# World Bank sanctions $1.5 billion to propel India's low-carbon energy revolution



On June 29, 2024, the World Bank sanctioned $1.5 billion in financing to aid India's progression towards low-carbon energy development. The funds are aimed at scaling up renewable energy, promoting the production of green hydrogen, and bolstering climate finance for low-carbon energy investments.

The initiative forms part of the Second Low-Carbon Energy Programmatic Development Policy Operation, building on a similar $1.5 billion operation from June 2023. This earlier phase supported waivers of transmission charges for renewable energy in green hydrogen projects and set the groundwork for annual 50 GW renewable energy tenders.

Key objectives of the latest operation include increasing the production of green hydrogen and electrolyzers, essential for green hydrogen production, and enhancing renewable energy integration into the national grid through battery energy storage solutions. The reforms are also designed to develop a national carbon credit market.

The World Bank emphasized that these measures are expected to yield at least 450,000 metric tons of green hydrogen and 1,500 MW of electrolyzers annually from the 2025-26 fiscal year. Additionally, the initiatives are projected to ramp up renewable energy capacity and reduce emissions by 50 million tons annually.

India, the fastest-growing large economy, aims to decouple its economic growth from emission growth through expansive renewable energy scaling, particularly in industrial sectors. The World Bank's support aligns with India's goal to achieve its net-zero target while generating clean energy jobs.

The financing package comprises 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).