



PRESS RELEASE

First Report on Transition Finance by Expert Committee on Climate Finance

The Expert Committee on Climate Finance has submitted its first report on Transition Finance to the Chairperson, IFSCA, Shri K. Rajaraman on Monday, July 01, 2024.

Hon'ble Prime Minister while addressing investors and market participants in IFSC on December 09, 2023, had said:

“During our G-20 presidency, one of our priorities was to understand the need for sustainable finance to ensure global growth and stability. This would contribute to the transition towards greener, resilient, and inclusive societies and economies. According to some estimates, Bharat would require at least USD 10 trillion by 2070 to achieve the Net Zero Target. Financing from global sources is essential for this investment. Hence, we aim to make IFSC a global hub for sustainable finance. GIFT IFSC serves as an efficient channel for the necessary flow of green capital to build a low-carbon economy in Bharat. The development of financial products such as green bonds, sustainable bonds, and sustainability-linked bonds will make the path and access easier for the entire world.”

Consequently, the **Expert Committee on Climate Finance** was constituted by IFSCA on 21st December 2023, to provide a roadmap for IFSCA to develop a climate finance ecosystem and instruments at GIFT IFSC with a special focus on Transition Finance as well as to provide recommendations on establishing the GIFT-IFSC as a global hub for climate financing. The Committee is chaired by Shri. Dhruva Purkayastha (Director-Growth and Institutional Advancement, Council on Energy, Environment and Water) and includes experts across policy think tanks, standard setters, consultants, industry, and global financial institutions.

The **Report on Transition Finance** captures the recommendations by the Expert Committee under three pillars:

- 1. Scope and definition of Transition Finance,*
- 2. Policy and Regulation,*
- 3. Financial Mechanisms and Instruments.*

It emphasizes the role of transition finance in driving investments towards hard-to-abate sectors such as steel, cement, shipping, fertilisers etc. which are crucial for

economic growth of India and other developing nations. The report offers strategic recommendations to IFSCA and policy makers by exploring global best practices and regulatory landscapes, to enhance the role of GIFT-IFSC as a gateway for attracting international climate capital flows in order to achieve India's ambitious goal of achieving *net-zero* by 2070.

IFSCA will commence work on a framework for Transition Finance based on the report.

The report and the detailed recommendations of the Expert Committee can be accessed on IFSCA website at <https://shorturl.at/EqhIG>.

The Committee is expected to continue its work and draft its next report on "**Transforming *GIFT-IFSC into a Climate Finance Hub***".

July 02, 2024
Gandhinagar