

Financial Gradients: Methods and perspectives for financial policy in sustainable development action

SLIDES PRESENTATION



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and perspectives for financial
policy in sustainable
development action**

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Introduction: The need for Financial Gradients

- Finance and Sustainable Development
- What are the nature and sources of finance
- The post 2008 financial crisis situation
- What is financial policy



Case Study: Lighting a Billion Lives^{©a}

- Energy Access using Renewable Energy: A brief about LaBL
- The genesis of financial gradients as a method for financing sustainable development action
- **key financial challenges**
 - to secure long-term, stable finances
 - diversify
 - scale up
- key financial indicators
 - overall financial inflows have to increase from all sources
 - over time the sources of finance should be diversified
 - There should be a trend from grant to non-grant financial sources.

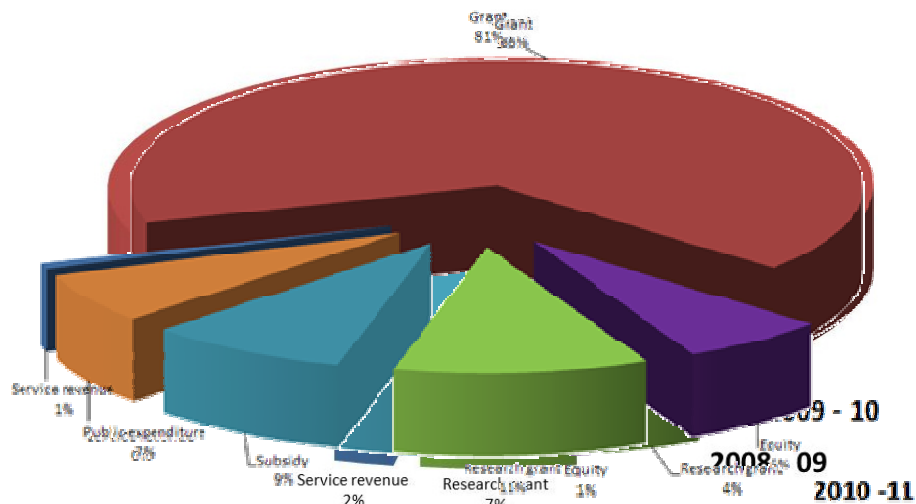


Financial inflow analysis

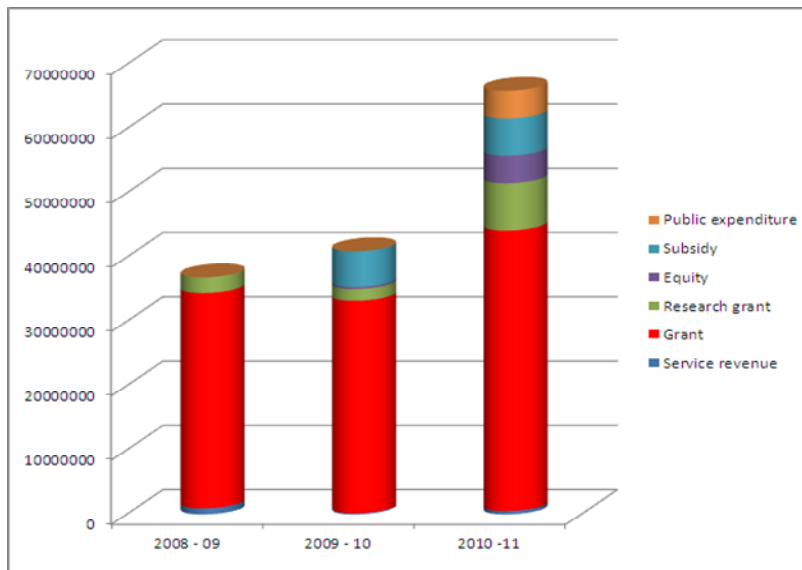
Category	Definition	Accountability ¹
Pure grant	Funds given as a part of philanthropic activity (tax exemption or benefits can also be claimed)	Negligible
Research grant	Funds given with a research objective and a tangible outcome is expected (a report, a product etc..)	Low
Public expenditure / Subsidy	Govt. funds with fiscal objectives.	Medium
Loans	Funds provided by a bank with a ToR similar to retail lending	High
Equity	User/ community/ entrepreneur contribution towards the project hardware cost	Highest

¹ This can be inferred as a financial flow gradient, a terminology we have formed using concepts in Information Economics

LaBL: Inflow analysis



LaBL: Inflow analysis (FY 2008 – 11)



Concluding thoughts from the Case

- The need for financial policy
 - Understanding the role of finance as a method to identify value
- The case for sustainable finance (or increasing the share of investment grade finance):
 - How this was achieved – case study on LaBL.

Takeaways for policy makers

- An understanding of the nature and sources of finance; and its importance to structure policy including those involving public-private partnerships.
- Financial indicators for sustainable development projects helping in monitoring projects and programs.



An video interview at CoP17 at Durban, to answer some questions related to Financial Gradients. (Link below.)

<http://www.rtcc.org/climate-change-tv/unfccc-videos/arnab-bose-long-term-success-through-finance/>



Thank you !!

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