



USAID
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INVESTMENT FACILITATION IN CLEAN ENERGY

Enabling investments for clean energy
transition in South Asia



Innovative
Financing
Mechanisms



Capital
Raise



Competitive
Procurements



Capacity
Building

CONTEXT

Clean energy commitments



Capacity Building Workshop for Financing Institutions on Green Hydrogen

INDIA

Investment requirement

\$2420 bn



Renewable Energy

\$303 bn



Large Hydro

\$40 bn



Green Buildings

\$1283 bn



Decarbonizing Transport

\$611 bn



Waste Management

\$10 bn



Smart Agriculture

\$177 bn

NDC Commitment

- Increasing Renewable Energy (RE) capacity to 500 gigawatt (GW)
- Electric Vehicles (EVs) Target: 30% penetration
- Reducing energy intensity by 45%

NDC Commitment

- 3500 megawatt (MW) large hydro, 750-1500 MW RE
- 90% of pvt vehicle sales and 60% of 4W public passenger vehicle sales to be electric

NEPAL

Investment requirement

\$46.1 bn



Renewable Energy

\$2.1 bn



Large Hydro

\$22.5 bn



Green Buildings

\$3.4 bn



Decarbonizing Transport

\$12.5 bn



Waste Management

\$0.8 bn



Smart Agriculture

\$4.8 bn

NDC Commitment

- 10% power from RE, Increase the share of EVs to at least 15% of all registered vehicles
- 19.3 million smart meter installations

SRI LANKA

Investment requirement

\$11.8 bn

| | | |
|--|---|--|
|  Renewable Energy \$1.7 bn |  Large Hydro \$0.2 bn |  Green Buildings \$6.3 bn |
|  Decarbonizing Transport \$0.3 bn |  Waste Management \$2.6 bn |  Smart Agriculture \$0.7 bn |

NDC Commitment

- 25 GW hydro by 2030; 18MW solar; 10 MW other RE
- Pvt 2W, 4W: 50% taxi (4W) 70%, Buses 50%

BHUTAN

Investment requirement

\$4.2 bn

| | | |
|--|---|---|
|  Renewable Energy \$0.1 bn |  Large Hydro \$3 bn |  Green Buildings \$0.3 bn |
|  Decarbonizing Transport \$0.7 bn |  Waste Management \$0.01 bn |  Smart Agriculture \$0.01 bn |

NDC Commitment

- 70% from RE
- Carbon neutral by 2070

BANGLADESH

Investment requirement

\$119 bn

| | | |
|---|---|---|
|  Renewable Energy \$2.4 bn |  Green Buildings \$89.1 bn |  Decarbonizing Transport \$17.8 bn |
|  Waste Management \$3 bn |  Smart Agriculture \$6.82 bn | |

Investment requirement

\$2.6 tn
till 2030

Based on the clean energy commitments made under the Nationally Determined Commitments (NDCs), the South Asian countries will require a cumulative investment of \$2.6 trillion till 2030.

Key Interventions



Innovative Financing Mechanisms and Strategy

- Developing financing strategy/roadmaps for public undertakings like NTPC Limited, Druk Green Power Corporation (DGPC), Hydroelectricity Investment and Development Company Ltd. (HIDCL) etc.
- Development and implementation of ESG frameworks for financing institutions like Power Finance Corporation (PFC)



Supporting Capital Raise

- Design and setup of innovative debt and equity funds like climate smart debt fund and sustainability equity fund
- Setup of investment mobilization platforms and organizing investor summits
- Supporting transactions for public and private entities like DGPC, Alt Mobility, Lithium, Ziptrax, TheeGo



Key Interventions



Competitive Procurements and Public-Private Partnerships (PPPs)

- Developing green public procurement frameworks for public entities in South Asia like Indian Railways (IR), Energy Efficiency Services Limited (EESL)
- Regional dialogue and sharing of best practices in South Asia on green public procurement
- Structuring PPPs for electric buses, Round-the-clock (RTC) power, electric charging infrastructure, asset monetization, and smart metering



Capacity Building

- Innovative financing instruments like InvITs, green bonds, Alternative Investment Funds (AIFs)
- Developing toolkits for financing institutions to appraise projects
- Training of FIs in technologies like green hydrogen and e-mobility
- Asset monetization and new PPP models



Key Achievements

Developed financing strategy of USD 45 Bn for NTPC and USD 26 Bn for DGPC

PSM launched for deploying 38,000 e-Buses in India under the US-India joint collaboration

Closed a debt transaction of \$175 million in Bhutan

Developed hydro and solar toolkits for HIDCL. Projects worth \$1 million (25 MW capacity) approved (as of January 2024)

\$6 million transaction closed with e-mobility investment mobilisation platform

Mobilized investments of more than \$7 billion in clean energy space

Launch of ESG strategy for PFC

1st award of 1390 e-buses under PM's e-Bus Sewa scheme done
2nd tender for 3,633 e-buses released

Strengthening capacity of more than 170 participants from 35 organizations and 5 countries in green hydrogen

RTC power for IR - tender awarded for 900 MW and released for 1.4 GW



Launch of joint US-India Payment Security Mechanism (PSM) at COP28 side event emphasizing the partnership in tackling climate change through e-Bus electrification



Capacity building workshop on innovative financing instruments in Kathmandu, Nepal

Partners

Government of India :

- NTPC Green Energy Limited (NGEL)
- Convergence Energy Services Ltd (CESL)
- Power Finance Corporation (PFC)
- Invest India
- State Transmission Companies

Private entities :

- Tata Cleantech Capital
- ICICI Bank
- Alt Mobility
- Lithium
- Caspian
- Ziptrax
- BLP
- TheeGo

Government of Nepal :

- Nepal Electricity Authority (NEA)
- Hydro Investment Development Corporation Ltd. (HIDCL)
- Nepal Infrastructure Bank (NIFRA)
- Dolma

Royal Government of Bhutan:

- Druk Green Power Corporation (DGPC)
- Bhutan Power Corporation (BPC)

About SAREP

The South Asia Regional Energy Partnership (SAREP), a flagship program to advance objectives of the U.S. Government's Clean Asia Enhancing Development and Growth through Energy (Clean EDGE), is a five-year initiative (2021-26) that aims to improve access to affordable, secure, reliable, and sustainable energy across six South Asian countries—Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka—in line with these countries' climate and clean energy priorities.



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Disclaimer: This document was produced for review by the United States Agency for International Development. It was prepared by RTI International for the South Asia Regional Energy Partnership (SAREP) activity, task order number 72038621F00002.

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