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IMPORTANCE OF GREEN FINANCE WITH PRIVATE ENTITIES' INVOLVEMENT IN THE SPACE ECONOMY

Abstract

Climate shock is inevitable. The nature and the level of severity of the disruptions to the financial markets completely depend on the stringency of the mitigation options. Changes in the climate and the consequences from the loss of biodiversity, deforestation and pollution appear unavoidable in terms of the huge associated cost, which is causing strong pressure towards the industry to adopt green technology along with sustainable development (SD) enabled policies & frameworks. In practice, this change towards a sustainable world is frustratingly slow and there are important calls for further investments and initiatives from the government and several private entities to implement innovative development as a multidisciplinary approach to resolving the climate challenges.

The appetite for green sustainable financing has gained momentum thanks to the current enormous improvement of space technology development and the significant flows of international capital towards ESG (Environmental, Social and Governance) investments. Based on the irregularities and tendency to omit negative details of the companies, the Corporate Social Responsibility (CSR) report can be reorganized with the commercially available data along with Earth Observation (EO) data to get efficient data to understand the pollution level. This paper unfolds the positive measurement of the impacts of climate change and that's need to be underpinned by an increasingly heated normative debate. In the trillion-dollar space industry, the uptake of sustainable finance is expected to keep growing thanks to the strong regulatory support (e.g. the EU green deal), the increasing public awareness and social pressure and the harmonisation of private standards that will prevent green-washing behaviours. This paper also covers the importance of this framework of building the sustainable community and projecting it towards the green financial architecture to support upcoming and old companies to develop green technologies. Because financial markets appear to suffer from informational inefficiencies that compound any climate-related capital misallocations. A lack of carbon pricing that adequately captures climate-related externalities means that financial markets – while seemingly willing to price climate-related risk – are unable to fully reflect this risk in prices owing to disclosures that are incomplete, inconsistent and insufficient. Monitoring and quantification of the risk associated with the climate in the space economy have been broken down into transition and physical risks in this research work. Overall, how the cross interaction between the space technology and finance sectors (banks to insurance sector) can jointly address the climate transition also have been reflected in this work.