

SUDSC WEBINAR SERIES

3

Mobilising Resources for Green Infrastructure Projects: Green Bonds

Time

15:00 to 16:30 Hrs

Date

18th September, 2023

Mode

Online

Background

World Bank assessments indicate that globally, over 50% of the population lives in urban areas today. By 2045, the world's urban population will increase by 1.5 times to about 6 billion. Rapid urbanisation leads to a surge in infrastructure demands thereby requiring cities to take informed actions and plan for services/ infrastructure including transportation systems, affordable housing, basic services & utilities, public amenities, etc. In addition to this, urbanisation raises pertinent concerns- excessive generation of waste, increase in energy demand, ever increasing emissions, and severe climatic changes.

The UN Environment Programme (UNEP) estimated in 2016 that the global cost of adapting to these climate impacts is expected to grow to \$140-300 billion per year by 2030 and \$280-500 billion per year by 2050. Considering that the urban areas are amongst the primary contributors to the climate change, it is evident that the urban local bodies/ authorities will be required to bear a significant proportion of this cost.

Several studies have indicated that urban development projects require sustainable and efficient financing mechanisms and it is widely acknowledged that the traditional financing models often fall short in providing required resources. This clearly implies the need for innovative financing mechanisms, with focus on financing for green infrastructure projects.

Green Bonds are being utilised as instruments that are specifically destined for the funding or refunding of green projects – i.e. projects that are sustainable and socially responsible – particularly in diverse areas like renewable energy, energy efficiency, clean transportation, responsible waste management, etc.

About Connective Cities

Connective Cities is a knowledge exchange platform, formed through a joint venture among the Association of German Cities (Deutscher Städtetag), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and the Service Agency Communities in One World (a division of Engagement Global), and supported by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Link to join the Webinar

<https://community.connective-cities.net/en/node/1400>

About the Webinar

NIUA has entered into a strategic partnership with GIZ for the **Sustainable Urban Development -Smart Cities II (SUDSC II)** project, which is jointly implemented by the Ministry of Housing and Urban Affairs (MoHUA), Government of India, and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Under this project, NIUA and GIZ have jointly initiated the "SUDSC-II Webinar Series" to support setting up of Communities of Practice.

The webinar series is a set of curated dialogues focusing on urban topics related to the municipal

finance, climate resilience, digital innovations for urban governance and shall be conducted on the 'Connective Cities Network'.

The third webinar under this series is titled as "Mobilising Resources for Green Infrastructure Projects: Green Bonds". The webinar intends to initiate discussions on the need for identifying the investment gaps and infrastructure needs; need for shifting from traditional 'grey' financing instruments to options of green financing (green bonds in particular); how to seek financing via green bonds; requirement of a policy framework at different levels (central, state, local government level), etc.

Session	Speakers	Discussion Points
Plenary I (MasterClass) (30 mins)	Dr Michael Thoene International Expert on Municipal Finance	<ul style="list-style-type: none"> • Identifying Investment Gaps and Infrastructure Needs: ways and methods to assess & calculate infrastructure needs in urban environments; • Financing Green Infrastructure Projects: shift from traditional 'grey' financing instruments to green financing (green bonds); strengths & weaknesses of the instruments; • When and how to seek financing via Green Bonds: principles, methods of evaluation & selection of a project; potential partners/ investors; market norms, performance and reporting requirements. • Specifics of accessing green bonds market: strategies for cities with/without bond issuing power. • Policy framework conducive to Green Bond financing
Planary 2 (20 mins)	Ms Sujatha Srikumar Promoter Director, Powertec Eng.	<ul style="list-style-type: none"> • Experiences and learnings towards resource raising for projects, financial engineering for innovative credit enhancement/ credit evaluation of infrastructure projects and entities. • Facilitating Green Bond market development in India
Case Study (20 mins)	Mr Divyank Singh IAS CEO, Indore Smart City	<ul style="list-style-type: none"> • Demonstrating Indore's experience and learnings on how mid-sized cities can access the green bonds market – role of supportive policy frameworks, collaborations, process of issuing the green bonds, etc.
Discussion (20 mins)	Moderated Discussion and Q & A Session	

Case Study: Indore Smart City Development Limited

Indore Smart City Development Limited (ISCDL), the governing body overseeing Indore's transformation into a smart city, has embarked on a pioneering journey by harnessing Green Bonds as a financing tool to drive sustainable urban development. In the face of rapid urbanisation and escalating environmental concerns, ISCDL has emerged as a trailblazer in leveraging this innovative financial instrument.

The journey commenced with ISCDL recognising the imperative to address Investment Gaps and Sustainable Urban Needs within Indore's evolving urban landscape. Adopting a forward-looking approach, the organisation identified and prioritised projects that not only catered to the city's immediate development requirements but also aligned with long-term sustainability goals.

Understanding the intrinsic connection between green projects and green finance, ISCDL ventured into an extensive exploration of diverse financing avenues. This comprehensive analysis discerned between traditional "grey" financing methods and the burgeoning realm of green finance, with Green Bonds taking center stage. This strategic move enabled ISCDL to fund projects that not only improved the quality of life in Indore but also minimised environmental impact.

Critical to ISCDL's success was its unwavering commitment to adhering to market norms in project identification, performance assessment, and transparent reporting, ensuring the financed projects genuinely contributed to sustainability objectives.

Profile of Panellists



Dr. Michael Thoene

International Expert on Municipal Finance.
University of Cologne, Germany

Dr Michael Thoene studied economics and political science at the University of Cologne and at Trinity College, University of Dublin. Since 2005, he has been CEO and MD of the FiFo Institute of Public Economics at the University of Cologne. His research covers areas of public economics- fiscal federalism, sustainability of public finances, subsidies and tax expenditure, etc.

As a policy advisor, he has worked with ten federal ministries in Germany, many regional and local governments and parliaments, EU institutions, the OECD, the IMF and the WTO. Internationally, he has worked with authorities and NGOs in Mozambique, Jordan, Georgia, Burkina Faso, Benin, Iraq, Tunisia, Cuba, Brazil and Ghana.



Mr Divyank Singh IAS

Chief Executive Officer,
Indore Smart City Development Limited

Mr Divyank Singh is an experienced bureaucrat with over 6 years of government service across a wide spectrum of fields in governance, policy-making and service delivery at various levels in India. He is 2017 Batch IAS officer currently serving as Chief Executive Officer of Indore Smart City Development Limited, which is a subsidiary of Madhya Pradesh Urban Development Co. Ltd. Prior to current role he has also served as Assistant Secretary in NITI Aayog and CEO Zila panchayat, Khargone District, Madhya Pradesh India.



Ms Sujatha Srikumar

Promoter Director,
Powertech Engineering Pvt. Ltd.

Ms Sujatha Srikumar is an electronics engineer and a management graduate from IIM-A, having 25 years of experience as an institutional and project finance expert in infrastructure privatisation and financing, and credit risk evaluation. Ms Srikumar was responsible for introducing and facilitating municipal bond market development in India. She is currently serving as the Promoter Director of Powertech Engineering Pvt. Ltd. She was formerly the Director at CRISIL (a subsidiary of Standard & Poor's, USA) and the Chief Operating Officer at IL&FS.