The Economy This Week!

G7 countries account for 27% of current global oil, gas, and coal production. The US, the UK, and Canada could be responsible for nearly half (48%) of the carbon-dioxide pollution from new oil and gas extraction projects planned between 2023 and 2050 – equivalent to the lifetime emissions of nearly 600 coal plants.

New figures show the G7 provided USD $25.7 billion each year in international public finance for fossil fuels, compared to USD $10.3 billion for clean energy. Only 1% of the G7's clean energy finance went to low-income countries. 88% of G7 clean energy financial support to low- and lower-middle-income countries was delivered as loans, which risks exacerbating the worst and most widespread debt crisis in history. It is time the G7 relooks at its promises and makes the COP28 fossil fuel pledge a reality.

Civil society organisations came together to urge the RBI to incorporate environmental, climate and social considerations in the project finance framework. They highlighted several critical areas of concern and proposed significant enhancements to the Draft Prudential Framework for Income Recognition, Asset Classification, and Provisioning (IRACP-PUIMP) pertaining to Advances – Projects Under Implementation Directions 2024.

Want to know more about who is financing energy in India, check out our data portal for insights on India's power projects and more.

Team CFA