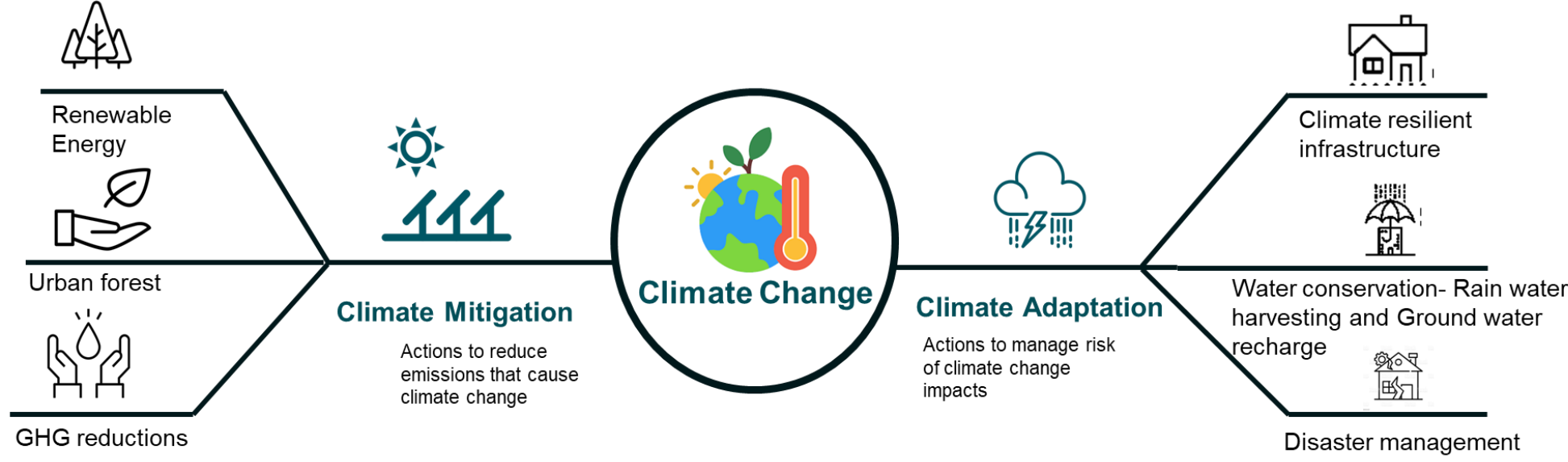
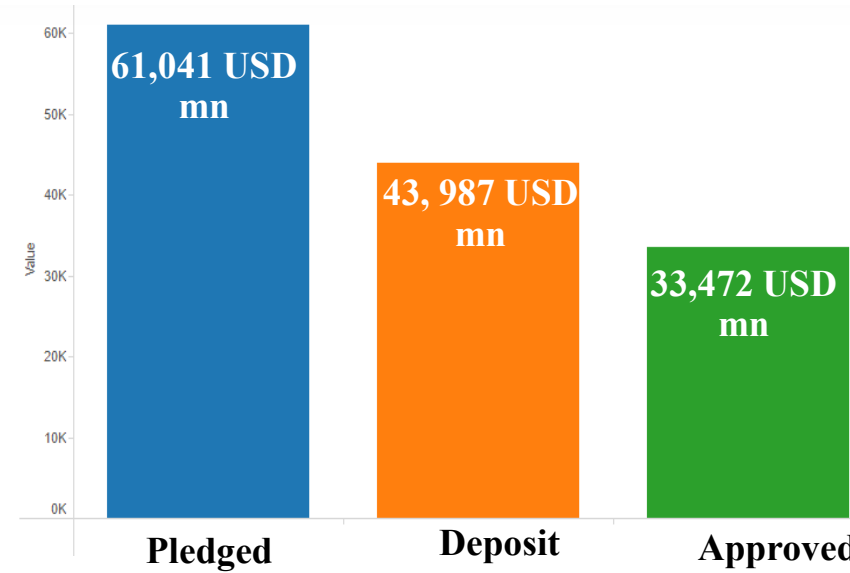


What Is Climate Finance?



Climate finance refers to **local, national or transnational financing** drawn from public, private and alternative sources of financing that seeks to support mitigation and adaptation actions that will address climate change.

	Total	Water & wastewater
Total Adaptation Finance	56.24 USD bn	24 USD bn (43%)
Total Mitigation Finance	868 USD bn	24 USD bn (1%)



WASH finance is generally adaptation finance which is very low as compared to other sectors.
Only 1% of mitigation finance is WASH.

India's green portfolio

Global Environment Facility (GEF 4, 5, 6, 7, 8): Grant: 288.56 USD mn	Green Climate Fund -1 (GCF -1, IRM) Grant: 84 USD mn Concessional Loan: 100 USD mn	Clean Technology Fund: Grant: 37.85 USD mn Concessional loan: 666 USD mn
Adaptation Fund Grant: 24 USD mn	Global Energy Efficiency and Renewable Energy Fund (GEEREF) Grant: 15 USD mn	Special Climate Change Fund (SCCF): Grant: 9.82 USD mn
Partnership for Market Readiness Grant: 8.3 USD mn	Scaling Up Renewable Energy Program (SREP) Grant: 1.2 USD mn	Pilot Program for Climate Resilience (PPCR): 0.45 USD mn
Sovereign Green Bonds: 980 USD mn	Green Bonds (municipal + private): 20,020 USD mn	Carbon Credits: 548 USD mn (municipal + private)

India's green portfolio size: 23,000 USD mn

Green Bond for climate finance

What are Green bonds?

- Raised capital for environmental and climate focused green projects
- Fixed income debt instrument
- SEBI guidelines for issuing Green Bonds

Sectors eligible for Green bonds

- Renewable energy
- Sustainable water and waste management
- Pollution prevention
- Clean transportation
- Climate change projects

Municipal and Green bonds Market in India

35 municipal bonds by **14 Urban Local Governments** + **2 state development authorities** raised pooled bonds to implement **23 WASH projects**

FY 1997- 2017



Total USD 288 million mobilized for WASH projects

FY 2017-2023



USD 202 million mobilized for WASH projects + **USD 21 million** leveraged in the form incentive- based grants offered by GoI to raise bonds

Key Initiatives

- India's first green bond** was raised in 2015 by Yes bank Ltd.
- The Government of India raised **USD 2 billion** the **Sovereign Green Bonds** January 2023
- Ghaziabad city** raised first municipal green bond for water and sanitation treatment infra
- USD 1 million** in incentives by GoI on raising green bonds worth **USD 10 million**.

Examples of Green Bond

Ghaziabad Green bond

Green Municipal Bond of ~USD 18 million, FY 2024

- Financed 40 MLD Tertiary Sewage Treatment Plant (TSTP) with 95 km pipeline supplying treated water to ~1,400 industries.
- Certified by CBI for sustainable water management.
- Oversubscribed >4 X times under PPP-HAM model.

Indore Green bond

Green Bond of USD 12 million, FY 2024

- Set up a 60 MW solar power plant to lift Narmada River water (~80 km away).
- Bid subscribed 5.9 X times.
- AA+ Stable rating.
- Carbon credits worth ~USD 62 k earned for O&M of solar-powered WASH system

Vadodara Green bond

Green Bond of USD 12 million, FY 2024

- Developed 2 STPs (121 MLD) with drainage network for liquid wastewater management.
- Bid subscribed 44 X times.
- A+ Stable rating.
- India's first certified green municipal bond for sustainable WASH infrastructure

Surat Green bond

Green Bond of ~USD 24 million, FY 2025

- For Zero Liquid Discharge (250 MLD) Water Treatment Plant, renewable energy (10 MW solar & 6.3 MW wind), and urban green infrastructure.
- Oversubscribed 8 X times
- AA+ rating, verified by KPMG and Climate Bonds Initiative.

Key Suggestions

- Green bonds offer potential for cities to finance sustainable projects**, but face key challenges, low awareness, limited creditworthiness, and weak project pipelines
- Strengthen capacity building, credit enhancement mechanisms, and technical assistance for cities**
- Provide tax incentives to attract retail and institutional investors like USA green bond market**
- Reduce issuance costs through pooled bonds and standard templates for municipal green bonds**

Other Initiatives for climate finance



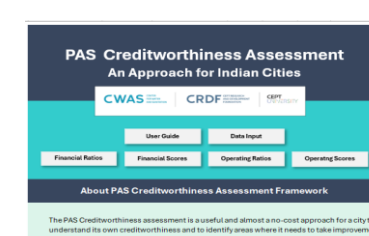
Course Module Development of Innovative Financing Mechanism with SEBI/NISM



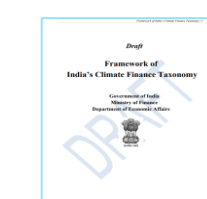
Research on **green bonds** for urban infrastructure investments



Integrating climate budgeting with annual municipal budgeting process in cities



Making cities Creditworthiness and ESG ready- Exploring scalability and increasing reach and applicability of creditworthiness tool



Feedback on **Draft Climate Finance Taxonomy** to GoI

For more information, **SCAN the QR code :**

