

Summary of session: Green Capital: The role of Green Finance In Maritime Decarbonization

Chair, Convenor, Speaker and Panelists, Experts

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| Session Chair | Shri. Deepak Shetty | Former DG Shipping |
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| Convener | Shri. P.K. Mishra | Managing Director, Indian Register of Shipping |
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| Panelists | Shri. H.K.Joshi | Ex Chair Person & Managing Director, The Shipping Corporation of India Ltd |
| | Shri. Anil Devli | CEO ,INSA |
| | Ms. Surbhi Goyal | Senior Energy Specialist, World Bank Group |
| | Shri. Ambrish Bansal | SVP Consultancy, Lloyd's Register |
| | Shri. Jaikumar | Senior Specialist |

Coordinators

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| DGS | Shri. Praveen Nair | Engineer & Ship Surveyor |
| IMEI | Shri. Rajesh Kasargode | Adani Groups |

Session summary

The panel discussed that the transition to zero carbon fuels for the maritime industry is challenging and diverse with no single pathway to decarbonization. The session discussed the primary challenges hindering the growth of green finance in India's maritime sector and possible methods that could be adopted in order to accelerate the transition. The panel also complimented the Government of India for its initiatives such as Maritime Development Fund and the enhanced Shipbuilding Financial Assistance scheme that has the potential to drive the maritime decarbonization to the next level.

The panel was unanimous that the early movers should be incentivized with a need to explore the sandbox approach which could enable the initial funding for suitable investment projects which otherwise would be difficult on account of the risk of uncertainties.

The panel discussion also focused on the challenges and opportunities presented before the

Indian port sector and the bunkering industry. The methods that can be adopted to enable India to benchmark its green finance policies and initiatives against the global best practices to enhance investor confidence and streamline funding for sustainable maritime projects was also discussed. This was also discussed in the background of the demand for short-term profitability and the expectation on better returns on investment.

The key role played by institutions such as World Bank in the development of climate finance was highlighted and their commitment to the ambitious green hydrogen project which has the potential to accelerate India's development of low-carbon energy was appreciated.

The panel also discussed the significance of developing KPIs for green financing which should be measurable, verifiable and aligned with the requirements of the nation and the IMO.



Key Focus Areas:

- **Green Finance Instruments:** Expanding green bonds, sustainability-linked loans, and blended finance models to support sustainable investments.
- **Risk Mitigation and Incentives:** Reducing investment risks through credit guarantees, carbon pricing, and emissions trading schemes.

- **Technology and Innovation Support:** Accelerating R&D and pilot projects with grants, subsidies, and public-private partnerships.
- **Global Standards and Long-Term Investment:** Harmonizing financial standards and promoting lifecycle-based investment decisions for sustainable growth.

Key Insights

Standardization & Global Benchmarks: Push for standardized definitions and global benchmarks for green finance to improve clarity and adoption, addressing challenges faced by financial institutions.

Financing Mechanisms & Investment Models: Encourage leasing models to reduce the financial burden on shipbuilders and operators, expand interest subvention and Viability Gap Funding (VGF) schemes to lower financing costs, and explore Sovereign Wealth Funds as funding sources.

Risk Management & Alternative Financing: Support alternative financing solutions like Green and Blue Bonds, Asset Reconstruction Companies (ARCs) to manage downturn risks, and align green fuel financing with demand signals through a phased transition strategy.

ESG & Sustainable Finance: Enhance integrated ESG reporting frameworks to secure international funding and donor loans, using World Bank sustainability indices as guides, and set measurable KPIs for sustainable financing.

Addressing Market Challenges: Develop policy incentives to mitigate high capex requirements, market volatility, rupee depreciation, and fluctuating freight rates, while overcoming barriers to green fuel adoption and aging fleet decarbonization.