

National Dialogue on Municipal Green Bonds

Launch of: 'Unlocking Green Finance for India's Urban Local Bodies Through Municipal Green Bonds'

27 March 2025 | 0930 – 1430 IST | The Dome Hall, Taj Ambassador, Sujan Singh Park, New Delhi

Objective

The Council on Energy, Environment and Water (CEEW) – Centre for Energy Finance is pleased to invite you to the **National Dialogue on 'Green Finance in Urban Local Bodies: A Case for Municipal Green Bonds in India'**. The dialogue will feature the launch of a report on 'Scaling up green finance in urban local bodies: A case for municipal green bonds in India'.

India has been at the forefront of global climate action, with sustainability and clean energy transition central to policymaking. **Urban Local Bodies (ULBs), the third tier of governance**, will play a crucial role as cities are both vulnerable to climate change and major sources of GHG emissions. In this context, **ULBs need to invest significant capital, in the order of billions of dollars - for climate adaptation and mitigation**. This half-day event aims to bring together municipal officials, policymakers & academicians, regulators, investors among other stakeholders to discuss the state of municipal finance and explore the untapped potential of municipal bonds - particularly green bonds. These discussions will focus on how municipal bonds can mobilise investments for India's urban climate adaptation and infrastructure needs, and climate mitigation to support the nation's climate action agenda.

Context

India is urbanising rapidly, with **over 630 million people** expected to live in cities by 2030. This demographic shift presents a **dual challenge of expansion of civic services and deployment of urban climate adaptation infrastructure**. ULBs are responsible for delivering these essential services. To ensure the deployment of essential infrastructure, significant investments will be required by the ULBs. **Municipal bonds are among the many emerging sources of raising capital** to meet these requirements. In that context, the recent announcement of the **Urban Challenge Fund (UCF)** in the Union Budget 2025-26, aims to trigger an infrastructure spur, with significant participation from the ULB side – ultimately nudging them towards debt capital markets.

The issuance of municipal bonds in India dates back to 1997, though the market has seen limited activity. While there has been a total of **50 muni-bonds** issuances, the average issuance size has been a relatively modest **~INR 140 crore (~USD 17 million)** - amounting to a **total market size of ~INR 7000 crore (~850 million)**. To contextualize, the value of **outstanding bonds is ~INR 4500 crore (~USD 500 million)** which is relatively very small compared to **the central government (~USD 1.2 trillion) and corporate (~USD 600 billion) bond markets**. Moreover, the majority of these bonds have been concentrated in select geographies. This shows that despite an almost three-decade history the market **remains incipient in nature**. Factors impeding its growth cut across both entity and systemic levels and necessitate urgent interventions, some of which are already underway.

In contrast to the overall trend for muni bonds, the **municipal green bonds** (or muni-green bonds) segment is increasingly **gaining traction** with 3 of the last 4 bonds labelled as "green bonds" Towards this end, CEEW will be releasing a report titled '**Scaling up green finance in urban local bodies: a case for municipal green bonds**'. The report proposes a "**RISE (Reform, Identify, Strengthen, Engage) framework**" to empower ULBs, to access the muni-bond market more effectively and at scale.

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Time	Agenda
0930 - 1000	Registration and Welcome Tea
1000 - 1015	Welcome address <i>Mr Gagan Sidhu, Director, CEEW-CEF</i>
1015 - 1030	Presentation on “Scaling up municipal green bonds in India” <i>Mr Amlan Bibhudatta, Research Analyst, CEEW-CEF</i>
1030 - 1045	Special address <i>Mr. Debashis Bandyopadhyay, Chief General Manager, SEBI</i>
1045 - 1100	Keynote address by guest of honour <i>Smt D. Thara, Additional Secretary, MoHUA</i>
1100 - 1115	Report launch
1115 - 1145	Tea break
1145 - 1245	<p>Panel 1 - Municipality's experience with raising debt capital/bonds</p> <ul style="list-style-type: none"> • <i>Shri Shekhar Singh, Commissioner, Pimpri Chinchwad Municipal Corporation</i> • <i>Mr. Santosh Tiwari, Chief Accountant, Vadodara Municipal Corporation</i> • <i>Mr. Anurag Arun, Principal Consultant, AKS Consultancy Services</i> • <i>Ms. Sujatha Srikumar, Director, Powertec Engineering</i> • <i>Mr. Varun Kaushik, Director, AK Capital Services</i> <p><i>Moderator: Ms Shreshtha Saraswat, Senior Manager, Janaagraha</i></p>
1250 - 1350	<p>Panel 2 - Role of private sector in municipal bonds</p> <ul style="list-style-type: none"> • <i>Ms Rajashree Murkute, Senior Director, CARE Ratings</i> • <i>Ms Astha Talwar, MV Kini Law Firm</i> • <i>Mr Saibal Ghosh, Chief Investment Officer, Bandhan Life</i> • <i>Ms Subalakshmi K., Founder, Munify</i> • <i>Dr. Ravikant Joshi, Independent expert</i> <p><i>Moderator: Ms Neha Kumar, South Asia Head, Climate Bonds Initiative</i></p>
1350 - 1400	Closing remarks <i>Mr Gagan Sidhu, Director, CEEW-CEF</i>
1400 - 1430	Networking lunch