Development Alternatives
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SHAKTI
SUSTAINABLE ENERGY FOUNDATION

ISSUE BRIEF

LANDSCAPE ASSESSMENT OF STATE – LEVEL CLIMATE FINANCING OPTIONS

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In 2014, the Government of India embarked on an ambitious plan to increase the share of renewable energy in the country's energy mix, setting targets to achieve

175 GW
of installed renewable energy capacity by 2022.

This includes generation of

5 GW
of small hydropower,

10 GW
of waste-to-energy power,

60 GW
of wind power

100 GW
of solar power.

This represents a quantum jump from current capacities of 3.5 GW, 23 GW, 4.4 GW and 4.2 GW, respectively (MNRE, November 2015).

The Indian government has pushed the goal further to generate

225 GW

by the end of year 2020 after successful execution of previous targets.

1. BACKDROP OF THE STUDY

India's unprecedented energy transition, led by a booming renewable energy market and increasing activity in the electric mobility sector, is marked by sustained high-level policy objectives and ambition. The policy framework of the country allows for accelerated private sector investment in both the implementation of clean energy and energy efficiency. Financing instruments are the true agents of change and act as a catalyst that enables stakeholders to transition from fossil fuel-based energy production towards a clean or green energy production which is done through Solar energy Plants (PV), Wind Energy, etc. The level of ambition in these sectors and the scope of the competition provide both a promise and an obstacle. The optimistic targets provide a forward commitment to the market and motivating private players to engage in market activity.

The Ministry of New and Renewable Energy (MNRE) set an ambitious goal of setting up 175 GW of renewable energy capacity by 2022, of which approximately 100 GW is planned for solar, 60 GW for wind and others for hydro, bio, among others. As of June 2018, the government aims to achieve 225 GW of renewable energy capacity by 2022, well ahead of its 175 GW goal as set out in the Paris Agreement. The quantity of resources needed to achieve these goals, however, is enormous. The speed and efficiency of the energy transition were hindered by restrictions on access to capital, both in terms of adequacy and affordability. By setting renewable energy targets, mitigating land and evacuation risks, and centralized tax and subsidy schemes, the initial combination of innovative reverse bidding, supportive policy environment in terms of demand have certainty helped to drive investments.

The present report will assist stakeholders and practitioners in understanding the flow of climate change mitigation funds from source to destination. Hence, the report emphasizes more on the financial intermediaries and the availability of different sources of funds for development of clean energy and energy efficient projects in India.

2. RATIONALE FOR THE STUDY

The rationale for the study emanates from the fact that although there are some climate finance assessments conducted in the clean energy and energy efficient space for India, they do not necessarily address the specific data sources of climate finance from which states can accrue finance for clean energy projects and the conditionalities associated with it. The present study aims to address this gap.

3. AIMS AND OBJECTIVES OF THE STUDY

This study aims to develop an assessment of the current landscape of climate mitigation in clean energy finance, by identifying, comparing, and evaluating existing databases and initiatives that track finance. The three-fold objectives of the study are as follows:

a. To assess current finance flows especially private finance available at state level for climate action which is inclusive of primary sources of climate finance, important intermediaries and recipients of climate finance.

b. To identify main financial instruments used to finance climate change action. These broadly include grants, subsidies, bonds, and debt and equity instruments.

c. To assist Indian states in understanding the pre-requisites and criteria which needs to be fulfilled to access these sources of finance.

4. STUDY METHODOLOGY

The research methodology is exploratory in nature. Data has been accrued from both primary and secondary sources. The primary sources include 15 relevant stakeholders from multilateral development banks (MDBs), non-banking financial companies (NBFCs), bilateral agencies, commercial banks, development financial institutions (DFIs), private equity (PE) investors, project developers and civil society institutions. The secondary sources include relevant data from Climate Funds Update, Climate Fund Inventory Database of OECD, World Bank, ADB, EIB and UNFCCC. Relevant reports from IFC, Mercom India, Climate Bonds Initiative, Yes Bank to list a few have been referred to.

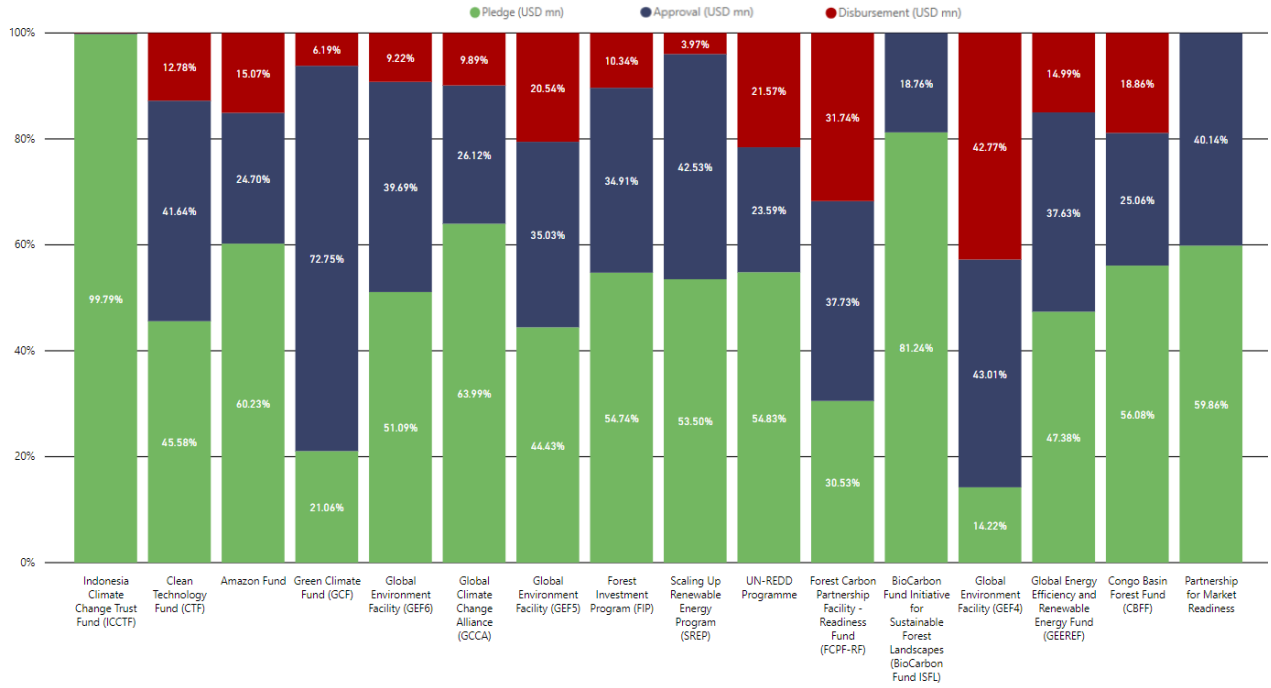
5. SCOPE OF THE STUDY

The scope of the study limits to assess climate change mitigation finance available for clean energy and energy efficient projects in India. Within the clean energy space, renewable energy projects pertaining to solar, wind and biomass is considered. Similarly, in the energy efficient space finance available to electric vehicles in the transport sector is incorporated.

6. GLOBAL LANDSCAPE OF CLIMATE CHANGE MITIGATION FUNDS FOR CLEAN ENERGY AND ENERGY EFFICIENT PROJECTS

The global landscape of climate change mitigation funds comprises of clean technology funds, green climate funds (GCF) and global environment facility (GEF) funds. A comparison of the pledged and disbursed amounts from figure 1 indicates that the disbursal rate from the GEF (4th phase) funds has been the highest and the same for the GCF has been extremely low. In fact, funds under GEF have witnessed higher disbursements over the years. Disbursal rates under the CTF and GREEEF has been low to moderate. It is also noticeable that although amounts to be disbursed from partnership for market readiness funds have been approved for some of the middle income countries of Brazil, Chile, China, Colombia, Costa Rica, India, Indonesia, Jordan, Mexico, Morocco, South Africa, Turkey, Thailand, Ukraine, and Vietnam, most of the funds have not been received by recipient countries.

Figure 1: Allocations vs Disbursement of Funds under major Global Funds (2007-2019)



7. GLOBAL FINANCIAL FLOW OF CLEAN ENERGY AND ENERGY EFFICIENT FUNDS TO INDIA

7.1 Major Contributors

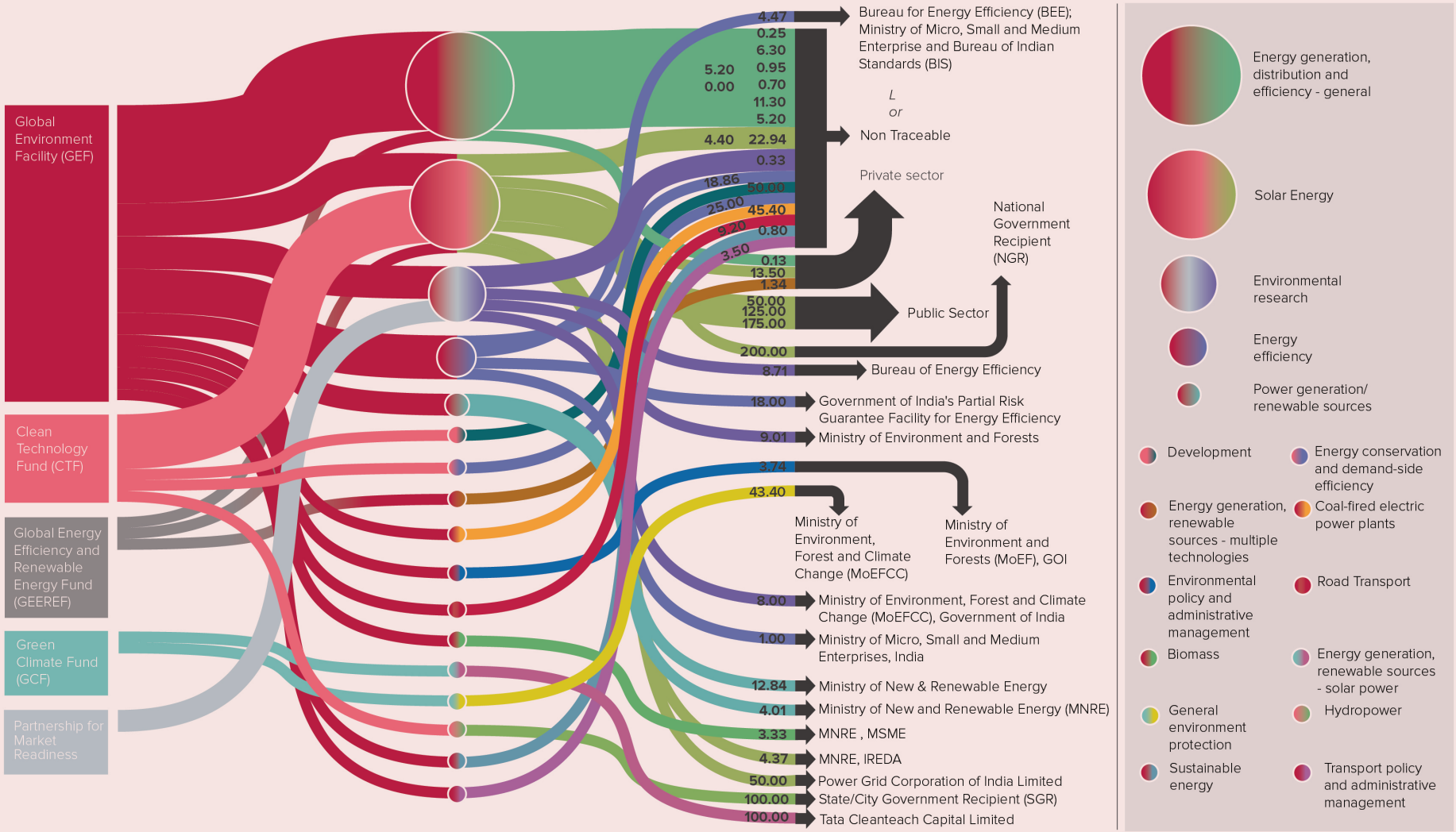
India receives a substantial amount of clean energy mitigation funds from developed economies. These include both bilateral agency funds and funds received from global climate funds in which developed countries such as Germany, Japan, UK, France and US are the major contributors. The funds received are either in the form of loans or grants. Figure 2 on following page illustrates the volume of funds received from the global sources for clean energy and energy efficient projects in India.

7.2 Funding Mechanism

Most of the international funding is routed through multilateral development banks (MDBs) such as ADB, AIIB, EIB to name a few and also bilateral agencies such USAID, JICA, KfW and DFID. MDBs such as World Bank may provide direct funding to the project developers or route the funds through development financial institutions such as SIDBI, both public and private funded non-banking financial companies (NBFCs) such as IREDA and Power Trading Corporation (PTC) and nationalised banks such as State Bank of India (SBI). On the investor side, some of the big institutional investors also receive funds from MDBs to be further channelized to project implementation agencies. However, investors can mobilise money from the market i.e. domestic savings which can be invested for development of clean energy projects. Figure 3 illustrates the funding mechanism for clean energy projects in India, in which some of the investments are received directly by the project developers and some of the funding is routed through the different governmental entities.

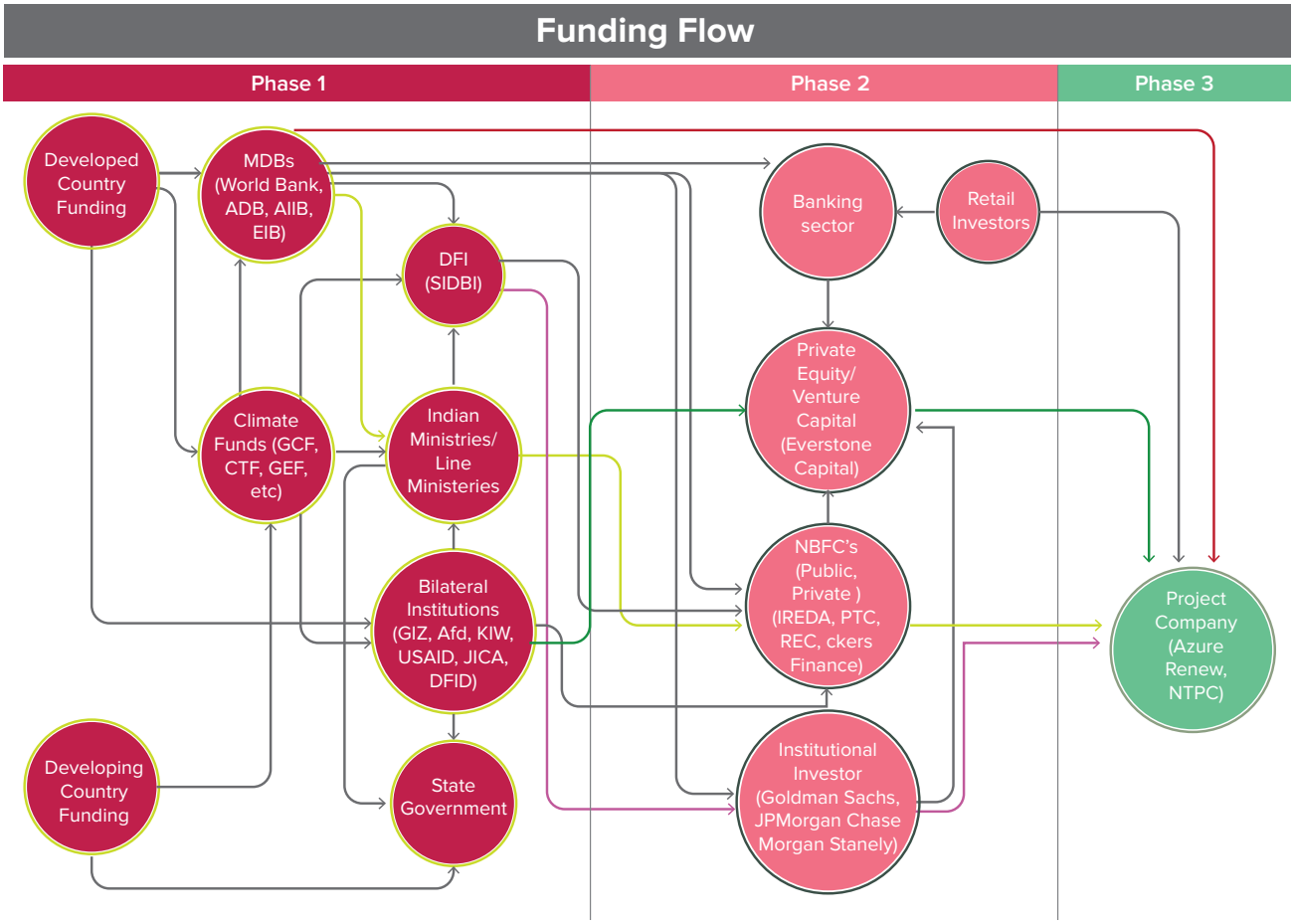
Figure 2: Finance from Global Funds to India

Finance flow from **Global Climate Funds to India**



Source: DA Assessment

Figure 4: Fund Flow Mechanism for Clean- Energy Projects in India



Source: Development Alternatives Assessment

8. FINANCING SOURCES FOR CLEAN ENERGY PROJECTS IN INDIA

There are various sources of finance available for development of clean energy and energy efficient projects in India. The prominent ones are elaborated in the subsequent sections.

8.1. Finance provided by Climate Funds

The major fund providers for clean energy and energy efficient projects in India under UNFCCC include GEC, GCF and CTF. are one of the main sources of mitigation finance. The total number of projects being funded in India is 53[1] out of which 45 projects are focused on climate mitigation. Some of the available funds are highlighted in the annex.

8.2 Finance provided by MDBs

According to the latest report issued by MDBs on providing finance to countries, almost $43.1 billion has been assigned to emerging economies in 2018 for investing in projects that help these countries reduce their emissions and address climate risks. World Bank has sanctioned loans to the amount of $500 million to SBI for development of grid connected rooftop solar projects between 2016 to 2021. World Bank has also supported the Energy Efficiency Scale-up Programme for India to scale up energy savings in residential spaces and public sectors by strengthening Energy Efficiency Services Limited's (EESL) institutional capacity and enhancing its access to commercial financing. Funds to the tune of $2500 million are available under World Bank Carbon Funds and Facilities for sectors such as agriculture, energy, energy efficiency and forestry.

Another example is that of Asian Development Bank (ADB), in which they signed a contract to invest $50 million in solar energy project developer Avaada Energy Pvt Ltd to facilitate and expand the investment horizon of the company. Some of the available funds with ADB include $237 mn from ADB Carbon Market Initiative, $298 mn from ADB Clean Energy Financing Partnership Facility and availability of $50 mn from the ADB Climate Change Fund.

1 Climate Funds Update, 2018

8.3 Finance provided by Bilateral Agencies

JICA provides financing for energy, water & sanitation, infrastructure, agriculture, disaster risk reduction, forestry, solid waste projects and projects related to environmental policy in India. Most of the funding provided by JICA is routed through IREDA and SIDBI. Very recently, JICA completed its Phase II financing to the tune of ¥30 billion (INR 1,800 crores) by financing renewable energy projects in India through IREDA. JICA has also provided finance for undertaking Phase III of MSME Energy Savings Project through a two-step loan procedure. The finance for the pan India project is routed through SIDBI. There is also an availability of $141.52 mn of fund for multi-sector projects. DFID, a UK government department responsible for administering overseas aid has an availability of $ 27 million for investment in multi-sectoral projects in India.

8.4 Finance provided by NBFCs

Several NBFCs such as IREDA has issued its first green masala bond worth issued the first green masala bond of $406 million, the proceeds of which are to be used to finance renewable energy in India of capacity 831 MW. Previously it has issued bonds with 10, 15, and 20-year terms, carrying interest at 8.16%, 8.55% and 8.55% per year, respectively (NRDC, 2019). Other privately funded NBFCs in India such as PTC India Financial Services (PFS), has also funded several projects in the country with 100 per cent emphasis on renewable energy projects.

8.5 Finance provided by Private and Public banks

Banks play a crucial role in providing finance to climate mitigation projects thereby driving low-carbon economy. Some of the Indian banks include ICICI Bank, Axis Bank, HDFC Bank, IDFC Bank, Standard Chartered Bank, Yes bank, Bank of Baroda, Union Bank of India, India Infradebt, IndusInd Bank and SBI. State Bank of India approved credit facilities amounting to 2,317 crore to corporates for financing grid connected rooftop solar projects under an SBI – World Bank programme. This funding created solar power capacity of an aggregate 575 MW. Additionally, SBI has an availability of $650 million for investing in renewable energy projects in India.

8.6 Finance provided by Equity Investors

There is a growing recognition of private capital investments in the renewable energy sector in India. Some of the pertinent examples in this regard include Green Infra Private Finance Limited (99 percent owned by IDFC Private Equity), Renew Power Ventures Private Ltd. (99 percent owned by Goldman Sachs Private Equity), and Continuum Wind Energy (majority owned by Morgan Stanley Infrastructure Partners), Private Equity/Venture Capital Funds). ReNew Power, one of India's largest independent power producers (IPPs), has received investment from the Private Equity arm of Goldman Sachs, ADIA, CPPIB, Asian Development Bank, Global Environment Fund and Japan's JERA. JERA had acquired 10 per cent stake by investing an amount of $200 million in 2017 at a valuation of $2 billion. ReNew has also raised about Rs 6,696 crore from all its investors. Goldman Sachs, the early backer of the company in 2011, had invested about $370 million in various tranches in 2013 and 2014.

8.7 Finance provided by Social Enterprises

Impact investing fund managers delegate funds to social sector and environmental projects. This new trend in finance is slowly but steadily gathering momentum. For example, Acumen Fund was established to enable social enterprises to scale, by filling the funding gap between philanthropic donations and later-stage financing propositions. At present, there is an availability of $ 3 mn of investment funds for multi-sector project development in India, especially in the sectors such as agriculture, education, energy, health, housing and water sectors.

9. AVAILABLE SOURCES OF CLIMATE MITIGATION FUNDS FOR INDIA

The climate financing database for states provides comprehensive information on funds at disposal for states and project developers on climate mitigation in clean energy and energy efficient projects. It provides necessary information on the status of funds available, the sectoral focus of funds, the procedural requirements in the application process, the financial instruments for funding and the minimum qualifying criteria for application. The database is expected to ease the process related delays linked to the identification of sources of funding by the state authorities. The list of climate change mitigation funding for clean energy and energy efficient projects is provided in annex 1.

10. POLICY RECOMMENDATIONS

- **Capital gains exemption on investment in renewable energy -** Providing capital gains exemption on investment in renewable energy projects through bonds, debt and equity will create a huge incentive for both domestic as well as foreign investors.
- **Providing grid charge exemptions to open access solar projects -** Providing grid charge exemptions to open access solar projects will boost domestic investor confidence and will lead to increase in the number of rooftop and small capacity solar projects.
- **Creating a single clearance window -** Projects have to deal with multiple stakeholders and get numerous clearances before the project can be executed. A single clearance window will lead to a shorter lead duration such as is favored by investors.
- **Creating a standard of benchmark for PV panels -** Creating a minimum standard will improve the overall quality of PV panels being used in the projects and will increase the yield as well as the duration of the project.
- **Power delivery contracts signed in foreign currencies -** The project developers should be permitted to be remunerated in foreign currency. Since, the currency unit of the invested amount in the project is in the form of foreign currency, this measure will allow the project developer to repay the debt faster and without the hassle of converting the amount from resident or local currency into foreign currency.
- **Designated locations of the projects –** Land acquisition from owners must be the responsibility of the government and the project builder should purchase the land from the government. This means that the project builder will be dealing directly only with the government and not the land owners.

Annex: Investment Availability on Clean Energy Finance for Indian States

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
Acumen	3.00	Multi-Sector	Agriculture, Education, Energy, Health, Housing, Water	Online application	Equity Debt	Be an early-mid stage company which deliver a service that addresses critical need for the poor in Acumen sectors and geographic focus
ADB Carbon Market Initiative	237.00	Renewable Energy	Energy, Energy Efficiency, Low-Carbon activities, Renewable Energy, Waste Management	Through ADB staff from the relevant regional or private sector operations department	Co-financing Carbon finance Technical assistance	ADB Developing member countries
ADB Clean Energy Financing Partnership Facility	298.00	Renewable Energy	Energy, Energy Efficiency, Fuel Switching, Renewable Energy	Sending proposal to the contact/ CBFF Secretariat	Co-financing Guaranties Loan Grant Technical assistance	ADB Developing member countries
ADB Climate Change Fund	50.00	Multi-Sector	Agriculture, Energy, Energy Efficiency, Forestry, Renewable, Energy Transport, Water	Due date for applications: 31 January; 31 March; 31 May; 31 July; 30 September; 30 November	Co-financing Grant Technical assistance	ADB Developing member countries
ASEAN Infrastructure Fund	485.30	Multi-Sector	Energy, Environment, Rural Infrastructures, Sanitation, Social Infrastructures, Transport, Water	There is no standard form of application for ADB assistance. However, ADB would need some basic information to evaluate a project.	Co-Financing Loan Technical assistance	Sovereign/sovereign guaranteed national and sub-regional projects of ASEAN developing member countries (also AIF shareholders)
Australia's International Forest Carbon Initiative	125.03	Multi-Sector	Sustainable Forestry	The Clean Energy Regulator will begin administering the scheme once legislative amendments start and the necessary legislative rules are made. The Clean Energy Regulator will publish a series of guidance notes in the coming weeks, as well as rules for the auction process and forward dates for auction	Grant	Developing countries with important forest reserves
BioCarbon Fund	84.00	Multi-Sector	Reduced greenhouse gas emissions from the land sector, from deforestation and forest degradation in developing countries (REDD+), and from sustainable agriculture; smarter land-use planning, policies and practices.	N-A	Grant funding and technical assistance. Results-based payments for achieved emission reductions (BioCarbon Fund)	A/R CDM projects and REDD+ and sustainable land management projects
Canada Climate Change Program	210.00	Multi-Sector	All	N/A	Loan, equity, Technical Assistance	UNFCCC Non-Annex I Parties to the Convention/ DAC/ODA Eligible countries

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
Clean Technology Fund	53000.00	Multi-Sector	Agriculture, Energy Efficiency, Renewable Energy, Transport, Other	Interested country requests a joint mission of the World Bank Group and relevant Regional Development Bank to prepare an investment plan	Grant Loan	Middle-income and developing countries. Countries that have an active MDB country program (World Bank and Regional Development Banks) including Algeria (MENA), Colombia, Egypt (Country and MENA), Indonesia, Jordan (MENA), Kazakhstan, Mexico, Morocco (Country and MENA), Philippines, South Africa, Thailand, Tunisia (MENA), Turkey, Ukraine, Viet Nam.
Climate Catalyst Fund	418.00	Renewable Energy	Climate/resource efficiency	N/A	Equity (Fund of funds)	Emerging Markets
Climate Finance Innovation Facility	30.00	Renewable Energy	Energy Efficiency, Renewable Energy, Sustainable Forestry	Contact the Facility	Carbon finance Technical assistance	Financial Institutions
Climate Investment Funds	100.00	Multi-Sector	See individual funds	See individual funds	See individual funds	Low emissions and climate resilient development
Climate Public Private Partnership	283.00	Multi-Sector	Energy, Transport Urban Development, Water Treatment, Waste Treatment, Land management		Equity Loan Grant	The objective of the Climate Catalyst Fund is to stimulate the development of Climate Funds and climate friendly projects and companies which are expected to play a key role in accelerating the growth of investment in renewable energy and other low-carbon solutions.
Climate Technology Initiative (CTI) Private Financing Advisory Network (PFAN)	140.00	Multi-Sector	All	Contact country and regional offices via website or through one of the Clean Energy Financing Forums	Technical assistance	PFAN screens business plans, selects the most economically viable and environmentally beneficial projects, and provides extensive coaching and guidance before projects are presented to investors at Clean Energy Financing Forums hosted across Asia, Latin America and Africa.
Danish Climate Investment Fund	200.00	Renewable Energy	Energy Efficiency, Renewable Energy, Transport, Other	Online application	Co-financing Loan Technical assistance Equity	Danish company must participate in the project (or that it contains a Danish economic interest) in developing countries and must be commercially sustainable and employs known climate technology
DEG - Deutsche Investitions- und Entwicklungs gesellschaft mbH	20.00	Multi-Sector	All	Depends on the product, please see the website for more information.	Loans Mezzanine financing Guarantee Equity capital	Developing and emerging market countries for profitable projects that contribute to sustainable development goals.

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
DFID	26.65	Multi-Sector	Multi-Sector	• Initial Application • Information Gathering and Learning More • Full Application • Due Diligence • Decision Panel • Funding Agreement	• Grants • Loans (including convertible debt) • Equity investments ranging from £30,000 to £10 million.	
EIB Climate Change Technical Assistance Facility	20.00	Multi-Sector	All	www.eib.org/projects/documents/cctaf_guidelines_public.htm	Loan Technical assistance	Projects under CDM or JI
EIB-KfW Carbon Programme II	130.00	Multi-Sector	Energy, Energy Efficiency, Fuel, Switching, Transport, Water	Project promoters are invited to contact the Programme Manager (KfW).	Forward purchase or advance payment for the contract value of carbon certificates	Least Developing Countries or Programmatic Approach. If country is not LDC or PoA, then only sectors: Renewable Energy, Energy Efficiency, Methane Avoidance (incl. landfill gas)
End-User Finance for Access to Clean Energy Technologies in South and South-East Asia (FACET)	70.00	Renewable Energy	Low-Carbon, Renewable Energy	Contact the FACET programme.	Co-financing Financial Incentives (loan, co-financing, guarantee, credit insurance) Technical assistance	Commercial banks that aim to build up loans portfolios of around 10 000 loans to technology suppliers
Eversource Capital	670.00	Renewable Energy	Renewable Energy	Concept Review Appraisal (Due Diligence) Investment Review Negotiations Commitment Disbursement of funds Project Supervision and Development Outcome Tracking Evaluation	● Equity	No minimum Criteria
FMO Entrepreneurial Bank (IDF and AEF)	9200.00	Multi-Sector	Agribusiness, Energy, Food, Water		Co-financing Loan and Grant Technical assistance	The AEF supports private sector projects that provide long-term access to energy services (generation, transmission and distribution). IDF is aimed at long-term financing for large infrastructure projects.
Fund Solutions for Climate Finance (KfW & Partners)	1000.00	Renewable Energy	Energy Efficiency, Renewable Energy	Application procedures depend on configuration and program of partnering institutions	Loan	GGF: Southeast Europe region including Turkey (Albania, Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo, and Turkey). GCPF: Focus on countries which already have a significant industrial basis and a large population like Brazil, Chile, China, India, Indonesia, Mexico, Morocco, Philippines, South Africa, Tunisia, Turkey, Ukraine and Vietnam.

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
GEF Capital (Fund 2)	180.00	Multi-Sector	Multi-Sector	N/A	Equity (Minority Stake - Up to 30%)	The project synergies should be aligned with the thematic areas targeted by the fund.
GEF Small Grants Programme	450.00	Multi-Sector	Biodiversity, Climate Change, Land, Degradation, Sustainable Forest Management, Water Chemicals	Contact the SGP National Coordinator to receive application guidelines and form	Grant	NGO/CBO working in developing countries with project corresponding to GEF focal areas
GEF Trust Fund - Climate Change focal area (GEF 6)	3000.00	Multi-Sector	Biodiversity, Chemicals and Waste, Climate Change, Energy Efficiency, Forestry, Infrastructure, Land Degradation, Land-use Renewable Energy, Transport, Water	GEF resources can be accessed through accredited GEF Agencies (https://www.thegef.org/gef/gef_agencies) or, in the case of certain enabling activities, through a direct access modality ()	Grant	Countries eligible to receive World Bank (IBRD and/or IDA) financing or UNDP technical assistance through its target for resource assignments from the core (specifically TRAC-1 and/or TRAC-2).
Germany's International Climate Initiative	1800.00	Multi-Sector	All	Call for proposals through the Programme Office International Climate Initiative		Projects in IKI's four areas of support: mitigation, adaptation, conservation of carbon sinks and biodiversity
Global Climate Partnership Fund	300.00	Multi-Sector	All	Investment process available on the website at http://www.gcpf.lu/investment-process.html	Mainly senior debt, but also equity and mezzanine debt	Financial Institutions or ESCOS (small scale renewable energy and energy efficiency service and supply companies that serve energy efficiency and renewable energy market in the target countries). Require financing of between USD 5m and USD 30m for on-lending to green energy projects
Global Energy Efficiency and Renewable Energy Fund	230.00	Renewable Energy	Energy Efficiency Renewable Energy	Contact the team http://geeref.com/contact.html	Equity (Fund of funds)	Private equity funds investing in private sector projects in RE and Energy Efficiency
Green Climate Fund	10.20	Multi-Sector	All	Recipient countries can submit funding proposal through National Designated Authorities (NDAs). Package of the relevant documents "Operations Manual" is available at http://www.gcfund.org/operations/resource-guide.html#c1326	Grant Concessional loan Guarantees Equity	All developing country parties to the UNFCCC
Interact Climate Change Facility	450.00	Renewable Energy	Energy, Energy Efficiency, Industry, Renewable Energy	Two-step process. Project proposals should be sent to the Investment Committee.	Grant Senior Loans and Mezzanine Debt	Private sector projects in developing countries (African Caribbean Pacific countries, Asian and Latin American countries) and emerging markets in the sector of climate change proposed by any of the EDFI shareholders is eligible for ICCF funding.

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
International Climate Fund (UK)	4700.00	Multi-Sector	Agriculture, Climate-Resilient, Coastal Zone Management, Energy, Energy Efficiency, Forestry, Low-Carbon, Renewable Energy, Urban, Water	Proposals for ICF expenditure will be prepared for Ministers by an ICF Board comprising of Directors General from DECC, DFID, FCO, Defra, HMT, and chaired by DFID. ICF funds will be programmed through global, multilaterally administered programs (CIFs, Adaptation Fund, GCF, etc) rather than towards specific country programmes or projects.	Grant Loan Guarantee ODA	ICF will fund projects that display consistency with the DAC definition of ODA and ensure open and transparent project performance. Other critical eligibility factors include the choice of instrument and appropriate enabling environment.
International Climate Initiative (Germany)	120.00	Multi-Sector	All	Two-step procedure: Project outlines evaluation (templates are provided on the ICI website) and upon approval formal grant application.	Grant Loan	Climate and biodiversity projects in developing and new industrialising countries, countries in transition
International Finance Corporation (IFC)	70971.00	Multi-Sector	All	• Business Development • Concept Review • Appraisal (Due Diligence) • Investment Review • Negotiations • Public Disclosure • Board of Directors Review and Approval • Commitment • Disbursement of funds • Project Supervision and Development • Outcome Tracking • Evaluation • Closing	• Equity • Debt Securities • Guarantees and Partial Credit Guarantees • Trade and Supply Chain Finance • Structured Finance • Blended Finance • Client Risk Management Services • Loan Mobilization	• Be located in a developing country that is a member of IFC; • Be in the private sector; • Be technically sound; • Have good prospects of being profitable; • Benefit the local economy; and • Be environmentally and socially sound, satisfying our environmental and social standards as well as those of the host country.
Japan's Fast Start Finance	1500.00	Renewable Energy	Agriculture, Energy Efficiency, Renewable Energy	N/A	Grant Loan ODA Guarantees	Developing countries who have entered into direct, bilateral discussions with the Government of Japan are eligible for FSF, although some private sector actors may also be considered.

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
JICA	141.52	Multi-Sector	All		• Grants • Loans (including convertible debt) • Equity investments.	For MSME • New / existing MSME units, as per the definition of the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 (www.Laghuudyog.com; www.Smallindustryindia.com). • Existing units should have satisfactory track record of past performance and sound financial position • Energy saving projects will be screened as per the Energy Saving Equipment List, which is available on SIDBI or JICA Project website • Units should have minimum investment grade rating of SIDBI • Sectors such as the arms industry, narcotics industry or any unlawful businesses are not eligible. Similarly, such projects which may result in larger negative social and environmental impact are also not eligible under this scheme. • Equipment/machinery with energy saving potential less than 10% is not eligible.
KfW Development & Climate Finance	400.00	Multi-Sector	Agriculture, Energy Forestry, Technology, Transport, Water Other	Funding varies as per the project requirements, Contact KfW via website	Grant Loan ODA Structured financing	Public and private entities Depending on contract
Korea Green Growth Trust Fund	40.00	Multi-Sector	Energy, Environment, ICT (Information Communication Technology), Transport, Urban, Water	Bank executed CoF, annual application through GP management approval	Grant Technical assistance	IBRD/IDA country members
Multilateral Carbon Credit Fund	2300.00	Renewable Energy	Energy, Energy Efficiency, Forestry, Fuel Switching, Renewable Energy, Transport	Project Idea Note (PIN) should be submitted to the Carbon Finance and Funds Unit.	Carbon Finance	Focus on JI but with some CDM and EUAs projects (provided that the reductions result from investment in a project) and AAUs in CEE and the FSU. Carbon credits must originate from EBRD and/or EIB-financed projects located in EBRD's 29 countries of operation

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
Nationally Appropriate Mitigation Action facility (UK and Germany)	205.00	Multi-Sector	All	Call for projects	Technical and financial assistance; Grants and loans	Bankable projects support the implementation of NAMAs, submission by a national government or qualified Delivery Organisation; financing volume between EUR 5-20 million; qualification as ODA
Partnership for Market Readiness	100.00	Multi-Sector	All	Submit expression of interest form at pmrsecretariat@worldbank.org	Grant	Countries must be participants in the PMR
Renewable Energy and Energy Efficiency Partnership	10.00	Renewable Energy	Energy, Energy Efficiency, Low-Carbon, Renewable Energy	Online at: https://pmis.reeep.org/index.cfm?way=200943	Carbon Finance Co-financing Grant Loan guarantee Technical Assistance	REEEP invites direct proposals from governments, energy regulators, and development financial institutions, and development agencies focusing on the REEEP priority countries. REEEP priority countries include Brazil, China, India, Indonesia, South Africa and several sub-Saharan African states.
Scaling-Up Renewable Energy Program for Low-Income Countries	769.00	Multi-Sector	Energy, Forestry Land Management, Natural Resources, Management, Renewable Energy	Project proposals should be sent to SCP Trust Fund SREP sub-committee	Grant Loan Equity Co-financing	Low-income countries prioritised, must be qualified for MDB funding. Preference is given to projects with strong poverty alleviation benefits.
Seed Capital Assistance Facility	10.50	Renewable Energy	Energy, Energy Efficiency, Renewable Energy	Proposals should be submitted through the website	Grant Equity	early stage clean energy enterprises and projects
Special Climate Change Fund	345.00	Multi-Sector	Agriculture, Energy Forestry, Industry, Transport, Waste Management	GEFSCCF resources can be accessed through accredited GEF Agencies (https://www.thegef.org/gef/gef_agencies) See also the user-friendly guide available on their website	Grant	All developing country parties to UNFCCC
State Bank of India	650.00	Renewable Energy	Renewable Energy		Debt Securities	
Strategic Climate Fund	1300.00	Multi-Sector	See individual funds	See individual funds	See individual funds	Framework fund of the FIP, PPCR and the SREP
UNDP/MDG Carbon Facility		Multi-Sector	Operated under the CDM, JI and voluntary carbon markets	The Project Idea Note (PIN) serves as the initial contact between project proponent and the Facility, and is the basis for the screening exercise to determine a project's eligibility to participate in the Facility		No specific exclusions

Source	Fund Available (USD mn)	Sector Focus	Sub Sectors	Application Process	Financing Mechanism	Minimum Criteria
UNDP/ Spain MDG Achievement Fund	900.00	Multi-Sector	All	UN country offices submit project concept note in response to call for proposals	Grant Equity Loan	Select countries and members of the UN Development Group
US Global Climate Change Initiative	350.00	Multi-Sector	Clean energy Sustainable Landscape (REDD+) Resilience	Various http://www.usaid.gov/partnership-opportunities/respond-solicitation	Grant Loan Guarantee	Developing countries
World Bank Carbon Funds and Facilities	2500.00	Multi-Sector	Agriculture, Energy, Energy Efficiency, Forestry, Other	Project proponents must submit a Project Idea Note (PIN), a short form that provides the basic information about the project, to demonstrate, for example, the viability of technology, sound financing, credible baseline and adequate volume of emission reductions.	Carbon finance	IBRD/IDA member countries; CDM or JI-eligible project activities (also voluntary window mainly for forestry and agriculture-based projects) and AAU transactions (through GIS)