



CLEAN ECONOMY FUND

SECTORS: ENERGY, SUSTAINABLE CITIES, AND INDUSTRY & MANUFACTURING.

REGION: SOUTH ASIA

INVESTMENT TYPE: BLENDED FINANCE, CONCESSIONAL CAPITAL, COMMERCIAL CAPITAL

ATTRIBUTE: JUST TRANSITION

SDGs:



PROPONENT: GREEN ARTHA INNOVATIONS

India's industrial sector accounts for 49.6% of the country's energy-related emissions and, without a shift to cleaner technologies, could consume a significant portion of the global 1.7°C carbon budget. Many startups are rising to the challenge and developing technologies and business models, some of which are first-of-a-kind (FOAK). However, startups valued between USD 1-10 million face a financing gap needed to scale their operations. These companies, which are often infrastructure-intensive or IP-led are considered too risky

CEF is a USD 75 million structured equity fund that aims to accelerate India's green transition by investing in innovative technologies and businesses, including FOAK factories and business models.

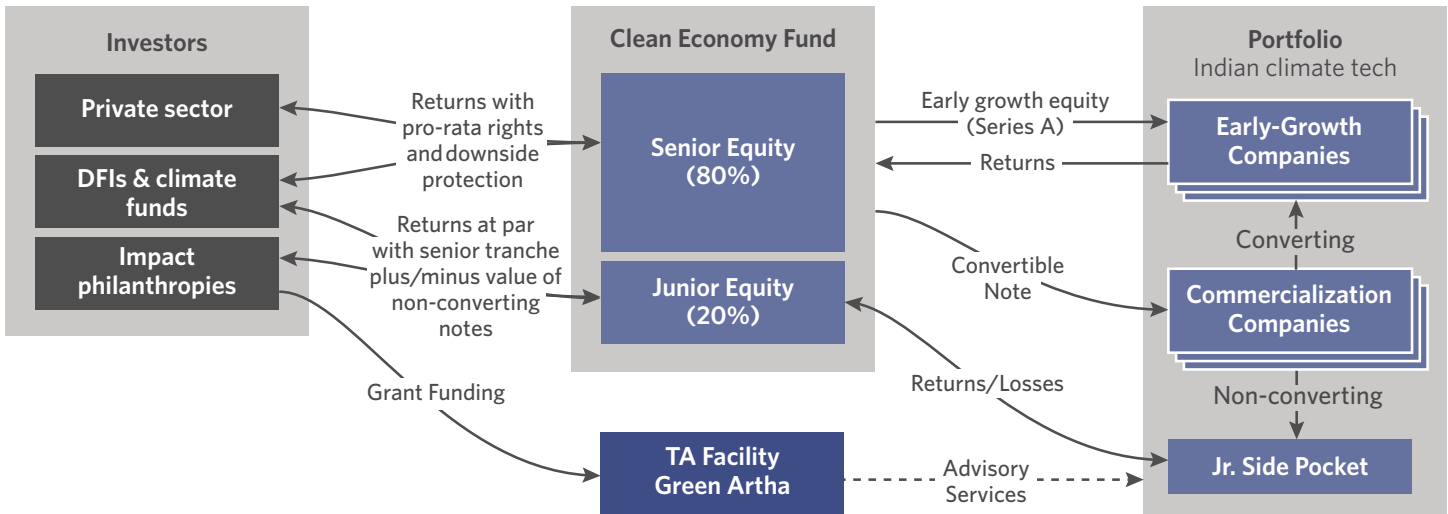
for commercial lenders, too capital-intensive for early-stage ventures, and not yet large enough for growth equity. The result: promising technologies stall due to high perceived risks, and absence of fit-for-purpose capital and commercialisation support. While India's policy reforms and green capital markets are improving investor confidence, blended finance is essential to bridge this gap, crowd in private capital, and accelerate industrial decarbonization at scale.

INNOVATION

Green Artha's Clean Economy Fund (CEF) is India's first structured equity fund dedicated to decarbonizing economic growth. CEF invests in first-of-a-kind and early-growth climate technologies that struggle to secure financing and scale the commercialisation valley of death. It combines capital with strategic technical assistance to help companies validate business models, build FOAK facilities, establish robust customer pipelines, secure appropriate follow-on funding, and prepare for exits such as sales or SME IPOs. By blending venture-style risk tolerance with private equity discipline, CEF reduces real and perceived risks and improves capital efficiency for both commercial and concessional funders, while demonstrating viable, scalable models.

IMPACT

CEF aims to cut 15 megatons of CO₂e by financing climate solutions in India's highest-emitting sectors: industry, energy, and the built environment. The pilot fund targets a USD 35M-40M first close, anchored by DFIs and commercial investors, with a full fund size of USD 75 million.



DESIGN

CEF blends 80% senior capital with 20% junior, or concessional capital, to balance risk and return. Junior and Senior capital both participate on a pro-rata basis in all investments. The junior tranche absorbs potential losses while sharing in upside, creating downside protection for senior investors and aligning concessional resources with early-stage risks on an investment-by-investment basis, rather than underwriting the fund manager. This structure provides the risk-adjusted returns needed to crowd in commercial capital while still supporting high-potential FOAK technologies.

The fund invests through convertible notes and equity, tailored to company maturity. Pre-growth firms, requiring more de-risking, receive a USD 1 million note plus commercialization support, followed by up to USD 4-5 million in growth equity if milestones are met. Early-growth firms that are more ready to scale receive up to USD 5 million upfront, with a maximum of USD 6 million over the fund's life. Convertible notes give flexibility: they convert to equity once the company achieves a qualified financing round, typically demonstrating that the company has been derisked and is ready for scale-up.

TEAM



STARLENE SHARMA
FOUNDING PARTNER, GREEN ARTHA
STARLENE@GREEN-ARTHA.COM



MAYA CHANDRASEKARAN
CO-FOUNDER & PARTNER, GREEN ARTHA
MAYA@GREEN-ARTHA.COM



HEMANGI BHANDARI
INVESTMENT PROFESSIONAL, GREEN ARTHA
HEMANGI@GREEN-ARTHA.COM

LONG-TERM CAPITAL RAISING PLAN

TYPE	ROLE OF CAPITAL	AMOUNT
SENIOR EQUITY	Commercial tranche	USD 60M
JUNIOR EQUITY	Concessional tranche	USD 15M
GRANTS	Technical Assistance Facility	USD 7.5M

The Lab identifies, develops, and launches sustainable finance vehicles that can drive billions to a low-carbon economy. The 2025 Lab cycle targets three thematic areas (mitigation, adaptation, and sustainable agriculture and food systems) and five geographic regions (Brazil, East & Southern Africa, India, Latin America & the Caribbean, and the Philippines). Bloomberg Philanthropies, the United Nations Development Programme, and the governments of Canada, Germany, and the United Kingdom have funded the Lab's 2025 programs. Climate Policy Initiative (CPI) serves as the Secretariat and analytical provider.