Role of Parliamentarians in Monitoring Climate Finance and Development

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O Mother Earth!

Like a Divine Cow, embrace us with un-interrupted unlimited prosperity ... But also grace such prosperity by saving us from any bad impacts of our activities!

Atharvaveda
Role of Parliamentarians

- **Every MP represents his constituency**- as a custodian of people’s rights and benefits

- **REPRESENTATIVE**: MPs elected to Parliament as representative of their electorates. Also represent the manifesto commitment of the party in the house.

- **LEGISLATOR**: To pass legislation, whether original or changes to original acts. Support or criticize the draft legislation.

- **FINANCIAL SCRUTINIZER**: Examining utilisation of Government budget and funding.

- **EXECUTIVE OVERSIGHT**: Through debates within Parliament and Standing Committee and Ad Hoc Committee.
Parliamentary Tools

- **CALLING ATTENTION**: A member calls attention of a minister to a matter of urgent public importance

- **ZERO HOUR QUESTIONS**: Impromptu submission of matters by the members of urgent importance

- **SHORT DURATION DISCUSSION**: Involves discussion of matters of urgent public importance.

- **SPECIAL MENTION IN RAJYA SABHA AND RULE 377 IN LOK SABHA**: Enables members to raise matters of public importance which are not taken otherwise.

- Parliamentary Committees on Finance and other important subjects
Present Power Scenario of India

- Total installed capacity of 263.66 GW and RE capacity of 34.35 GW (13% of Installed capacity and approximately 7% of electricity produced) (as on March 2015)

Large Hydro not considered renewable in India – If included RE share goes up to 28%

Favourable Policies by India

- Feed in Tariff
- Competitive Bidding
- Tax benefits
- Import duty concessions for parts
- RE purchase obligation
- Proposed RE Generation Obligation
New Policy Initiatives – Winds of Change

- Recently, the new Government announced a target of 175 GW – 5 times the current installed capacity by 2022

- This will need investments of approximately 165 billion dollars

- “Green Corridor project” to improve the transmission infrastructure for RE projects

- Bringing about Amendments to the current Electricity Act to strengthen the power sector

- Initiating Renewable Energy Act and National Energy Policy to provide further support
Challenges

- High upfront costs of renewable energy power plants
- High interest rates of lending money to investors
- Competing priorities – health, education, sanitation
- Heavy investments required in expanding transmission to absorb RE
- Preference to conventional power by utilities (key purchasers) due to low cost
A global network of Parliamentarians working to promote Renewable Energy.

Climate Parliament organises national parliamentary groups and international meetings to push for transition from fossil fuels to renewable energy.

Strong presence in European Parliament and ten other countries which include Bangladesh, Congo Brazzaville, India, Jordan, Lebanon, Morocco, Senegal, South Africa, Tanzania and Tunisia.
Budget allocation for MNRE* (GBS+IEBR)

Budget estimates Total

*(figures excluding NCEF allocation)
1% Budget outlay for MNRE

CHALLENGE – Inadequate budget support to RE sector – Ministry of New and Renewable Energy
- Impact – delays in disbursement of subsidies and incentives
- Inability undertake soft jobs like capacity building, R&D etc.

2010 CP members briefed Committee on Estimates
2011 Committee of Estimates gave the 1% budget recommendation
2012 -Energy Committee intervention -Delegation to PM
2013 Pre budget memorandum media briefings, energy committee interventions
2014 Union budget 2014-15, plan outlay for the MNRE was nearly 1% of the Central Plan Outlay
Delegation to the Ex-Prime Minister

Climate Parliament members meeting the PM, December, 2012
(Delegation to the Prime Minister focussed on budget allocation for MNRE and other renewable energy issues)
Climate Parliament MPs interaction with media on renewable energy in Union Budget 2013-14

Dr. Sanjay Jaiswal and Mr. Jayant Chaudhary meeting members from the media, Feb, 2013
Baseline:
Large portion of NCEF remained unutilized till the year 2012

2012
Climate Parliament MPs write to Finance Minister on NCEF Utilization
Mr. K.N Singh Deo raises the issue of NCEF utilization under Rule 377 in Lok Sabha

2013
CP members write to Finance Minister for allocating NCEF funds for RE Parliamentary questions, VIP mentions, etc.

2013
NCEF allocation for RE projects increased Allocation of NCEF fund to IREDA in budget 2013-14

2014
Government amended the NCEF guidelines for providing resources to implement regular MNRE programs

National Clean Energy Fund (NCEF) - Cess on production and utilisation of coal
Media awareness on the issue

Young Parliamentarians to ask PM to review clean energy fund policy

Our Bureau

The Climate Parliament India, a group of young Parliamentarians, will write to the Prime Minister of India, a group of young Parliamentarians, will write to the Prime Minister suspending the use of the National Clean Energy Fund (NCEF). The NCEF has an estimated value of the policy on usage of the National Clean Energy Fund (NCEF). The NCEF has an estimated value of 80% of the corpus currently remains unutilized. A group of young Parliamentarians, will write to the Prime Minister suspending the use of the National Clean Energy Fund (NCEF). The NCEF has an estimated value of 80% of the corpus currently remains unutilized.

Since "at least 80% of the corpus currently remains unutilized" the Group wants the NCEF focused on providing risk guarantees for all renewable energy projects, irrespective of whether supported by the Centre and States. The Prime Minister may also be asked to consider the usage of the National Clean Energy Fund (NCEF). The NCEF has an estimated value of 80% of the corpus currently remains unutilized.

"We had written to the Finance Minister, but after getting an opaque reply from him, we decided to launch a campaign," said Kalikesh Narayan Singh Deo, a Biju Janata Dal MP, and a member of the Climate Parliament. Deo plans to raise the matter in the winter session of Parliament, held next month.

Climate MPs upset at non-utilisation of funds
RESULTS ACHIEVED:

- Revision in NCEF Guidelines for allocation of balance fund to MNRE
- Frequency of allocation to RE projects significantly increased
- Increase in the NCEF cess to Rs. 200 per tonne of coal in union budget 2015-16
Success Factors

- Capacity Building and Raising awareness for need of Renewables
- Transparent data provision by Government
- Strong research support to MPs
- Focused campaigning by MPs at different levels and platforms
- Peer Learning of MPs across different Nations and inspiration from other nations
MPs workshop and delegation

Workshop on Climate Change and Finance within Parliament

MPs Delegation to UK to study the Climate Change Act
MPs Meet on Low Carbon Economy

Experts from London School of Economics and World Resources Institute
Other Financial Initiatives by Government

- Bringing Renewable Energy under priority sector lending
- Floating Renewable Energy bonds for investors
- Low cost long term loans
- Moving towards incentive based rather than subsidy based models
- Bundling of renewable energy power with conventional power to bring costs down

A number of these new policies highlighted above have been actively pursued by Climate Parliament. However, the biggest change that has happened as a direct or indirect result of Climate Parliament activities has been the tremendous political will it has generated in favour of clean technologies.
Conclusion

- MPs are really in a position to influence Government spending and policies both
- At the ground level MPs can also play crucial role in implementation
- It is critical to raise awareness amongst Parliamentarians that Climate Change is very much a political issue and more so in developing countries
- Climate Finance for developing countries needs to be on the international agenda as this is where the future development will take place
- Developing countries should also within their budget streams to raise adequate finance of clean energy interventions due to the long term economic benefits it can yield
Thank You