations

- B20 India 2023, Policy Recommendations to the G20 Communique
- B20 India 2023, Task Force On Energy, Climate Change & Resource Efficiency Policy Paper
- B20 India 2023, Action Council On ESG in Business Policy Paper
- B20 India 2023, Recommendations & Outcomes: Decarbonising the Emerging G20 Nations

A key area of deliberations under B20 India was the B20 Task Force on Energy, Climate Change & Resource Efficiency. The policy recommendations issued by the taskforce emphasize the urgency of addressing climate change and the pivotal role of low carbon energy transition and finance in transitioning from fossil fuels to sustainable growth. The report also stresses the need to decarbonise Hard-to-Abate sectors and stresses the importance of providing clean energy technology and climate finance to the Global South.

Another key report emerges from the B20 Action Council on Environmental, Social, and Governance (ESG) in Business. This council highlighted the necessity of a standardized ESG framework to manage sustainability risks associated with climate change and social inequality. Additionally, it advocates for a Resilience & Disaster Management Framework to mitigate climate impacts, especially in the Global South. Both reports collectively aim to steer businesses towards a transformative, inclusive, and sustainable future.



Box 4.2: Key Highlights from B20 Recommendations in the G20 New Delhi Declaration

Enhancing Environmental, Social, and Governance (ESG) Frameworks

- Standardized ESG Definitions and Taxonomies**
 - G20 supports ISSB's Sustainability and climate-related disclosure standards. Promoting adoption of harmonized frameworks for ESG disclosures for global momentum.
- Corporate Governance Framework**
 - Endorsement of revised G20/OECD Principles of Corporate Governance

Biodiversity and Nature-Positive Approaches

- Promoting Biodiversity Conservation**
 - Emphasis on integrating Ecosystem-based Approaches(EbA) in adaptation planning.
 - Commitment to the Kunming-Montreal Global Biodiversity Framework.
- Mainstreaming Resource Efficiency**
 - Harmonizing policies to transition to a circular economy.
 - Launch of the Resource Efficiency and Circular Economy Industry Coalition (RECEIC)

Advancing Clean Energy and Climate Resilience

- Clean Energy Technologies Development**
 - Acceleration of clean energy tech through coordinated policies.
 - G20 declaration emphasized the need for a **\$4 trillion** annually for clean energy tech to reach net-zero by 2050.
- Industry Collaborations for Net-Zero Transition**
 - Support for collaborative efforts to achieve net-zero emissions.
 - Focus on affordability and accessibility of technologies.

- Decarbonization Pathways**
 - Development of strategies for ecosystem and supply chain decarbonization.
 - Global commitment to net zero GHG emissions by mid-century.
- Low-Cost Financing for Energy Transition**
 - Introduction of new financing options for energy transitions.
 - G20's call for MDBs to support these transitions in emerging countries.

Box 5: CII: Driving Corporate India Towards Sustainable Growth

- The [CII-ITC Centre of Excellence for Sustainable Development \(CESD\)](#) CESD is a not for-profit, industry-led institution that helps business become sustainable organisations. It is on a mission to catalyse innovative ideas and solutions, in India, and globally, to enable business, and its stakeholders, in sustainable value creation. Its knowledge, action and recognition activities enable companies to be future ready, improve footprints profiles, and advocate policymakers and legislators to improve standards of sustainable business through domestic and global policy interventions.

Key services of CESD that promote and enhance voluntary climate actions by Indian Industry include:

 - [National Initiative Cleaner Air - Better life](#): Seeks to improve air quality and living conditions in India by mobilizing over 100 industry leaders through the India CEO Forum for Clean Air, focusing on reducing air pollution.
 - [India Business & Biodiversity Initiative \(IBBI\)](#): A business-led national platform, supported by oEFCC, to integrate sustainable biodiversity management into business practices. It includes 63 businesses and 14 stakeholder organizations.
 - [The India Plastics Pact](#): Asia's first Plastics Pact, launched in 2021, connecting businesses, NGOs, and citizens to foster a circular economy for plastic packaging. Includes over 50 signatories committed to achieving four ambitious targets by 2030.
 - [The CII Climate Action Charter \(CCAC\)](#): The charter with over 250+ signatories from four states and eight industries, aids Indian businesses in identifying climate change risks in their value chains and crafting long-term resilience strategies.
 - [Eco-Edge and ESG Analytics](#): Focuses on integrating sustainability in the automobile sector's value chains. In 2023, engaged with 130 partners, providing training, baseline sustainability reports, and certifications to 25 partners.
- Established in 2004, [CII-Sohrabji Godrej Green Business Centre](#), promotes green practices and sustainable business models. It offers services like energy management, green building promotion, renewable energy solutions, and cleaner production implementation.

Key initiatives by the centre:

 - [Vision for Global Leadership](#): Aims to position India as a global leader in the green business sector by 2025.
 - [Impressive Green Building Footprint](#): Achieved a substantial 7.83 billion sq. ft green building footprint, showcasing commitment to sustainable construction practices.
 - [Energy Efficiency Advocacy](#): Conducted 2000 energy audits and contributed to an annual energy saving of 3588 million, emphasizing a focus on energy efficiency.
 - [Certifications and Ratings](#): GreenCo-rated over 300 companies and certified over 2200 products under GreenPro, promoting environmentally conscious business practices and sustainable products.
- [CII-Triveni Water Institute](#) collaborates with Government, industry, and communities to improve water efficiency at various levels. Its core goal is transforming water management in India by influencing stakeholders and fostering sustainable practices.

Key initiatives by the centre:

 - [Comprehensive Services](#): The institute offers a spectrum of services, including 350+ Water Audits, Feasibility Studies, Wastewater Management, and Wastewater Operator Training, all contributing to substantial water conservation.

- **Innovative Tools and Assessments:** They employ advanced tools like WATSCAN, generating millions of digital data points from 3.52 lakh sq km of mapped areas, aiding in Water Risk Assessment, Hydrological and Hydrogeological Investigations, and water status analysis.
 - **Project Impact:** The institute actively engages in impactful projects, including 10 Water Pinch Studies, potentially conserving 1.5 billion litres, and significant wastewater reduction by 75 million litres.
 - **Cross-Sectoral Engagement:** They foster cross-sectoral interactions through the CII National Committee on Water, organizing Sectoral Conferences on Integrated Water Management, and hosting influential events like the Water Innovation Summit.
4. **CII Jubilant Bhartia Food & Agriculture Center of Excellence (FACE)** is a driving force behind enhancing India's agricultural competitiveness through innovation, capacity building, and optimized supply chains. With a strong commitment to food security and inclusive growth, FACE collaborates extensively with farmers, private sectors, and government stakeholders. Its initiatives have a broad impact, benefiting over 20,000 farmer families across four value chains in eight states.

Key initiatives by the centre:

- **Comprehensive Capacity Building:** FACE conducts extensive training on Good Agricultural Practices (GAP) and Post-harvest practices, impacting exporters and farmers across 15 states and various product groups.
- **Optimized Value Chains:** FACE conducts value chain assessments in 16 states, strategically optimizing supply chains to enhance efficiency in agriculture.
- **Promoting Food Safety Excellence:** The center actively promotes world-class food safety performance through the CII Food Safety Award Program, encompassing over 20 food sectors.
- **Investment Promotion:** FACE plays a crucial role in tracking an investment pipeline of Rs 3500 crores, poised to create approximately 500,000 jobs, significantly contributing to India's agricultural competitiveness.



PRIORITY AREAS COP 28

1 Priority Areas

i. Global Stocktake (GST)

The United Nations Framework Convention on Climate Change (UNFCCC) recently unveiled its [synthesis report on the "Global Stocktake"](#), a periodic assessment introduced under the Paris Agreement to evaluate the collective progress of nations toward their long-term climate goals. It offers a comprehensive overview of the discussions, identifying pivotal areas for action and spotlighting

the challenges and barriers in the Agreement's implementation.

The Stocktake assessment will provide insights into the global community's trajectory toward the Paris Agreement's objectives, directing nations on avenues to bolster climate action, support, and foster international collaboration for a robust climate response.



Key findings and implications from Global Stocktake

Intervention Area	Key Finding
Mitigation Progress and Challenges	<ul style="list-style-type: none"> Initial temperature projections (2010) pointed to a potentially alarming 3.7–4.8°C increase. Updated projections (COP 27) indicate a moderate reduction to 2.4–2.6°C, with a conceivable potential of 1.7–2.1°C. Mitigation efforts have demonstrated progress, signaling the potential efficacy of global actions. However, the existence of a considerable emission gap (20.3–23.9 Gt CO₂ eq) vis-à-vis the 1.5°C target by 2030 underscores an imminent need for more robust emission reduction strategies
Adaptation Finance Growth	<ul style="list-style-type: none"> During 2017-2018 to 2019-2020, there was a notable increase in adaptation finance, ascending from 20% to 28%. The escalation in adaptation finance acknowledges the urgency of providing support to vulnerable communities in navigating the intricacies of climate adaptation
Means of Implementation and Climate Finance	Ensuring climate finance is intricately aligned with emissions reduction objectives and the promotion of climate-resilient development remains pivotal.

At COP 28, key discussions will revolve around the progress and hurdles in climate mitigation, adaptation finance, and policy implementation. Updated projections indicate a reduction in temperature rise from the initial 3.7–4.8°C to 2.4–2.6°C, showcasing the impact of global efforts. However, an emission gap of 20.3–23.9 Gt CO₂ eq emphasizes the urgency for more robust strategies to reach the 1.5°C target by 2030. Additionally, adaptation finance rose from 20% to 28% between 2017-2018 and 2019-2020, highlighting the focus on aiding climate adaptation.

At the same time, the global stocktake serves as a juncture for key stakeholders to recalibrate strategies across critical sectors. In the realm of policymaking, it establishes a framework for countries to reassess and

strengthen their Nationally Determined Contributions (NDCs) and intensify their commitment to climate initiatives. For the financial sector, the stocktake acts as a facilitator, aiding banks in developing specialized financing solutions, such as risk mapping and tailored financial instruments, to effectively address climate challenges. Within the business landscape, the stocktake serves as a guide, refining decision-making and directing investments towards opportunities in energy transition, technological advancements, finance, and enhancing climate resilience. Additionally, the stocktake promotes policies that offer societal benefits, like improved air quality and job creation in development sectors, ensuring a comprehensive approach to sustainable development.

ii. Global Goal on Adaptation

Another area that will be in the spotlight at the conference is the Global Goal on Adaptation (GGA). At COP27, the need to refine climate adaptation goals was emphasized, yet concerns about the speed and efficacy of this process persisted. The [UNEP Adaptation Gap Report 2022](#) estimated annual adaptation costs/needs are in the range of US\$160–340 billion by 2030 and US\$315–565 billion by 2050.

The UNFCCC envisions the Global Goal on Adaptation (GGA) as a tool to bolster adaptive capacity, fortify resilience, and minimize vulnerability to climate change at the local, national, and global levels, aligning with the objective of limiting global warming to 1.5°C. In the recent [program](#), discussions focused on operationalizing the Global Goal on Adaptation (GGA). The aim was to boost action, guide implementation, measure progress, and strike a balance between mitigation and adaptation. Emphasizing principles such as common but differentiated responsibilities, the discussions underlined the need for an inclusive framework that aligns with global mitigation efforts. Additionally, several suggestions were made regarding the formulation of targets, proposing that these could:

- **Be Specific to Each Policy Phase:**
Targets should be tailored to each step of the adaptation policy cycle.
- **Be Quantifiable and Time-Bound:**
Targets should be measurable, have clear deadlines, and be quantifiable to track progress effectively.
- **Harmonize with Existing Processes:**
While being informed by existing frameworks, targets should also align seamlessly with the UNFCCC context.
- **Encompass Diverse Themes:**
Targets should cover a range of themes, including food security, health, ecosystems, and infrastructure.
- **Avoid Excessive Top-Down Definition:**
The definition of targets should avoid being overly prescriptive and should allow flexibility for context-specific adaptation.

In COP28, there should be a consensus on these recommendations to ensure effective and collaborative progress towards the global goal of adaptation. Specific GGA targets will enable the global community and India to define their specific adaptation plan. By establishing tailored strategies, India, along with other nations, can address climate vulnerabilities unique to their regions and sectors. For instance, a specific adaptation plan for India might focus on areas such as agriculture, water conservation, and coastal resilience, aligning resources precisely with needs. Such an approach not only ensures that efforts are directed effectively but also facilitates targeted international collaboration and knowledge exchange, enhancing the overall efficacy of climate response initiatives.

iii. Climate Finance

The pressing global need to combat climate change has seen an influx of climate finance. Yet, the current rate of financial influx lags the necessary mark. Between 2011 and 2020, climate finance saw an annual growth of 7%, yet it only constitutes 31% of the essential funds needed to curb global temperature rises to [below 2°C or 1.5°C](#). Obstacles including motivating private sector investments, connecting funds to feasible projects, navigating challenges in developing nations, innovating in financial sectors, and enhancing transparency are hindering the amplification of climate finance. To adequately address our planet's shifting climate, the present growth rate should be tripled.

The New Collective Quantified Goal (NCGQ) is central to discussions on climate finance in COP 28. Developed countries, having pledged '\$100 billion per year until 2020' in 2009, must now recognize that the real cost of climate action could reach into the trillions. The NCGQ, introduced in the Paris Agreement in 2015 and due to be confirmed by 2024, aims to elevate the commitment before 2025, aligning with the needs of developing nations. The increased flow of funds is crucial for developing countries to expedite the transition to low-carbon economies and aligns with the principle of 'common but differentiated responsibility'.

Engaging the private sector is crucial in addressing disparity, as seen in the UAE's \$4.5 billion initiative for Africa's renewable energy sector. Several strategies, such as tax reforms and leveraging private donations, can bridge the funding gap, and the upcoming COP28 offers an opportunity to revise the global financial framework to boost climate finance. Simultaneously, many nations, particularly smaller and developing ones, face mounting debts exacerbated by climate crises, necessitating support mechanisms like loss and damage funds and climate insurance.

iv. Article 6

Article 6 of the Paris Agreement emerged as a pivotal point of contention during COP27, underscoring its significance in global climate discussions. The article facilitates collaborative approaches for nations to execute their Nationally Determined Contributions (NDCs), by leveraging cooperative mechanisms, notably carbon markets, nations can potentially reduce climate mitigation costs by \$250 billion annually by 2030 and decrease CO2 emissions by [5 Giga tons yearly.](#)

COP27 Discussions on Art.6 Three key documents emerged

1. [Guidance on cooperative approaches in Article 6.2.](#)
2. [Guidance on the mechanism of Article 6.4.](#)
3. [Work program for non-market approaches in Article 6.8.](#)



Challenges under Article 6	
Double Counting	Potential risk of exaggerating emission reductions, which could undermine the carbon market's credibility.
Transparency Issues	The discreet trading clauses under Article 6.2 bring about concerns regarding transparency and the veracity of reported reductions.
Emission Dynamics	The presence of ambiguities could potentially lead to the introduction of questionable credits, thereby impacting the rights of local communities and the long-term effect of carbon removals.

During COP 28, the discussion regarding Article 6 should center around evaluating the achievements and pinpointing the remaining tasks at hand. The expectation should build on national successes of the carbon market, integrate issues for better solutions, and provide all countries with essential tools and knowledge. Discussions will need to concentrate on the internationally transferred mitigation outcomes (ITMOs) that can match up with local policies and the

overall goals of the Paris Agreement. It's also crucial to make sure that the carbon market works fairly and efficiently, with clear rules in place. UNFCCC must consider the importance of credibility and reputation in the carbon market, not just the costs. Finally, it's important to make sure that the voluntary carbon market works well with Article 6, turning the plans into real action that accelerates climate action.

v. Loss and Damage Fund

In recent discussions surrounding climate change, the Loss and Damage Fund (LDF) has crystallized as an essential element in international climate dialogues. The LDF embodies a collective international commitment to address issues of equity, particularly emphasizing the historical emission discrepancies and the augmented vulnerabilities faced by the Global South. The identification of nations most susceptible to climate impacts remains an area of contention. In submissions of NDCs, vulnerable countries have advocated that there would be severe social and economic effects of climate change. Conversely, developed countries have tended to spotlight the specific adversities encountered by Small Island Developing States (SIDS) and Least Developed Countries (LDCs). This distinction became evident at the COP27 summit, where the European Union's proposal aimed to segregate SIDS and LDCs, while the U.S. advanced a proposition supporting nations with smaller demographics.

Climate data from regions such as Asia, Africa, and Central America underscore the disproportionate impacts of climatic events. Notably, nations like Puerto Rico, Myanmar, Haiti, Mozambique, Zimbabwe, and the Bahamas, despite their minimal contributions to global carbon emissions, face amplified effects of climatic anomalies.

On the fiscal front, developing nations, anchored in principles of justice, equity, and historical accountability, consistently argue for unambiguous grant-based funding mechanisms. In contrast, developed nations, as inferred from their policy stances, advocate for a synergistic approach, emphasizing "innovative finance" strategies that engage emerging economies in the financing processes. LDF emerges as a pivotal tool to address the distinct challenges of these nations, enhancing their adaptive capacities in an era of climatic uncertainties.



2 Key Expectations from COP 28

The COP28 Presidency has established a strategic agenda centered on aligning the most ambitious negotiated outcomes with a strong action plan to translate these ambitions into tangible real-world results. The Indian government has highlighted that for a collective plan to succeed the world will need to follow through the principles of common but differentiated responsibilities and respective capabilities and that commitments should be accompanied by climate financing and technology transfer. COP28 is expected to feature several key moments:

i. Accelerating energy transitions

COP28 is anticipated to serve as a catalyst for an extensive energy transition. It brings together a diverse consortium of stakeholders, including governments, corporations, multilateral, academia, investors, and startups, with a shared purpose: to instigate a profound change in the development and implementation of climate solutions. The overarching goal is to steer global industries towards the 1.5°C trajectory. COP28 marks a collective commitment to redefine industries' interactions with the planet, fostering sustainable practices and reshaping industrial processes for a resilient and sustainable future.

The low carbon growth of industries in the country hinges on the institutionalization of various enabling technologies, which, in turn, necessitates policy support and access to financial resources. Furthermore, it's vital to concurrently explore the application of these new technologies in diverse geographical and market contexts to expedite their adoption. Some promising technologies include:

- Battery energy storage and battery electric storage systems.
- Green hydrogen and green ammonia, along with the requisite infrastructure for storage and transportation.
- Low-carbon hydrogen and ammonia production to accelerate decarbonization efforts.
- Carbon Capture, Utilization, and Storage (CCUS) technologies.
- Modular nuclear reactors.
- Zero-emission vehicles, encompassing Plug-in Electric Vehicles (PEV), Plug-in Hybrid Electric Vehicles (PHEV), and fuel cell vehicles.
- Biofuels such as ethanol, Sustainable Aviation Fuel (SAF), biomethane, and marine biofuels.

These technologies, when supported by sound policies and financial resources, can play a pivotal role in fostering sustainable industrial growth while reducing the environmental footprint. The industry is seeking the following key considerations from the COP28 negotiations under energy transition:

- **Patent sharing on clean technology:** Every developing country must undergo an energy transition to align with the commitments outlined in the Paris Agreement. Ensuring access to clean energy technologies and harmonizing the global energy market is crucial for developing nations. India has actively championed this cause by leading the International Solar Alliance, with the goal of directing investments totaling USD 1,000 billion towards solar energy solutions by 2030. COP 28 should address persisting challenges in energy sector, including promoting knowledge sharing across nations, sharing critical patents, guaranteeing access to relevant technologies, and ensuring widespread availability of [critical minerals](#).
- **Establishment of Well-Designed Low-Carbon Hubs:** COP 28 should aim to establish well-designed low-carbon hubs, fostering an ecosystem that brings together financiers, start-ups, equipment manufacturers, professional service providers, suppliers, and customers from various sectors and segments. By promoting collaborative efforts within this ecosystem, these hubs can expedite technological advancement and stimulate the widespread adoption of clean technologies, benefiting industries such as steel, cement, automobile, and oil & gas. By strategically aligning supply and demand within these hubs, infrastructure costs can be reduced, and economies of scale can be achieved. These hubs can act as central points for meeting local demand before extending transportation infrastructure to supply more distant areas within a country or for export.
- **Global Collaboration for Biofuel Advancement:** The promotion of Green Biofuels serves as a strategic means to reduce Global South's heavy reliance on fossil fuels, ultimately mitigating the considerable financial burden of oil imports, which amounted to [\\$55 billion in 2020-2021](#). Beyond economic gains, this transition towards biofuels also presents significant

opportunities for employment and ecosystem improvement, particularly in India and the Global South.

The Global Biofuel Alliance (GBA) currently has 19 member countries and 12 international organizations representing major economies of the world. To maximize the benefits of GBA, it is crucial to garner support from influential global alliances, such as COP28. At COP28, the Global Biofuel Alliance (GBA) should initiate a dialogue with the global community, inviting them to join this important initiative and encouraging them to commit their support. Endorsements from the UNFCCC would significantly bolster the GBA's efforts. Such global collaboration will enable private sector participants to tap into international markets, forge strategic partnerships, diversify products, and stay informed about industry trends and regulations, and championing the collaborative initiative can enhance market competitiveness and accelerate the advancement of biofuel technology.

- **Harmonizing Hydrogen Standards:**

To facilitate global hydrogen capacity development, the establishment of international standards for the emissions intensity of 'green hydrogen' is crucial to facilitate global trade and expedite the achievement of decarbonization objectives. These standards will serve as a catalyst, fostering advancements in green hydrogen technology and strengthening its integration and economic viability within the industrial sector. As the Indian industry focuses on increasing green hydrogen production, there's a clear need for transparent global markets, especially for derivatives such as ammonia. Such demands the creation of harmonized, voluntary standards and compatible certification systems.

Through its "High-Level Voluntary Principles on Hydrogen," the G20 presented a holistic vision for a global hydrogen ecosystem. The promotion of the initiative within the United Nations Framework Convention on Climate Change (UNFCCC) could serve as a pivotal anchor, with the International Solar Alliance (ISA) propelling it forward, leveraging its profound expertise in low-carbon technology.

- **Decarbonizing Heavy Freight transport:**

The electrification of two-wheeler and four-wheeler vehicles is progressing, yet challenges persist in extending the transition to ships, trains, airplanes, and trucks. The transport sector's overwhelming reliance on fossil fuels underlines the urgent need to explore alternative fuel options. To address the decarbonization challenges in transportation, particularly for ocean-going vessels, clean fuels such as ammonia are currently being developed. It is imperative for COP28 to advocate for the exchange and trading of technology aimed at decarbonizing heavy freight, shipping, and air travel, thereby facilitating a comprehensive and sustainable shift in the transportation sector.

- **Push For CCUS:** In the pursuit of global decarbonization and net-zero targets, the role of Carbon Capture, Utilization, and Storage (CCUS) is increasingly critical, especially for developing countries and Emerging Market and Developing Economies (EMDEs). Developing countries, including nations like India, often rely on coal as a significant component of their energy mix. To ensure a just transition away from fossil fuel dependency, it is imperative for EMDEs nations to systematically abate fossil fuels. COP28 offers a crucial opportunity for developed nations, leaders in CCUS technology, to aid global decarbonization efforts. Their role in sharing CCUS technology and expertise, especially for sectors like steel, cement, and chemicals, is vital. These industries, significant contributors to global emissions, face decarbonization challenges due to their intensive energy requirements and limited alternatives. At COP28, a key topic for discussion could be the facilitation of technology transfer and joint research efforts aimed at enhancing the adoption of CCUS in hard to abate sectors that are challenging to decarbonize.

- **Sector-Specific Initiatives:**

At COP28, the goal should be to promote sector-specific partnerships, allowing major market players with substantial collective market share to work together seamlessly and avoid competitive disadvantages. Nations have already committed to net-zero targets through their Nationally Determined Contributions (NDCs). The next strategic step is for these nations to present

detailed, sector-specific plans, tailored to the unique circumstances and challenges. However, it has been observed that, except for electricity and transport in some cases, sectoral pathways are notably absent in government declarations and require urgent attention, especially from G20 countries. From a policy perspective, it is imperative to adopt a comprehensive and coordinated approach to develop and expand global clean energy technology supply chains, ensuring they are secure, resilient, and sustainable.

Creating targeted roadmaps is crucial for businesses, enabling them to strategically leverage clean technology. By aligning their strategies and policies with the sectoral pathways, businesses can effectively contribute to achieving national net-zero emissions. This approach can ensure a coherent and streamlined path towards sustainable development, with clear guidance and collaboration at its core.

ii. Climate Finance

Global climate finance, as highlighted in the UNFCCC's [Fifth Biennial Assessment](#), reached approximately USD 803 billion for 2019-2020, showing a 12% increase from the previous two-year period. Notably, investments in renewable energy technologies were a significant part of the funding, reaching near-record levels despite declining costs. However, the total climate finance remains inadequate for the needs of developing countries, covering only 31% of the annual investment required to limit global temperature rise as outlined in the COP28 agenda.

The G20 New Delhi Leaders' Declaration highlights the necessity of \$5.8-5.9 trillion in the pre-2030 period for developing countries to implement NDCs. In 2009, developed countries pledged to provide \$100 billion annually by 2020 to support developing nations in mitigation and adaptation, however, these financial commitments have remained unfulfilled.

Concurrently, as a part of the Paris Agreement, it was agreed upon to set a [New Collective Quantified Goal \(NCQG\)](#) which will set a new financing goal from the floor of US\$ 100 billion annually by 2025. The NCQG will consider the needs and priorities of developing countries and is expected to be set by 2024 at COP29.

Another key piece of the climate finance puzzle is the increased focus and discourse around the goals of Multilateral Development Banks (MDBs) and Developmental Finance Institutions (DFIs). Whilst MDBs remain an important cornerstone of sustainable development efforts, they are by-and-large not fulfilling their potential and delivering in this sector. The primary reason for this is mainly associated with MDBs overall operational approach, which aims to maximize their investments rather than focusing on maximizing total investments in developing countries. At the World Bank Group 2023 Annual Meeting, Ajay Banga (President, World Bank Group) identified a new mission - 'To create a world free of poverty – on a livable planet.' Along with initiatives such as the Bridgetown Initiative –led by Barbados PM Mia Mottley – there is a positive movement towards enhancing the delivery of funds to developing countries through MDBs.

The COP28 agenda focuses on innovative funding mechanisms, public-private partnerships, and access to international climate funds to mobilize the necessary financial resources and meet these ambitious targets while acknowledging the challenges in enhancing climate finance.

Box 6: Bridgetown Initiative: This initiative, led by Barbados' PM Mia Mottley, is striving to redefine global finance paradigms. It's a call for more resilient, inclusive financial frameworks that can address climate and development challenges.

 <p>Debt Management</p>	<p>Proposes alterations in debt repayment for calamity-affected nations, including suspending repayments for immediate relief.</p>
 <p>Funding Appeal</p>	<p>Calls on institutions like World Bank and IMF to channel an added \$1 trillion for climate resilience in developing countries</p>
 <p>Climate Trust</p>	<p>Introduction of a Global Climate Mitigation Trust, eyeing nearly \$5 trillion from the private sector and \$500 billion via Special Drawing Rights currency.</p>
 <p>Addressing Global Economic Disparities</p>	<ul style="list-style-type: none"> • The post-2020 scenario saw extreme wealth accumulation by the top 1% and 70 million people falling into extreme poverty. • Climate disasters further strain developing nations, increasing debt and reducing vital resources. • The Bridgetown Initiative intends to counteract this negative spiral with financial strategies
 <p>Disaster Compensation Fund</p>	<p>Proposes a fund dedicated to compensating major climate-induced adversities.</p>
 <p>Expanded Lending Scope</p>	<p>Advocates for enhanced eligibility for climate-affected nations to secure favorable lending rates, amplifying climate resilience.</p>

Within this context and India's own needs for climate finance, industry urges and welcomes action in the following areas from COP28 dialogues:

- **Increased access to low-cost concessional finance:** Low-cost concessional finance remains a key source of funds to support developing countries in their implementation of the Paris Agreement. In alignment with [COP28 Presidencies](#) goal and the G20 New Delhi Leaders' Declaration – there is a need to maximize the effect of

concessional resources, such as those of multilateral climate funds. COP28 deliberations must include a substantial replenishment of the Green Climate Fund (GCF) for its 2024-2027 program.

- **New Collective Quantified Goal (NCQG):** While the NCQG will not be set till 2024 (COP29), COP28 provides an opportunity for developed countries to show their commitment by identifying a ballpark figure along with a reasonable timeframe for the new financial commitments.

- **Increased co-financing with the private sector:**

Private capital is not mobilized at the rate required due to various issues such as unfavorable risk-return nexus on investments, inadequate pipeline of projects, regulatory, legal, and tax issues. Discussions on climate finance at COP28 should facilitate:

- a. Creation of hedging, credit enhancement, and mega insurance instruments through banking and financial institutions. Such a pool of funds could be created based on equitable and fair collaborations between developed and developing nations.
- b. Measures to improve the risk-return nexus for private capital. It could be done through an agreement to take on first-loss guarantees and to mitigate foreign exchange risk associated with investing in clean technologies in developing countries.
- c. One of the roadblocks to increasing private finance in developing countries is the lack of ready-to-invest and bankable clean technology project pipeline. Establishing a Global Project Development Accelerator could offer the necessary technical expertise for the creation of investment-ready projects in developing countries. This, in turn, would facilitate private-sector-led partnerships to finance the construction and operation of these projects.

- **Government-Backed Procurement**

Commitments: It is imperative for governments to strategically augment their support for procurement commitments backed by public sector assurance, thereby facilitating the fulfillment of prospective requisites and encouraging the transition towards a low-carbon economy. By systematically escalating the magnitude of such commitments, governments could assure a predetermined percentage of procurement in clean technology sectors, thereby establishing a risk-mitigated environment for enterprises.

Such enhanced procurement commitments serve as a fiscal hedge for businesses contemplating investments in clean technological infrastructures. By securing a quantifiable demand for innovative solutions, businesses can judiciously allocate capital towards research, development, and production of clean technologies with the assurance of a securitized market share.

In essence, government-backed commitments not only amplify the global demand for low emission

intensive products but also fortify the investment landscape more conducive for investments in clean technologies. This approach strategically leverages public procurement as an economic catalyst, thereby fostering market predictability and incentivizing enterprises to pivot towards sustainable and clean technological solutions.

- **Multilateral Development Bank Reform:** COP28 provides an opportunity to carry the momentum of positive conversations around MDB reform. Setting a clean energy mandate for MDBs would go a long way towards accelerating energy transitions in developing countries and emerging economies. As identified in the [B20 India Taskforce on Energy, Climate Change and Resource Efficiency](#) policy paper. MDBs must be encouraged to both triple total investments into developing countries and triple private capital mobilised through various channels by 2030. MDBs also need to expand the quantity of and quality of their de-risking instruments and commit towards increased co-investing with the private sector, including by taking positions with greater risk over low-risk positions and need to commit to clear new targets for joint climate financing.

- **Adaptation financing:** The [UNEP Adaptation Gap Report 2023](#) clearly highlights that adaptation finance needed to implement domestic adaptation priorities, based on extrapolation of costed Nationally Determined Contributions and National Adaptation Plans to all developing countries, is estimated at US\$387 billion per year for 2021 to 2030. It is an estimated increase of 50% on the previous financial estimates. Given that developing countries and emerging economies disproportionately face the impacts of climate-induced disasters, it is therefore crucial that COP28 delivers on:

- a. Replenishment to the Adaptation Fund (the only multilateral fund supporting adaptation).
- b. Countries at COP28 must commit to operationalizing the Loss & Damage fund. This would include decisions on which countries would contribute to the fund and identify eligibility criteria for fund access (both on a country and project/activity basis).
- c. At the national level, it is necessary for the National Adaptation Plan (NAP) to define a specific set of adaptation-related objectives, as well as strategies for facilitating public-private partnerships in addressing adaptation challenges.

- d. Need to improve speed of delivery, enhance efficiency and impact of climate finance:
- It is crucial to make the process of getting funds to project faster and simpler, especially in areas most affected by climate change. Developing countries often struggle with creating detailed proposals due to limited resources. So, there's a need to help these countries build the skills and knowledge required to access climate finance more effectively.
 - It is also important to regularly review how past funds were used, learning from successes and failures to improve how future funds are allocated. This approach should be flexible enough to cater to the unique needs of smaller countries, ensuring that they are not left out.
 - Money allocated for climate projects should not only reach its destination quickly but is also used in a way that makes a real difference in combating climate change. This balance between fast funding and impactful, sustainable projects is key to successful climate finance mechanisms.

iii. Inclusive Business for Sustainable Transition

A focus on green skilling and the inclusion of Micro, Small, and Medium Enterprises (MSMEs) is essential at COP28, given their critical roles in achieving a sustainable transition. Equipping the workforce with skills for a greener economy ensures that labour market needs are met effectively. Simultaneously, supporting MSMEs, which are pivotal to economic growth and employment, ensures that these entities can adapt and flourish in a low-carbon economy.

- **Green Skilling for Low Carbon Economy:** As the clean technology industry continues to grow both globally and in India, there is a commensurate need for 'green' skilled workers to support the global transition to net-zero.

Despite green skilling and lack of appropriately skilled workers being a concern of industry globally, there does not seem to be enough attention paid to the issue. A recent study by BCG identifies that the [skills gap in the global economy will rise to 7 million by 2030](#). This gap is particularly predominant in the solar, biofuels and wind technologies sectors – all of which are essential to achieve a successful global energy transition. Both globally and locally, a broad approach is necessary, and discussions

about environmental skills should go beyond just a few areas. Collaboration between different stakeholders is key to fully understanding the skills needed to address environmental issues.

From an Indian Industry perspective, COP28 should prominently feature discussions on capacity building of the workforce, focusing on creating right knowledge pool, promoting gender inclusivity, and sharing best practices. Countries should look to develop, fund and scale green skilling programs basis their national and local requirements.

India's Green Skill Development Programme should strengthen resources, develop relevant training programs, and identify essential skills for specific sectors in collaboration with businesses. A key component of green skilling is introducing climate education as a part of early schooling to strengthen basic knowledge and support the nation's climate efforts. India in its National Mission on Strategic Knowledge for Climate Change should strengthen knowledge resources and identify essential skills for multiple sectors.

- **Transforming MSMEs** MSMEs should be provided a designated voice at COP28, offering them an opportunity to tackle their specific challenges in transitioning to a low-carbon economy. The COP28 presidency's goal to triple renewable energy (RE) usage and double energy efficiency (EE) by 2030 can be fortified by including MSMEs in the discourse, thereby accelerating decarbonization efforts at both national and global levels.

The Confederation of Indian Industry (CII) understands that MSMEs require special financial support, technology transfer, and strategic partnerships with larger industries.

COP28 should consider establishing a "Green Fund for MSMEs," tailored to their needs and equipped with financial instruments to stimulate growth. Additionally, a comprehensive "Digital toolkit" and regulatory framework should be crafted to facilitate MSMEs' shift towards climate resilience and mitigation. By introducing policy reforms, MSMEs can be incentivized to reduce emissions, fostering a low carbon business ecosystem. Such collaborative initiatives can lead to improved environmental performance, minimized risks, and increased competitiveness, thereby fostering a collective responsibility for sustainability within the private sector.

iv. Enhancing Resilience and Adaption

Enhancing resilience and adaptation stands at the forefront of discussions at COP28, underlining its significance in the face of intensifying climate-related challenges. As global climate events become increasingly unpredictable and severe, building resilience within communities, ecosystems, and economies is imperative. By strengthening adaptive capacities, nations can mitigate the adverse impacts of climate change, safeguard vulnerable populations, and ensure that progress towards sustainable development is not hindered.

- **Business Resilience:** Indian companies responding to [CDP](#) have estimated the financial repercussions of climate-related risks to be approximately INR 2,842 billion. To mitigate the effects of climate change on the industry, there is a need for enhanced capacity building and specialized tools tailored to assess and address climate risks. [B20 ESG in Business Action Council](#) advocated development of a dedicated Center of Excellence (CoE) for Business Resilience that could serve as a nexus for businesses, governments, and think tanks, aiming to bolster resilience against climate change across diverse sectors and regions. The CoE could work collaboratively with governmental bodies to refine and standardize risk assessments for crucial infrastructure, promoting construction practices that are resilient to climate fluctuations. Furthermore, the centre would contribute to the enhancement of policies related to business resilience, steering organizations towards informed strategic decisions. The CoE would provide access to critical information on the risks associated with climate-related disasters and equip stakeholders with tools to assess and devise appropriate adaptive strategies.
- **Adaptation:** Observing the current adaptation landscape, there's a distinguishable gap in the integration of Ecosystem-based Approaches (EbA) within adaptation strategies at various global and national levels. Firstly, nations should prioritize formulating a comprehensive plan that seamlessly integrates EbA. Once established, the plan can be integrated at the industry level, ensuring a harmonized approach to adaptation. It's crucial for governments to align their efforts with both the Global Goal on Adaptation (GGA) and the Kunming-Montreal Global Biodiversity Framework (GBF).

The COP28 should provide greater clarity on targets under the Global Goal on Adaptation which allow for streamlining global and local adaptation efforts. Such alignment will not only facilitate robust planning but also empower businesses to undertake meaningful and impactful adaptation measures rather than uncoordinated, isolated initiatives.

On a parallel front, the G20's recent declaration underlines a unified commitment to environmental conservation. The G20 declaration resolved to rejuvenate 30% of degraded ecosystems by 2030 and pursue land degradation neutrality. This commitment is anchored by the endorsement of the [Kunming-Montreal Global Biodiversity Framework \(GBF\)](#). The nations pledge swift and full GBF implementation, emphasizing actions to halt biodiversity loss by 2030 and the nations welcome the inception of the Global Biodiversity Framework Fund within the Global Environment Facility (GEF). Furthermore, the G20 showcases ambition with the Global Land Initiative (GLI), targeting a 50% reduction in land degradation by 2040, aligning with dialogues on the Gandhinagar Implementation Roadmap and Information Platform.

Global platforms like COP28 could play a critical role in ensuring the realization of key GBF targets.

COP28 should initiate discussion on measures to identify, by 2025, and subsequently reform incentives detrimental to biodiversity. This includes proportionately phasing out subsidies that are harmful to biodiversity in a just, effective, and equitable manner.

v. Unified global framework to enhance voluntary climate action by businesses

It is well understood that in order for the world to address and achieve targets under the Paris Agreement and other related climate goals, the role of non-state actors is significant. Particularly, businesses hold a unique place as they are drivers of economies, provide employment and can bring to bear private capital at orders of magnitude that will be essential.

As the inaugural GST is debated at COP28, there should be prominent discussions on enhancing voluntary actions by industry. While there are several ongoing initiatives at various levels that seek to engage businesses on climate action, the GST provides an opportunity to recognize business-led climate action in a more formal manner and to consider its contribution for country-level NDCs.

There are many parallel global initiatives and agreements on climate action with associated targets such as the Paris Agreement, Global Biodiversity Framework, Land Degradation Neutrality, UNEA plastics treaty etc. While it is important to have such distinct targets it may be considered to establish a global governance framework under the UNFCCC that seeks to integrate these targets providing clear, unified targets for businesses. Considering the announcement of the Green Development Pact under the G20 New Delhi Leaders' Declaration which emphasizes a collective commitment to sustainable action, the framework is not merely administrative but a strategic tool to streamline global efforts, particularly offering a clear path for

appropriate consideration and integration of business-led climate action which in turn can lead to measurable and impactful contributions towards country-level NDCs and ambitions.

Conversations around developing such a framework at COP28 that could amplify business-led sustainability efforts, steering us towards a resilient and sustainable future would be a much-needed boost towards achieving the goals under the Paris Agreement.



WAY FORWARD

In conclusion, negotiations at COP28 hold significant relevance for Indian industry as they try to balance their contributions to economic growth, development, and climate action in India. Indian industry looks forward to positive momentum and outcomes on global, regional, and national collaborations on clean technologies, support for MSMEs, green skilling while seeking decisive steps on increased climate finance for EMDEs and Multilateral Development Bank reforms to increase their ability to contribute to addressing climate challenges in India.

India's industry has exhibited itself as a steward of responsible, climate-resilient growth, in harmony with global climate goals and will have a crucial role to play in India's green growth story. As the world gears up for COP28, the above recommendations offer a set of potential outcomes that would allow for Indian businesses to meet enhance their climate action efforts.



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Leading Through Innovation







Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India strategizes for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalize the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Inclusiveness, Globalisation, Building Trust' has prioritized 6 action themes that will catalyze the journey of the country towards the vision of India@100.

With 65 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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