# World Bank Approves $1.5 Billion in Financing to Boost India's Low-Carbon Energy Development



The World Bank's Board of Executive Directors has approved $1.5 billion in financing for the second operation to assist India in accelerating its development of low-carbon energy. This initiative aims to foster the market growth for green hydrogen, expand renewable energy, and encourage investments in low-carbon energy sectors.

India, identified as the fastest-growing large economy globally, intends to decouple its economic growth from emissions growth. This goal requires substantial scaling of renewable energy, especially in challenging industrial sectors. The project will support reforms encouraging the production of green hydrogen and electrolyzers, essential for green hydrogen generation, and boost renewable energy integration into the grid by incentivizing battery storage solutions.

The first operation, approved in June 2023, also worth $1.5 billion, focused on waiving transmission charges for renewable energy in green hydrogen projects, launching 50 GW of renewable energy tenders annually, and establishing a legal framework for a national carbon credit market.

The recently approved second operation is expected to yield 450,000 metric tons of green hydrogen and 1,500 MW of electrolyzers per year starting from FY25/26. Furthermore, it aims to enhance renewable energy capacity and cut down emissions by 50 million tons annually. The operation also seeks to develop a national carbon credit market further.

The World Bank’s initiative aligns with India’s energy security policies and the Bank’s Hydrogen for Development (H4D) Partnership. This financing package includes a $1.46 billion loan from the International Bank for Reconstruction and Development (IBRD) and a $31.5 million credit from the International Development Association (IDA).

According to Auguste Tano Kouame, World Bank Country Director for India, the project's focus is on advancing private investment in green hydrogen and renewable energy, aiding India in reaching its net-zero target and creating jobs in the clean energy sector.

The World Bank team leaders for the operation, Aurélien Kruse, Xiaodong Wang, and Surbhi Goyal, highlighted that India's proactive measures to develop the green hydrogen market and expand renewable energy capacity have attracted significant private sector interest, facilitating progress towards India's Nationally Determined Contributions targets.