



Press Release

Constitution of an Expert Committee on Transition Finance

The Hon'ble Prime Minister, in his speech, during Infinity Forum 2.0, emphasized making IFSC a global hub of Sustainable Finance. IFSCA has undertaken numerous regulatory initiatives for development of financial instruments at IFSC to facilitate capital flows towards climate action in India and other developing countries. These initiatives have led to listing of USD 10.1 Bn ESG-labelled debt securities, issuance of more than USD 700 Mn green/sustainable loans, and set-up of an ESG Engagement Fund at IFSC.

Despite the significant global growth in instruments for financing environmentally friendly activities, in the past few years, the mobilization of funds has been more inclined to certain sectors of the economy, whose activities are related to near-zero carbon emissions. The need of the hour is to fund the transition journey of all sectors, especially hard-to-abate sectors, in order to achieve Paris agreement goals and SDGs. In this context, transition finance instruments such as transition bonds, transition loans etc. have emerged as an alternative to address the financing gap needed to achieve Paris agreement goals and which is inclusive of sectors and geographies across industries.

Taking into consideration the critical need for transition finance, the development of such financing instruments being at a nascent stage, and lack of globally recognized framework as in the case of green/sustainable labelled debt securities, IFSCA has formed an expert committee on Transition Finance consisting of representation from industry, standard setters, consultants, think tanks etc. to recommend a regulatory framework for transition finance instruments and measures to promote transition finance through GIFT IFSC.

The constitution of the committee and Terms of Reference (ToR) can be accessed through <https://ifsc.gov.in/IFSCACommittees>

Gandhinagar
December 22, 2023