

DECODING IMPACT
DECODING GREEN GROWTH
WITH
AMITABH KANT

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Acknowledgements

Contributors

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About Sattva Knowledge Institute

Sattva Knowledge Institute (SKI), established in 2022, is our official knowledge platform at **Sattva**. The **SKI** platform aims to guide investment decisions for impact, shedding light on urgent problems and high potential solutions, so that stakeholders can build greater awareness and a bias towards concerted action. Our focus is on offering solutions over symptoms, carefully curating strong evidence-based research, and engaging decision-makers actively with our insights. Overall, SKI aims to shift intent and action toward greater impact by influencing leaders with knowledge. All of our content proactively leverages the capabilities, experience and proprietary data from across **Sattva**.

Introduction: You are listening to *Decoding Impact*, a podcast by Sattva Knowledge Institute hosted by Rathish Balakrishnan.

Welcome to Season Two of *Decoding Impact*. Every fortnight we will engage leading thinkers and practitioners to understand what it takes to solve systemic problems at scale. For all the curious changemakers committed to understanding the trade-offs and incentives to make this world a better place, this one's for you.

Highlights:

When India takes over the G20 presidency, it's important to understand that we are in the midst of a cascading crisis. And, it is in this context, India is hosting the G20 presidency. We also aim to give voice to the economies of the global South.

...brings us both to the conversation on the green growth paradigms, because that is, in a way, the "and" that we have been looking for.

...We must move from 'take, make and dispose' to 'reduce, reuse and recycle'. India's net zero target requires an estimated \$10.1 trillion worth of investment...unlocking climate-friendly investments

...One of the priorities for Sattva has always been, "How can we drive stronger collaborative action?"

...Transforming the world through India's priority will be about success.

...For me personally, I think every citizen now resonates with this idea that the 'India for the World' story is actually becoming a reality.

Rathish Balakrishnan (RB): [00:01:30] We are thrilled to be launching Season Two of *Decoding Impact* with an eminent guest today. Mr. Amitabh Kant, India's G20 Sherpa, joins me today to discuss green growth, a topic that's been garnering increasing global recognition recently. Climate change is impacting economies and societies worldwide. Addressing this change requires a paradigm shift that can combine the twin goals of preserving natural resources and paving the way for economic growth and job creation. Green growth is an economic paradigm that aims to create a virtuous relationship between economic growth and environmental well-being. In today's discussion, we understand how green growth is integral to India's G20 agenda, India's vision for green growth and how we are leading the conversation on this paradigm for economic growth with leading nations around the world. I could not think of a more suitable guest for today's discussion than Mr. Amitabh Kant. He is currently the Indian emissary to G20 and has played a key role as a governance reformer and a public policy change agent for India during his tenure as Chief Executive Officer of NITI Aayog and the Secretary of the Department of Industrial Policy and Promotion. He has driven several flagship initiatives such as Kerala, God's own Country and the Aspirational Districts Programme, to name a few, that have been widely recognised as transformational. Thank you for joining us, Mr. Kant.

Amitabh Kant (AK): [00:03:05] My pleasure.

RB: [00:03:14] It is a momentous occasion as a country, for us to own the G20 presidency. So to start with, Sir, it will be great to hear your thoughts on the significance of India's G20 presidency.

AK: [00:03:25] So, you know, when India takes over the presidency, it's important to understand that we are in the midst of a cascading crisis. We are seeing the world being in the midst of a climate crisis, the slow progress on SDGs. Millions of lives and jobs have been lost. Economies have been thrown into turmoil. Many emerging and developing economies have seen their debt levels balloon to unsustainable levels, and the ongoing political crisis and food and energy prices spiralling upwards, leading to a cost-of-living crisis in many highly indebted economies. Now to battle inflation, interest rates across the world have been raised aggressively, slowing down major economies. And this is actually leading to depreciation in currencies of developing economies. And this is worsening their debt crisis. In the medium-long term, the investment gaps in achieving SDG and climate goals in developing countries will get worsened. And it is in this context, India is hosting the G20 presidency, and every challenge is an opportunity. There are huge challenges, but there are also huge opportunities. We are looking at this as, as the Prime Minister has said, as a very inclusive, decisive and an action-oriented presidency, which is also ambitious. And during this presidency, we also aim to give voice to the economies of the global South.

RB: [00:05:02] No, thank you, Sir. And I think it is extremely important to underline the two major points that you've made, which is one, the multitude of crises that we are solving and the need for a new paradigm for growth, Sir. And I think that's extremely critical because business as usual was what has got us here and how do we think of a new paradigm. And the second point that you mentioned, Sir, which I think is also critical, is India as a voice of the global South, because in the current economic order and the global order, the role of India as the voice of global South, I think is extremely critical. And that sort of brings us both to the conversation on the green growth paradigm, Sir, because that is in a way the "and" that we have been looking for, which is to achieve economic growth while ensuring that economic and environmental impacts are taken care of. I'd love to have your thoughts on how the green growth paradigm has panned out globally so far, Sir.

AK: [00:05:56] So if you look at the total carbon space available in the 1.5°C scenario, developed countries of today have accounted for the bulk of the emissions. They have carbonised the world while industrialising. India has only contributed about 4% of the global cumulative greenhouse gas emissions between 1850 and 2019. And despite being home to about 17% of the global population, India's per capita emissions are just 1.96 tons, less than a third of the world average greenhouse gas emissions. The world came together in Paris in COP21 to limit global warming to 1.5 degrees. Countries agreed to submit their nationally determined contribution, NDCs, in line with the national circumstances. And, you know, on a global landscape, there is need to balance mitigation and adaptation measures. Technological transfer, along with finance will play a critical role. The developed countries must live up to their commitment of \$100 billion in climate finance annually to developing countries, which they had committed to at Copenhagen in 2009. But in addition to that, there is also there is no shortage of funds, a vast pool of private sector funds which are available in the world, institutional funds. These must flow and they would require a huge amount of

credit enhancement, de-risking, blended finance, first loss guarantees. All this will help us to accelerate the pace of flow to the developing economies based on the support from multilateral financial institutions.

RB: [00:07:42] I think the point you made, which I think we are going to cover in more detail in this season of Decoding Impact is really, how do we make finance work to solve this problem. As you said, the pockets of money are many. How do we orchestrate it through innovation finance is going to be extremely important. And the other point you made, which I wanted to underline as well, is that many times we talk about carbon emissions at the level of a country, but when you make it at a level of an individual person, India is with 1.4 billion people, actually accounts for much lesser at a per person level, than to many other developed countries. That sort of brings me to the next question, which is you talked about what has happened in the past and the opportunity through financing, et cetera. In your opinion, in what way does the understanding of 'green' and 'growth' need to evolve from here on?

AK: [00:08:29] So I believe that the greening of the economy is not just limited to generation of electricity. Renewable energy is just one pillar of a green economy. It accounts for only 20% of the energy. It's very important that we need to accelerate the pace of greening in the hard-to-abate sectors. Sectors such as refineries, steel, fertiliser, long distance transport are all ripe for a green transformation. Green hydrogen will play a crucial role in this regard. India's climatically blessed. It has top-class entrepreneurship, and I think all of them are now focusing on green hydrogen. Energy storage will be crucial in our efforts to green economies as well. For example, the intermittent nature of renewables necessitates the development of energy storage solutions. Adoption of circular economic models will also be central to green economies of the future. We must move from 'take, make and dispose' to 'reduce, reuse and recycle'. And that is critical. The three R's are very, very critical to our future.

RB: [00:09:37] Cannot agree with you more. And so far the conversation of greening has been an energy conversation. And I think more and more now the conversation is, you know, going to each industry. And in some sense, the good news is that there is an acknowledgement by the industry also on their role in this green and growth, which is, I think, important. We've so far spoken about it from a very global lens, Sir, and I wanted to come in to really talk about it from an India lens as well. How is India uniquely placed to actually lead the shift to greener and faster growth? And you've had a ringside view both through the NITI Aayog and in your current role as the G20 Sherpa. If you can also highlight some of our innovations that we are already investing in to leapfrog, I think that will be extremely helpful.

AK: [00:10:21] So India's the only G20 country in the top ten rankings of the Climate Change Performance Index. India achieved its first NDC targets nine years ahead of schedule. 40% of the electric installed capacity came from the renewable sources in 2021 against a target of 2030. We've done about 172 GW of renewable resources. And during this time India also led the formation of the International Solar Alliance. We aim to make India a global green hydrogen hub, decarbonising sectors such as steel, fertiliser, long distance transport. Our target is to produce almost about 10 MMTPA (million metric tons per annum) by 2030, 5

MMTPA through government and five MMTPA at the private sector will give a huge impetus, I'm sure. With a globally competitive renewable market, India is poised to become the lowest cost producer of green hydrogen. While the world is moving towards protectionism, India seeks to position itself as a global export hub. In decarbonising transport, Indian Railways is set to go net zero by 2030 and electric vehicles have been a huge, have been given a huge push in India along with increased use of biofuels. Energy storage has been given a huge push through policy action as well. These elements are all reflected in our updated NDCs, that by 2030 we would reduce emission intensity of our GDP by 45% from 2005, achieve 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources, and also create an additional sink of 2.5 to 3 billion tonnes of CO₂-equivalent through additional forest and tree cover. Our NDCs are to be achieved with the help of transfer of technology and low-cost international finance, including from Green Climate Fund. So, recognising that the fight against climate change is a collective one rooted in individual action, the Prime Minister has launched the 'Lifestyle for Environment', 'LiFE'. And Lifestyle for Environment brings together the development and climate agenda with the overarching aim of resolving and easing growth imbalances through very collaborative actions of various stakeholders, with a special focus on individual actions and behaviour. India has also prepared and submitted a separate framework document that India's long term carbon development strategy to reach to a net zero by 2072, to the UNFCCC in November 2022.

RB: [00:13:18] I wanted to underline three points that you mentioned, which I felt is important for our listeners to understand, because I think they are both critical and significant improvements and progress. One, of course, you highlighted not just our ambitious targets that we've set for ourselves as a country, but also our ability to demonstrate our achievement against those targets in a multitude of ways. Oftentimes, I think as citizens, we underestimate the level of progress we've made on these fronts. And I think, you know, through robust data and the evidence that you've shown, I think, thank you for for doing that. And I think the second point I wanted to highlight is also the International Solar Alliance that we have set up with the French government. I think it's an important milestone because we are also now moving away from just looking at our backyard and our targets to galvanise international action. And today, a number of countries that have joined that alliance is a proof of our convening power as a country in the global landscape. And I think the third point that I wanted to highlight, and I think one of the challenges with the SDGs is that it never spoke to the everyday consumer or a citizen on what they have to do, or it couldn't translate in very tangible ways, what should people do? And I feel and having had a chance to speak to you on the LiFE thinking earlier as well, to actually translate the larger goals of the country for environment to tangible actions on how people would eat, move, live, et cetera, can look at everyday choices and combine that with policy and industry action I think is an extremely important step. And I, at some point, would love to hear from you as well, how the global, you know, countries are responding to this framing of LiFE as well, because I think it offers the entire world a way to actually talk to everyone and not just the elite around how sustainability impacts our lives. I want to touch upon a related topic on this front, which is really the fear - I've heard you speak earlier as well - of many developed nations around how green growth is a way, actually, of losing out on growth, economic growth, and that we are actually talking about environmental priorities at the cost of

economic growth. In India's context, how does India plan to enable large scale job and value creation for equitable, inclusive growth while achieving green growth?

AK: [00:15:41] So I've been a long-term believer that value and capital will be attracted only by companies and countries which go digital and go green. We have a multiple, really a multi-pronged strategy to enable large-scale job and value creation by going green. So if you look at the production-linked incentive scheme, we are encouraging size and scale in manufacturing in many sunrise green areas, labour-intensive sectors and key sectors by penetrating global value chains and getting the size right. We are pushing for battery, we are pushing for storage, we are pushing for electric vehicles, all through the PLI scheme. At the same time, we are also pushing for green hydrogen there. At the same time, we are extensively investing in building world-class infrastructure through the national infrastructure pipeline, asset monetisation pipeline and Prime Minister's Gati Shakti. The infrastructure we build will bring people and markets closer together, unlocking growth. Our decarbonisation efforts are being lauded globally and we are set to industrialise without the need to carbonise. Together with physical infrastructure, we've also taken immense strides in digital public infrastructure. The impact DPI has had on financial inclusion is massive. Take a look at our payment ecosystem. Hundreds and millions of transactions are processed each month. We are moving from payments to lending to insurance. We do 11x more payments than Europe and United States. We do 4x more payments than China, and digital public infrastructure actually can play a very crucial role in sectors such as health, agriculture and education. The most competitive economies of the future will be digital. They will be green, and India is poised to leapfrog into the next era of growth and prosperity with this.

RB: [00:17:33] Thank you, Sir. And I think the point you made on the financial transaction is important. In a recent conversation, you know, I learned that UPI has had 86 billion transactions so far and far outstrips anything that exists internationally, you know, in terms of the amount of action and traction it has gained among population at scale. And it is, it is not just the elite. You go buy a coconut water; you have a person with a QR code today who is able to use UPI. And that's been a true example of inclusive digital growth that has been promoted by digital public infrastructure. And this sort of leads me to the next question also, Sir. Which is one - and today I was actually part of a panel discussion where we were talking about electrical mobility with a series of global and national experts, and one of the things that we were talking about is - in moving this forward, who are we leaving behind? You know, there are existing people who lives and lifestyles and livelihoods depend on traditional modes of running businesses. So I wanted to ask you, in our current role and in the G20 presidency, how do we see the just transition, just green transitions actually unfolding effectively?

AK: [00:18:45] So we recognise that each country faces a different starting point, and the world requires a mix of policy instruments to fight against climate change. Finance holds international climate action together and powers it to acceleration. For instance, India's net zero target requires an estimated \$10.1 trillion worth of investments. The challenge that lies in front of developing nations is to decarbonise generation of electricity, industrial operations and transport. The sheer size of investment required not just in India but all

developing countries, implies that private capital must be mobilised. For historic carbon emissions, they need to incentivise emerging economies for the green transition. We must recognise that the nations most vulnerable to climate change are not the cause of it. Mobilising finance, technology transfer and capacity building support are crucial for developing countries to enhance their mitigation and adaptation efforts. There is a need to reform multilateral development banks to enable flow of private and blended finance in developing countries. Unlocking climate-friendly investments, risk mitigation strategies to incentivise climate-friendly investments in developing economies must be developed, unlocking private investment.

RB: [00:20:15] This podcast is reaching companies, reaching corporate leaders. It is reaching non-profit and civil society leaders, and it's also reaching a wide range of philanthropists, both domestically and globally, who want to be part of India's growth story and who want to contribute positively to the change that you've outlined that we are on. And one of the, you know, priorities for Sattva has always been how can we drive stronger collaborative action towards making this happen? And, you know, given you are at the place where you're able to see the entire G20 picture and the country's future going forward, I really wanted to get your call for action in terms of what role can collaboratives actually play in driving green growth and climate action further.

AK: [00:21:02] Well, collaboratives are very critical. They can play a crucial role promoting sustainable lifestyles, for example, through lifestyle, for sustainability, LiFE across sectors such as agriculture, climate-smart agriculture and sustainable practices can be promoted. Collaboratives can play a crucial role in building resilience amongst communities that are most vulnerable to climate change. Knowledge exchange and sharing of best practices to adaptation and mitigation is another crucial role that can be played by collaboratives. All these are very critical, very significant and very important roles.

RB: [00:21:38] Sir, I wanted to talk about a topic that I know is very close to your heart, which is the aspirational districts. You have championed the cause of aspirational districts while you were at the NITI Aayog and today that programme has seen success. We see the champions of change happen. As we see this G20 green growth conversation happen, how do you sort of see these two coming together, Sir? How can some of our aspirational districts in India benefit from this conversation on green growth as well? And if you had any thoughts and guidance on that, that would be great.

AK: [00:22:09] So aspirational districts were once some of the most backward districts. The Prime Minister termed them as aspirational. We started ranking them 112 districts on the basis of their performance across 49 indicators on a real-time basis. These districts, on the basis of the shared performance, competition, real-time data and this programme also showed how data can be used for development, has enabled and ensured vast scale transformation of these districts. The challenge is that now that we have motivated them, we've inspired them, these can become the... lead your movement for green growth. All these districts are now focusing on green agriculture. They are focusing on millet. They are focusing on renewables. They can become the change agent because they are now digitised

and they can spearhead India's drive towards mitigation and adaptation through the Aspirational Districts Programme.

RB: [00:23:07] I think I want to underline what you just said, Sir, because I think it's important. Because once we are able to build foundational capabilities in some of these aspirational districts, their ability to respond to newer changes like green agriculture, digital public goods, et cetera, become important. And the investments that we are making at those foundational levels I think are important and has been an investment that I'm sure will bear fruit. What will be your personal definition of success for this year in this momentous occasion?

AK: [00:23:36] Well, the challenge is about ensuring that the citizens of the world gain out of India's presidency. So success will be about pushing for sustainable development goals, pushing for accelerated, inclusive, resilient growth, pushing for better climate action, life and climate finance and digital transformation. And the last priority of about women-led development. These are our key priorities and taking them forward vigorously and, in a manner, where every country agrees to taking them vigorously forward and transforming the world through India's priority will be about success for me.

RB: [00:24:17] For me personally, I think every citizen now resonates with this idea that the 'India for the World' story is actually becoming a reality. For me, it is symbolic that India is leading the G20 presidency at the moment and all of what you've said in terms of setting the agenda for the world through our presidency resonates with me deeply. I hope both for us as a nation and for the work that you're doing with your team, this becomes an excellent year to demonstrate India's vision and aspirations for the world. You've been very generous with your time, Sir. Thank you so much. I'm sure everybody who's listening to this podcast is drawing inspiration from your perspectives.

AK: [00:24:54] Thank you very much. Great pleasure being with you.

RB: [00:24:57] Thank you, Sir.

Outro: Thank you for joining us here on Decoding Impact. We hope you enjoyed this episode and the conversation with our expert. To learn more about Sattva Knowledge Institute and our evidence-based insights, follow us on LinkedIn, Twitter and Instagram and explore our content on our website, all linked in the description.