

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1216
TO BE ANSWERED ON MONDAY, 10TH FEBRUARY, 2020/ MAGHA 21, 1941 (SAKA)

GREEN BOND POLICY

QUESTION

1216. SHRI JASBIR SINGH GILL:

Will the Minister of Finance be pleased to state:

- (a) whether the Government is considering to formulate a Green Bond Policy to catalyze investments in renewable energy and energy efficiency projects;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether it is true that providing appropriate policy support in several countries has led to invigoration of the green bond market;
- (d) if so, the details thereof along with the reaction of the Government in this regard;
- (e) whether the Government has considered providing support to green bond issuances through subsidies among other forms of policy support and if so, the details thereof; and
- (f) whether the Government intends to issue green bonds to finance its investments in renewable energy and energy efficiency initiatives and if not, the reasons therefor?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) & (b): There is no specific Government Policy on Green Bonds. However, the Securities and Exchange Board of India (SEBI), the market regulator for listed securities, including bonds, has provided for a regulatory framework for green bonds vide its circular dated May 30, 2017, wherein it is specified that a debt security shall be considered as “Green” or “Green Debt Securities”, if the funds raised through issuance of the debt securities are to be utilized for project(s) and/or asset(s) falling under any of the following broad categories:

- a. Renewable and sustainable energy including wind, solar, bioenergy, other sources of energy which use clean technology etc.
- b. Clean transportation including mass/public transportation etc.
- c. Sustainable water management including clean and/or drinking water, water recycling etc.
- d. Climate change adaptation
- e. Energy efficiency including efficient and green buildings etc.
- f. Sustainable waste management including recycling, waste to energy, efficient disposal of wastage etc.
- g. Sustainable land use including sustainable forestry and agriculture, afforestation etc.
- h. Biodiversity conservation.

(c) & (d): As per the information furnished by Ministry of New and Renewable Energy based on the data available on www.climatebond.net, during the first half year of 2019, global green bond issuances amounted to USD117.8 billion which was up 48% as compared to the corresponding period of the previous year i.e. 2018. Pursuant to the issuance of afore-stated circular by SEBI, there have been 4 issuances of such green bonds in India amounting to Rs. 1,712 crores.

(e): SEBI has already specified the regulatory framework for the issuance of green bonds. Government has not considered any support in the form of subsidies.

(f): Indian Renewable Energy Development Agency Limited (IREDA) had issued the following green bonds:

- a. Green Masala Bonds listed in international market in October, 2017, amounting to USD 300 Million.
- b. Green taxable bonds through which Rs. 700 crore (in two tranches of Rs. 200 crore and Rs. 500 crores) was raised in March, 2018 to finance the renewable energy projects.
- c. Green taxable bonds through which Rs. 865 crores (in two tranches of Rs. 275 crores and Rs. 590 crores) was raised in 2019 to finance the renewable energy projects.