

Vol. 12 (4): 79-90 (2022)

REGULATORY REFORMS FOR STRUCTURED GREEN FINANCE: EXPLORING THE CASE OF INTERNATIONAL FINANCE SERVICE CENTRE, INDIA

Amit Kumar Kashyap^{1,2,*}, Vijaylaxmi Sharma¹

¹Faculty of Law, Manipal University Jaipur, Rajasthan, India;

²Institute of Law, Nirma University, Ahmedabad, India;

*Corresponding Author Amit Kumar Kashyap, e-mail: amit.kashyap@nirmauni.ac.in;

Received May 2022; Accepted June 2022; Published July 2022;

DOI: <https://doi.org/10.31407/ijeess12.410>

ABSTRACT

Sustainable infrastructure is essential for a brighter future when India has committed to starting its decarbonization journey to accomplish specific green targets. According to IEF Survey, India would need infrastructure investments of US\$ 777.73 billion by 2022 if it wants to expand sustainably. To fulfil the Sustainable Development Goals (SDGs) and Paris Agreement, the emerging economies are shifting toward low-carbon avenues, wherein green investment and ESG-enabled bonds are among the most sought-after alternatives. Given these trends, India intends to issue green bonds and refer to climate action as the "sunrise sector. To augment the goal of net-zero emission and boost financing in infrastructure, the Government of India has been working on strengthening the international finance service centre (IFSC) in India to attract the world global financial Institutional investors, such as international banks, pension funds, investment banks, insurers and sovereign wealth funds and also to match up with Public policy priorities are quickly shifting to include green financing. International Financial Service Centre Authority (IFSCA) was established by the Government of India in 2020 under the International Financial Services Centers Act 2000. Just after its establishment, the first breakthrough in green financing and fulfilling the needs of the environment, social welfare, and governance were that it suggested a new framework for Green Bonds at the International Financial Services Centre (IFSC). This paper examines changes in green financing with particular reference to IFSC Initiatives in India, which eventually contribute to the SDG 2030 agenda to which India is a signatory and analyze its critical issues, challenges and developing regulatory aspects.

Keywords: Green Bond, Green Finance, International finance service centre, SDG, ESG, Investment.