Financing for SDGs

Breaking the Bottlenecks of Investment from Policy to Impact

“Be the change that you wish to see in the world”: Mahatma Gandhi
Evolution of Sustainable Development

- **1990**: India signed the UNFCCC in Rio
- **1992**: India signed the Kyoto Protocol
- **2000**: India acceded to the Kyoto Protocol
- **2005**: Mahatma Gandhi National Rural Employment Guarantee Act was launched
- **2008**: National Action Plan on Climate Change was launched; PAT scheme was introduced
- **2010**: Coal Cess was introduced in India
- **2015**: Ratification of Paris Agreement
- **2010**: Coal Cess was introduced in India
- **2015**: Launch of SDGs
- **2015**: Kigali Amendment to phase out HFCs
- **2002**: India acceded to the Kyoto Protocol
- **2005**: Mahatma Gandhi National Rural Employment Guarantee Act was launched
- **2010**: Coal Cess was introduced in India
- **2008**: National Action Plan on Climate Change was launched; PAT scheme was introduced
- **2000**: National Action Plan on Climate Change was launched; PAT scheme was introduced
- **2002**: India acceded to the Kyoto Protocol
- **2010**: Coal Cess was introduced in India
- **2015**: Ratification of Paris Agreement
- **2015**: Kigali Amendment to phase out HFCs

Sustainable Development in India

**Economic**
- Pradhan Mantri Awaas Yojana
- Doubling farmer's income

**Social**
- Stand Up India
- Skilling India
- UJALA

**Environmental**
- Digital India
- Stand Up India
- Skill India
- International Solar Alliance

#startupindia
Investment Opportunities aligned to sustainable sectors

- **Climate-Smart Urban Transport Infrastructure**
  - USD 250 billion
- **Green Buildings**
  - USD 1.4 trillion
- **Electric Vehicles**
  - USD 667 billion
- **Climate-Smart urban water infrastructure**
  - USD 128 billion
- **Renewable Energy**
  - USD 448 billion
- **Climate-Smart Agriculture**
  - USD 194 billion
- **Municipal Solid waste management**
  - USD 11 billion

India’s climate-smart investment potential (2018-2030)

USD 3 trillion
Define and Classify Sustainable Finance

Create a National policy

Mainstream sustainable finance through specialized institutions

Mandate Board-level Governance Committee

Encourage non-financial disclosures

Build capacities through structured interventions
Actualizing Sustainable Financing

‘VISUALIZE, STRATEGIZE AND ACTUALIZE’ Sustainable Financing

Products

• Mobilize finance through innovative financial instruments - Sustainable Bonds (Green, Social and Blue bonds), Credit enhancement, securitization, blended finance

• Leverage technology/fintech to create Social and Financial inclusion products serving BoP

• Regular financing for climate-aligned sectors - Strengthening sustainable sectors by enabling financing through targets

Practices

• Risk mitigation framework - Mainstreaming ESG risk and integration with enterprise risk framework

• Mapping financing portfolio - Current financial portfolio to sustainable growth sectors

• Transparency and Disclosure - Methods to measure, monitor and disclose direct/indirect impact on environment and society, alignment with TCFD recommendations

Capacity Building, Policy Advocacy and Thought Leadership
Innovative mechanisms for financing SDGs

Green Bonds

Pioneered India’s 1st Green bond in 2015

First Green Infra bonds in India USD 160 million

Green Masala Bonds-private placement by IFC USD 50 million

MoU with LSE to facilitate offshore rupee green bonds

Commits to mobilizing USD 5 billion on climate action

Green Bond – private placement by FMO USD 50 million

YES BANK’s approach towards facilitating Sustainable Finance

Market Creator versus Market Follower
YES BANK’s approach towards facilitating Sustainable Finance

Market Creator versus Market Follower

Green Bonds
Pioneered India’s 1st Green bond in 2015

Public-Private Partnership
Committed USD 24 million to fund Sewage Treatment Plant under Namami Gange project

Hybrid Annuity PPP Model

Construction Phase
- Upto 40% of capital cost by Government

O&M Phase
- 60% of the cost paid as annuity along with O&M expenses

Yes Bank

Government
Private firm

Innovative mechanisms for financing SDGs

6 CLEAN WATER AND SANITATION
17 PARTNERSHIPS FOR THE GOALS

National Mission for Clean Ganga
YES BANK’s approach towards facilitating Sustainable Finance

Market Creator versus Market Follower

Green Bonds
Pioneered India’s 1st Green bond in 2015

Public-Private Partnership
Committed USD 24 million to fund Sewage Treatment Plant under Namami Gange project

Risk Guarantees
1st Bank to partner with SIDBI under the World Bank initiative and Bureau of Energy Efficiency

With a 75% guarantee from SIDBI the loan amount ranges from USD 0.015 million to USD 2.2 million

THE WORLD BANK
YES BANK’s approach towards facilitating Sustainable Finance

Market Creator versus Market Follower

**Green Bonds**
- Pioneered India’s 1st Green bond in 2015

**Public-Private Partnership**
- Committed USD 24 million to fund Sewage Treatment Plant under Namami Gange project

**Risk Guarantees**
- 1st Bank to partner with SIDBI under the World Bank initiative and Bureau of Energy Efficiency

**Blended Finance**
- Undertaking a pilot project in transformational blended finance

---

**Innovative mechanisms for financing SDGs**

**Impacting 600 Women Salt Farmers**

**Yes Bank**
- Grant
  1. Credit Enhancement
  2. Credit Affordability
  3. Capacity Building

**Co-operative Bank**
- Debt
- Loan Payments
- Interest Subvention

**NGO**
- Women Salt farmers

**FLDG**
- 8. Good Jobs and Economic Growth

---

**1. No Poverty**

**5. Gender Equality**

**12. Responsible Consumption**

**7. Renewable Energy**

**13. Climate Action**
YES BANK’s approach towards facilitating Sustainable Finance

Market Creator versus Market Follower

Innovative mechanisms for financing SDGs

<table>
<thead>
<tr>
<th>Green Bonds</th>
<th>Public-Private Partnership</th>
<th>Risk Guarantees</th>
<th>Blended Finance</th>
<th>Social Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pioneered India’s 1st Green bond in 2015</td>
<td>Committed USD 24 million to fund Sewage Treatment Plant under Namami Gange project</td>
<td>1st bank to partner with SIDBI under the World Bank initiative and Bureau of Energy Efficiency</td>
<td>Undertaking a pilot project in transformational blended finance</td>
<td>Sole arranger for India’s First Social Bond in December 2017</td>
</tr>
</tbody>
</table>

Allocation

Proceeds would be allocated to Affordable Housing

Assurance

Adherence to International Capital Market Association’s Social Bond Principles 2017
**VISION: Be the Benchmark Financial Institution for Inclusivity and Sustainability**

- Listed on the Carbon Disclosure Leaders Index for five consecutive years
- Positive Impact Steering Group member
- Global Steering Committee member, 2013-2016
- APAC Chair, 2013-2016
- Chair of Natural Capital Finance Alliance Steering Committee
- Global Steering Committee member, 2013-2016
- APAC Chair, 2013-2016
- Launched India’s First Green Infrastructure Bonds raising INR 1000 crores in February 2015
- Green Masala Bonds - private placement by IFC for INR 315 crores in August 2015
- Issued INR 330 crores of Green Bonds with FMO, on a private placement basis in September 2016
- 744 locations certified with ISO 14001:2015 environment management standard
- 2017 Constituent MSCI ESG Leaders Index
- 2017 Constituent MSCI SRI Indexes
- Best Community Initiative in Water 2017
- Best Social Bank (mid-size) 2017
- First Indian Signatory First & Only Indian Signatory First Indian Signatory First & Only Indian Banking Signatory Sole arranger for India’s First Social Bond First Indian Bank to launch Green Bonds First Bank Globally to migrate to ISO 14001:2015 ESG Leadership First Indian Bank to launch Green Bond Impact Report First Indian Bank to Support

- 2008 | 2011 | 2012
- 2013 | 2014 | 2015 | 2016 | 2017
- 2012 | 2013 | 2014 | 2015 | 2017
- 2014 | 2016 | 2017
- 2016