



# Doha Bank chief's stress on Green Banking

Chennai, Dec 15: The Madras Management Association hosted the Mega Conclave on Green India in city recently. Leading energy policy makers, Energy project developers, Environmental advisors and Bankers participated in this event.

Dr. R. Seetharaman, CEO of Doha Bank was the Chief Guest and gave the inaugural address. He said "According to U.S. National Oceanic and Atmospheric Administration (NOAA) the October 2015 average temperature across global land and ocean surfaces was 0.98 degrees Celsius above the 20th century average of 14.0 degrees Celsius and setting 2015 on course to be the hottest year in recorded history.

The Global warming and El – Nino are the contributors to the hottest year. As we burn fossil fuels and add more carbon dioxide to the atmosphere, we trap more heat on the Earth's surface. But more than 90 percent of that extra heat is absorbed by the oceans. So subtle interactions between the ocean and the atmosphere can cause fluctuations from year to year. We are also witnessing developments such as cyclone Gonu in Oman in 2007, Typhoon Haiyan in Philippines in 2013 and floods in UK this year. Again in India recently we saw floods in Chennai, in 2014 in Jammu and Kashmir, in 2013 in Jharkhand and in Mumbai in 2005. The above developments once again emphasize that Climate change is a global challenge which requires an ambitious global response and a green economy will protect the planet from the worst

effects of climate change. Hence it is necessary that we contribute to the development of Green Economy. Green economies are the solutions for climate change and for sustainable global growth. Green economy is mainly based on sectors such as renewable energy, green buildings, clean transportation, water management, waste management and land management."

Dr. R. Seetharaman gave insight on Carbon emission trends. He said "China emerged as the biggest emitter of CO2 in 2014, at 9.7 billion tonnes, contributing 27 per cent of the world's emissions. US was the second biggest emitter of CO2 in 2014, releasing 5.6 billion tonnes, 15 per cent of the world's total emissions and the EU was the third biggest emitter of CO2 in with 3.4 billion tonnes contributing 10 per cent. India was the fourth biggest emitter of carbon dioxide (CO2) in 2014, at 2.6 billion tonnes, contributing 7.2 per cent of the world's emissions. "

Dr. R. Seetharaman highlighted on renewable energy investments. He said "Global investment in renewable energy was \$270.2 billion in 2014, nearly 17% higher than the previous year. Investment in developing countries, at \$131.3 billion, was up 36% on the previous year and the investment for developed economies was at \$138.9 billion, up just 3% on the year. Renewable energy investment in India in 2014 was \$7.4 billion."

Dr. R. Seetharaman gave insight on initiatives of India on Renewable energy. He said "India plans to ramp up its solar

power generating capacity to 100,000 MW by 2022.

The rise in low-carbon energy is spurred by ample domestic resources, falling costs and strong policy support, as expressed in India's historic climate pledge in the run-up to the Paris climate summit and in its efforts to tackle local pollution and improve urban air quality. At the COP 21 meeting in Paris India has launched an international solar alliance which intend making joint efforts through innovative policies, projects, programmes, capacity building measures and financial instruments to mobilize more than \$1000 Bn of investments that are needed by 2030 for the massive deployment of affordable solar energy. India is also part of Global Solar Council (GSC) which aims to unify the solar power sector at an international level, share best practice and accelerate global market developments.

Dr. R. Seetharaman highlighted on Climate change financing models and Green Banking.

He said "Carbon Finance, Global environmental facility, Clean technology fund and Feed in tariff are some of the financing models for climate change financing. Carbon finance provides a means of leveraging new private and public investment into projects that reduce greenhouse gas emissions, thereby mitigating climate change while contributing to sustainable development. Banks as socially responsible citizens have a role to play on protecting environment and contribute to sustainable development. Hence every Bank should

earmark minimum 10% of Tier 1 capital subject to a cap of 10% of risk weighted capital towards Green banking or Clean development mechanism (CDM) or any Sustainable development projects taking into consideration the carbon emissions prevailing in the economy in which the bank operates. The Greenhouse gas (GHG) emissions need to be estimated for major economic sectors in areas of operation to determine the carbon footprint. Based on the carbon footprint in various economic sectors various initiatives be proposed to promote Green economies such as Lending for Green projects, CDM scheme and Paperless banking. The allocation matrix should be such that greater the carbon footprint in the relevant economic sector, the higher the allocation of capital for Green Banking and Sustainable projects. The carbon footprint will be different across various geographies and economic sectors and hence country wise and sector wise allocations should be explored. This forms the basis for Green banking and brings prudence into the capital framework. India can have a sustainable economic score card by engaging in Green Banking."

Dr. R. Seetharaman was also the Chairman for the Session "Green Ideas" and moderated the session very well to invoke many Green ideas.