

Landscape of Green Finance in India

Green Finance Flows: Annual Average for FY2022-23 and FY2023-24

October 2026

CLIMATE POLICY INITIATIVE

Center for Sustainable Finance

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ABOUT CLIMATE POLICY INITIATIVE

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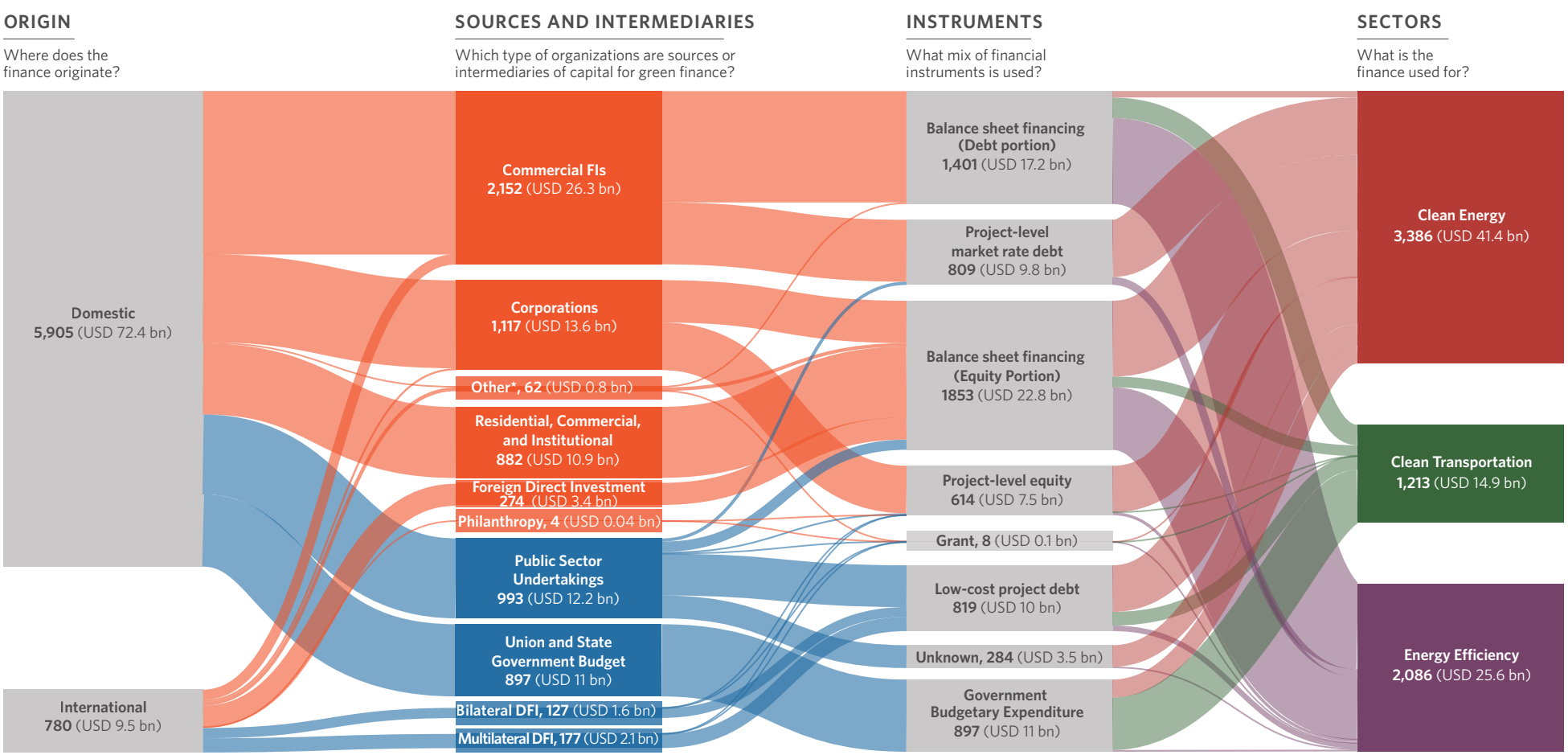
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Figure ES1: Landscape of green finance (mitigation)

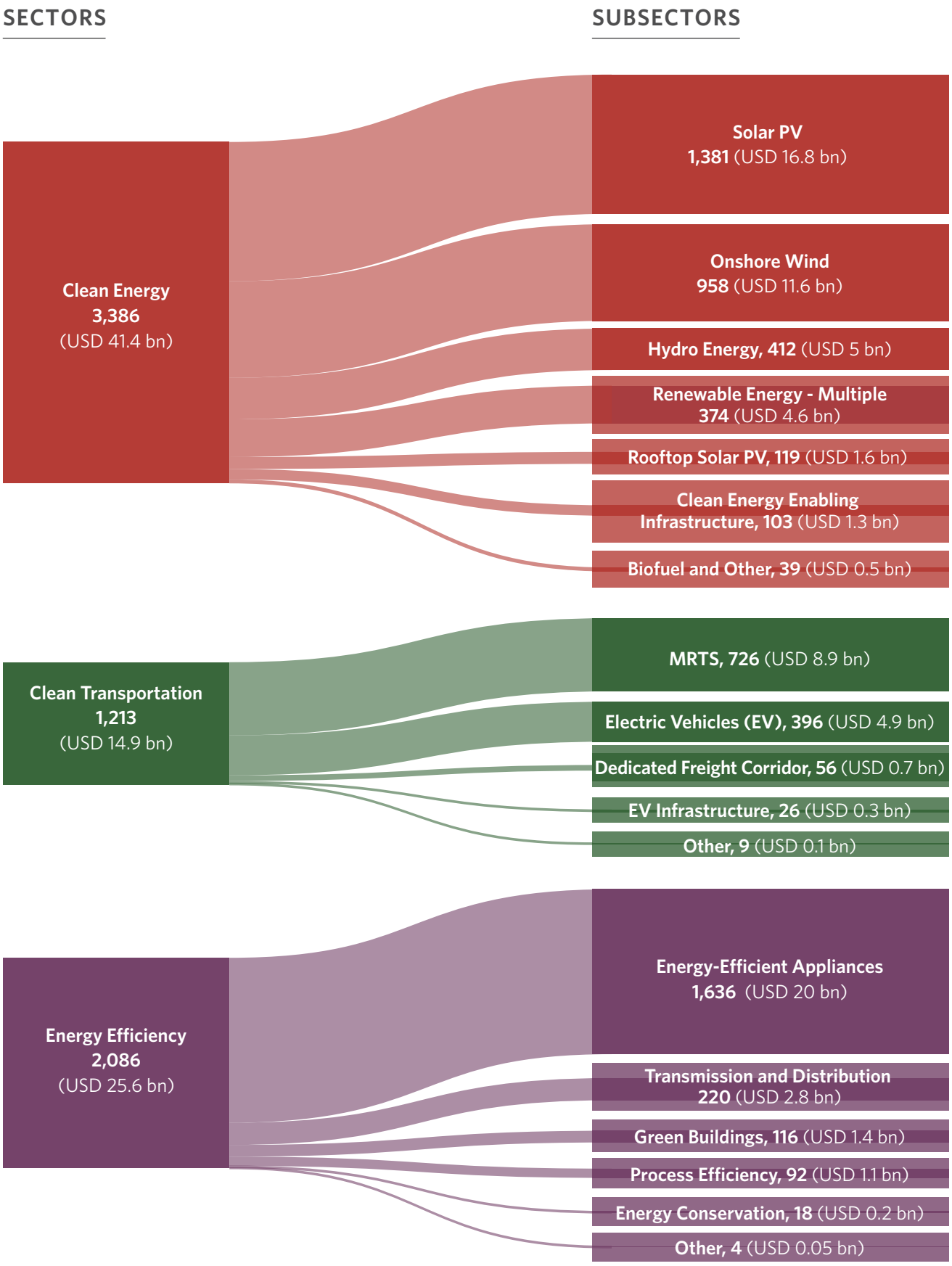
LANDSCAPE OF GREEN FINANCE FOR MITIGATION IN INDIA FOR YEARS 2023/24

Finance flows for mitigation in India along their life cycle in FY2022-23 and FY2023-24.
Values are in INR billion and presented as averages of two years' data to smooth out fluctuations.

ANNUAL AVERAGE
6,685 BILLION INR **81.9** BILLION USD



Note: *While the report captures both mitigation and adaptation finance, the Sankey represents finance to tracked mitigation sectors only. Unless otherwise indicated, figures have been rounded to the nearest whole number.*


SECTORS
SUBSECTORS
Clean Energy
3,386
(USD 41.4 bn)
Clean Transportation
1,213
(USD 14.9 bn)
Energy Efficiency
2,086
(USD 25.6 bn)
Solar PV
1,381 (USD 16.8 bn)
Onshore Wind
958 (USD 11.6 bn)
Hydro Energy, 412 (USD 5 bn)
Renewable Energy - Multiple
374 (USD 4.6 bn)
Rooftop Solar PV, 119 (USD 1.6 bn)
Clean Energy Enabling
Infrastructure, 103 (USD 1.3 bn)
Biofuel and Other, 39 (USD 0.5 bn)
MRTS, 726 (USD 8.9 bn)
Electric Vehicles (EV), 396 (USD 4.9 bn)
Dedicated Freight Corridor, 56 (USD 0.7 bn)
EV Infrastructure, 26 (USD 0.3 bn)
Other, 9 (USD 0.1 bn)
Energy-Efficient Appliances
1,636 (USD 20 bn)
Transmission and Distribution
220 (USD 2.8 bn)
Green Buildings, 116 (USD 1.4 bn)
Process Efficiency, 92 (USD 1.1 bn)
Energy Conservation, 18 (USD 0.2 bn)
Other, 4 (USD 0.05 bn)

EXECUTIVE SUMMARY

MOMENTUM ON GREEN FINANCE AND CLIMATE PRIORITIES

India's tracked green finance increased substantially from FY2016-17 to FY2023-24, driven largely by domestic capital. Tracked mitigation finance remains concentrated in established sectors and technologies, while tracked adaptation finance remains largely public. To sustain recent momentum and meet India's climate targets, the country now needs to broaden and diversify investment toward emerging sectors and technologies and adaptation priorities. Achieving India's climate and development goals will require not only increased finance but also diversified sources.

India's tracked climate mitigation flows reached INR 6,685 billion (USD 81.9 billion), and adaptation flows reached INR 1,510 billion (USD 18.5 billion) in 2023/24.[1] This report captures mitigation and adaptation finance for select sectors and adopts a conservative approach to tracking this subset of green finance, meaning that numbers do not reflect all green finance flows in the country (see Box ES1). In addition to flows tracked on a comparable basis with previous editions, the figures in this report also include flows captured through expanded data sources and flows to sectors and activities added this year:

- **For mitigation,** about INR 99 billion (USD 1.2 billion), or 1.5% of the total tracked in 2023/24, was captured through additional tracking of investments under battery energy storage systems (BESS), pumped storage plants (PSPs), and electric vehicle (EV) charging infrastructure.[2]
- **For adaptation,** the first-time addition of adaptation-related health activities accounts for INR 360 billion (USD 4.4 billion), or approximately 24% of the total tracked in 2023/24.

Domestic sources accounted for the largest share in both mitigation and adaptation finance, with differing contributions from public and private sources. Domestic finance accounted for 88% of total mitigation flows in 2023/24, with 68% contribution from private sources. Meanwhile, domestic sources accounted for 95% of tracked adaptation finance, mostly from public sources, particularly government budgets. International finance accounted for remaining shares, with private sources contributing to 61% of international mitigation finance, primarily through foreign direct investment (FDI). International flows tracked for adaptation were mainly from public development finance institutions (DFIs).[3]

1 Across this report, finance for 2023/24 indicates the annual average of flows for the two financial years 2022-23 and 2023-24. This presentation aims to smooth out single-year anomalies.

2 BESS was tracked for the first time using project-level investment data from tenders, along with other domestic and international sources. PSP investments were additionally tracked using tender-level data and other domestic and international sources. EV charging infrastructure investments were captured through data on installed public charging stations and other public and private investments. For further details, see *The Landscape of Green Finance in India 2026 Methodology (2026 Methodology).*

3 DFI flows are classified as multilateral when provided by institutions with multiple countries as shareholders and bilateral when there is single-country ownership of the public financial institution. Both capture financing provided to India from international sources.

Box ES1: Scope of green finance tracking

The Landscape of Green Finance in India series has tracked green finance flows in India since FY2016-17. This fourth edition[4] aims to map, to the extent possible, how much green finance is mobilized in the country. It tracks financial flows from sources and intermediaries—domestic and international, public and private—through financial instruments to end-use sectors and subsectors for the years FY2022-23 and FY2023-24.

The study adopts the green finance scope laid out in previous editions of this report to ensure consistency and comparability, while adding new sectors to improve coverage. This exercise aims to provide a broad view of major green finance flows within the defined scope, but does not offer an exhaustive account of all green financing activity. Rather, it tracks a subset of mitigation and adaptation flows. It tracks these flows separately, with more limited coverage for adaptation. Some areas remain outside the scope of analysis, partly due to challenges related to data availability and attributing finance specifically to green outcomes.

This edition tracks:

- **Flows to mitigation sectors** comprising clean energy, clean transportation, and energy efficiency. The scope under these remains similar to previous editions with additional tracking of flows under energy storage within clean energy, and EV charging infrastructure within clean transportation. Areas not currently covered include, among others, green hydrogen, offshore wind, floating solar.
- **Adaptation flows** to disaster risk management (including floods, cyclones, and multi-hazard) and on-farm adaptation-related agricultural activities are tracked, similar to the previous edition. For the first time, the report also tracks adaptation-related flows to the health sector. Adaptation coverage remains limited, with some areas currently not covered, including water-related adaptation and built infrastructure resilience.

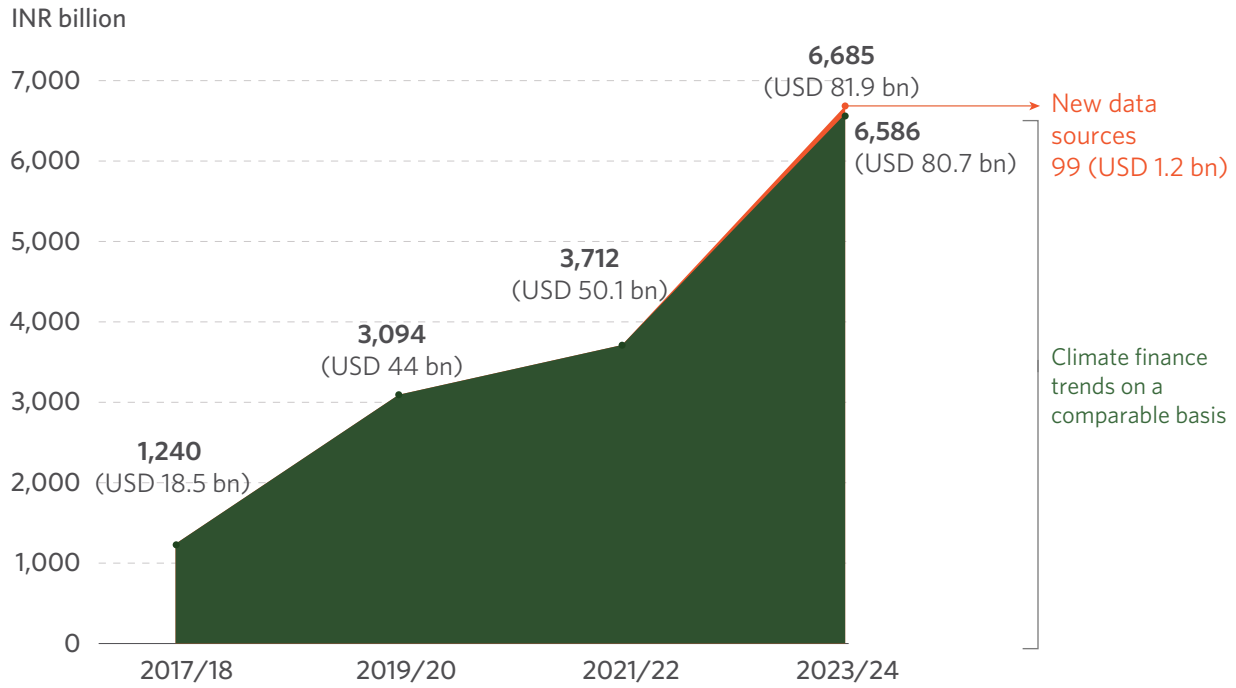
Other areas of green finance outside the current tracking scope include pollution abatement, biodiversity, forestry, and other land-use activities. Future editions can explore opportunities to expand coverage as data and methodologies evolve progressively.

CLIMATE FINANCE PROGRESS

Tracked mitigation finance in India grew over fivefold between 2017/18 and 2023/24, including additional flows under the evolving methodology (see Figure ES2).[5] Momentum has grown alongside a supportive policy environment and a maturing climate finance ecosystem (MoF 2024). Domestic and private capital have driven the increase in investments, largely through debt instruments. However, green finance comes from a range of sources and actors across the domestic-international and public-private spectrum.

4 The previous editions were published in 2024, 2022, and 2020.
5 The scope of tracking mitigation finance has expanded over the years, with the addition of new sectors/subsectors and data sources. However, these additions account for only a small share of the overall increase in flows tracked.

Figure ES2: Tracked mitigation finance, 2017/18-2023/24 (INR bn)



Note: *New tracking in 2023/24 covers investments in battery energy storage systems (BESS), pumped storage plants (PSPs), and EV charging infrastructure.*

CLIMATE MITIGATION FINANCE

Tracked mitigation finance in India has grown substantially, with domestic and private capital driving investments, largely through debt instruments. Flows reached INR 6,685 billion (USD 81.9 billion) in 2023/24, up from INR 3,712 billion (USD 50 billion) in 2021/22. Around 1.5% (INR 99 billion/USD 1.2 billion) of tracked mitigation finance in 2023/24 reflects the expanded coverage through additional tracking under BESS, PSPs, and EV charging infrastructure.

Domestic sources drove mitigation finance, accounting for INR 5,905 billion (USD 72.4 billion, or 88%) of mitigation finance in 2023/24. Most flows came from private actors (68%), largely driven by commercial financial institutions (FIs). Domestic public funding (32%) came mainly from public sector undertakings (PSUs) (53%), while government budgetary expenditure accounted for the remaining 47%, primarily supporting clean transportation investments.

International flows rose by 26% from 2021/22 to 2023/24. Private sources took the largest share (61%), but the increase in international finance was mainly driven by international public sources (up 32%). Within international public sources, finance from multilateral DFIs more than doubled since 2021/22, directed mainly to clean energy.

Mitigation finance remained concentrated in established sectors. Clean energy has been the largest recipient area of mitigation finance in India since FY2016-17. The sector accounted for 51% (INR 3,386 billion/USD 41.4 billion) of mitigation finance in 2023/24, marking a 91% increase in flows since 2021/22. Most of the increase in tracked clean energy finance reflects higher financing volumes within previously covered sectors. Expanded coverage of BESS and

PSPs accounted for around 2.5% of the increase, equivalent to INR 83 billion (USD 1 billion). Domestic sources provided 82% of clean energy finance, largely through corporate investment.

Solar projects (including rooftop solar) continued to attract the largest share of clean energy finance, accounting for 45% (INR 1,500 billion/USD 18.4 billion). Falling photovoltaic (PV) costs, the promotion of smaller, decentralized solutions such as rooftop solar, and government initiatives supporting domestic solar manufacturing and deployment have helped create favourable conditions for solar investment (IBEF 2025). While solar and other mature technologies continue to attract the largest share of finance, the clean energy investment landscape is evolving, with growing domestic and private capital and investment expanding to newer solutions, for instance, BESS and PSPs. Continued policy support for emerging technologies can help mobilize greater private investment.

Finance for clean transportation increased by 85% from 2021/22 to INR 1,213 billion (USD 14.9 billion) in 2023/24. This increase included INR 16 billion (USD 0.2 billion) from the additional tracking of investment in EV charging infrastructure, while most of the remaining increase was within tracking scope of 2021/22. Domestic sources mainly funded the sector (85%). Public capital increased by 40% and is being channeled to primarily MRTS, while private participation also increased to 32% (up from 11% in 2021/22), driven by a sharp rise in EV adoption since 2021/22. MRTS received 60% of clean transportation flows, with continued government investment across several Indian cities.

Energy efficiency flows amounted to INR 2,086 billion (USD 25.6 billion) in 2023/24, up 62% from 2021/22. Domestic sources largely drove the sector. Private capital contributed 94% of energy efficiency finance, with commercial FIs forming the largest share. Energy-efficient appliances accounted for the largest sectoral share (78%), up 47% to INR 1,636 billion (USD 20 billion), supported by increases across appliance categories. Investments in transmission and distribution also rose sharply to INR 220 billion (USD 2.8 billion) from INR 16 billion (USD 0.2 billion).

CLIMATE ADAPTATION FINANCE

Adaptation finance flows[6] for previously tracked sectors of disaster risk management and on-farm agriculture increased by about 5%, from INR 1,092 billion in 2021/22 to INR 1,150 billion in 2023/24. Overall tracked adaptation flows reached INR 1,510 billion (USD 18.5 billion) in 2023/24, including INR 360 billion (USD 4.4 billion) in adaptation-related health finance, covered for the first time in this edition. More generally, limited and inconsistent data on private adaptation finance make it difficult to assess flows and investment opportunities comprehensively (CPI 2024).

Domestic and public finance continued to steer flows. Domestic sources accounted for about 95% of the total adaptation flows in 2023/24, largely from government budgetary expenditure (central and state government budgets). International adaptation finance, though a smaller share overall, increased to about INR 78.6 billion (nearly USD 1 billion), with public finance from multilateral and bilateral DFIs continuing to make up the largest share.

6 This report tracks adaptation finance for select sectors and does so conservatively, which explains the relatively lower amount for adaptation-relevant flows.

Tracked private adaptation finance remained small, although data gaps and methodological issues prevent a comprehensive estimate of private sector contributions.[7] Greater private sector participation, where appropriate, can complement public funding and help scale adaptation finance.

Disaster risk management took the largest share. Nearly half of all tracked adaptation flows were for disaster risk management in 2023/24 (INR 752 billion/USD 9.2 billion). Within that category, multi-hazard disaster risk management accounted for 59%, followed by flood and cyclone management (38%) and drought management (3%).

While lower in absolute terms, agriculture drove growth. Flows to on-farm adaptation-related agricultural activities amounted to INR 398 billion (USD 4.9 billion), up by nearly 50% from 2021/22. Crop insurance dominated the sector (49%), driven by state and central government expenditure, followed by resilient cropping systems (29%) and efficient irrigation (14%).

Health sector is being tracked for the first time in this edition, building on its increasing recognition as a climate-sensitive adaptation priority for India (GoI 2026, MoEFCC 2023, 2025a, 2025b). Climate change affects health both directly, through heat stress and extreme weather events, and indirectly through climate-sensitive diseases and disruption of health services (GoI 2026, MoEFCC 2023, 2025a, 2025b). This report only tracks finance flows with an identifiable adaptation-relevant component, using a conservative attribution approach.

Health-related adaptation finance amounted to INR 360 billion (USD 4.4 billion) in 2023/24. Health system infrastructure received 51% of flows in this sector, with spending on interventions that contribute to maintenance or strengthening of overall health-system capacity and continuity under climate-related stresses or extreme events. It was followed by reproductive, maternal, newborn, child, adolescent health and nutrition (31%). Domestic finance accounted for 95%, mainly through government budgets. Private domestic finance through private equity/venture capital (PE/VC) flows accounted for 0.3% of tracked flows. The small portion of international flows came almost entirely from multilateral DFIs (97.3%), with the remainder from PE/VC (1.5%) and philanthropy (1.2%).

BUILDING MOMENTUM TO MEET NEEDS

India aims to become a developed country by 2047 under its *Viksit Bharat@2047* vision (MoE 2023) **and achieve net zero emissions by 2070 (MoEFCC 2022; NITI Aayog 2026a).** NITI Aayog (2026b) estimates cumulative investment needs to achieve both goals at USD 22.7 trillion by 2070, or about USD 515 billion annually (Cholayil et al. 2026). Earlier estimates provide context on India's climate finance requirements. India's Intended Nationally Determined Contribution (INDC) provided a preliminary needs estimate of USD 2.5 trillion between 2015 and 2030 for climate change action (GoI 2015), equivalent to about USD 170 billion annually.[8] These estimates represent an earlier benchmark for climate actions through 2030. This report

7 Tracked private adaptation finance primarily comprises PE/VC flows, along with some private philanthropic finance, and does not comprehensively capture other sources of private finance.

8 India submitted its NDC for 2031-35 in April 2026, setting out updated goals beyond 2030. However, since the flows tracked in this report cover FYs 2022-23 and 2023-24, we also present the preliminary estimate of financing needs from India's 2015 INDC toward 2030 goals. These differ in scope and are not directly comparable. Their presentation is intended to provide an indicative order of magnitude rather than facilitate an assessment of progress toward meeting the indicated needs.

discusses India's subsequent NDC for 2031-35, which provide more recent context for the country's goals.

India's expanding green finance landscape points to opportunities to build on existing momentum across technologies, sectors, and sources. A range of enablers can support the increased scale:

Table ES1: Potential pathways for increasing momentum

Enabling area	Potential pathways
Building on an enabling policy and regulatory environment for mobilizing green finance flows	▪ Greater alignment of climate finance flows with national priorities through sectoral roadmaps, transition pathways, and an evolving climate finance taxonomy to support finance flows across a range of activities ▪ Continued support from specialized financial institutions for green sectors and technologies through focused financing approaches tailored to different project needs and risk profiles ▪ Further building on existing coordination mechanisms could support policy alignment, information sharing, and stronger linkages between climate and sectoral priorities and relevant sources of finance
Mobilizing flows through market mechanisms, coordinated action, and bankable pipelines	▪ Operationalizing and increasing participation in India's carbon market ▪ Supporting platforms for gathering evidence on successful green projects and lessons for replication and scaling ▪ Facilitating feasibility assessment, risk assessment, project preparation, structuring and aggregation to create bankable investment-ready pipelines ▪ Enabling and designing derisking instruments and financial vehicles for crowding in commercial capital for green activities
Scaling and diversifying adaptation finance	▪ Building investment-ready project pipelines to increasingly integrate adaptation into public spending and investment processes, as well as enable greater private sector participation ▪ Utilizing State Action Plans on Climate Change (SAPCCs) to identify relevant adaptation priorities at the state level, along with finance and investment needs and gaps, and implementation frameworks ▪ Aligning adaptation financing structures with varying subnational climate risks, priorities, and institutional and implementation contexts
Strengthening data and information systems for green finance flows	▪ Improving access and bringing greater standardization of climate-related data across sectors and sources of finance ▪ Ensuring consistency, comparability and interoperability of climate-related information through common definitions, metrics and classifications ▪ Strengthening coordination among regulators to better align climate-related reporting and disclosure frameworks

LIST OF ABBREVIATIONS

ADB	Asian Development Bank
BESS	Battery Energy Storage Systems
DEA	Department of Economic Affairs
DFI	Development Finance Institution
EV	Electric Vehicle
FAME	Faster Adoption and Manufacturing of Electric Vehicles
FDI	Foreign Direct Investment
FI	Financial Institution
GDP	Gross Domestic Product
GoI	Government of India
IEA	International Energy Agency
IREDA	Indian Renewable Energy Development Agency
MHI	Ministry of Heavy Industries
MNRE	Ministry of New and Renewable Energy
MoEFCC	Ministry of Environment, Forest and Climate Change
MoF	Ministry of Finance
MoHUA	Ministry of Housing and Urban Affairs
MoP	Ministry of Power
MRTS	Mass Rapid Transit System
MSME	Micro, Small and Medium Enterprises
NABARD	National Bank for Agriculture and Rural Development
NAP	National Adaptation Plan
NDC	Nationally Determined Contribution
PE/VC	Private Equity/ Venture Capital
PFC	Power Finance Corporation
PSP	Pumped Storage Plants
PSU	Public Sector Undertaking
PV	Photovoltaic
RBI	Reserve Bank of India
RMNCAH+N	Reproductive, Maternal, Newborn, Child, Adolescent Health, and Nutrition
SAPCC	State Action Plan on Climate Change

SDMF	State Disaster Mitigation Fund
SEBI	Securities and Exchange Board of India
SIDBI	Small Industries Development Bank of India
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFCCC SCF	United Nations Framework Convention on Climate Change Standing Committee on Finance

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1. INTRODUCTION

1.1 INDIA'S CLIMATE AND DEVELOPMENT CONTEXT

Climate change poses a significant challenge to India's long-term development, making the transition to a low-carbon, climate-resilient economy critical. As India pursues its vision of becoming a developed country by 2047, termed '*Viksit Bharat@2047*',[9] it is also advancing its climate goals, including India's Nationally Determined Contribution (NDC) for the period 2031-2035, achieving net zero by 2070 (NITI Aayog 2026a) and developing its upcoming National Adaptation Plan (NAP) (MoEFCC 2025a). Advancing these priorities will require strategically addressing climate change while ensuring sustained economic growth and development. Green finance, including for renewable energy, energy efficiency, clean transport, and diverse adaptation-oriented activities, will be key to meeting climate mitigation and adaptation goals. See Box 1 for a fuller operational definition of green finance.

Finance for identified adaptation priorities can build capacity to better respond to intensifying climate hazards, reducing the vulnerability of climate-sensitive sectors and populations. India faces substantial, geographically diverse climate risks that could affect its development gains and impede progress.[10] Under a business-as-usual scenario, India requires an estimated INR 56.68 trillion (USD 684.6 billion) adaptation-relevant spending until 2030, rising to INR 72 trillion (USD 854.2 billion) when accounting for development needs driven by climate-induced pressures (MoEFCC 2023a, 2024).

INDIA'S CLIMATE PRIORITIES AND REQUIREMENTS

India has made significant progress in addressing climate change, but scaling these efforts will require increased and sustained financial flows. In its updated NDC for 2031-35, submitted to the UNFCCC in 2026, India has continued to raise the bar with updated quantifiable mitigation goals and an emphasis on strengthening adaptation by increasing investment in development programs in climate-sensitive sectors (Cabinet 2026, GoI 2026). Building on progress towards India's 2030 NDC targets, the updated NDC set out enhanced targets for 2035, including the following:

- Reduce emissions intensity of GDP by 47% by 2035 from 2005 levels, up from the 2030 target of 45%. By 2022, India had achieved a 37% reduction.
- Increase the share of non-fossil fuel sources in installed power capacity to 60% by 2035, up from the 2030 target of 50%, which India achieved in June 2025.

These targets follow the previous 2022 NDC, which were achieved ahead of the stipulated time, and are aligned with the *Viksit Bharat@2047* vision and India's longer-term goal of achieving net zero emissions by 2070.

9 *Viksit Bharat* is India's vision for achieving developed-country status by 2047, characterized by economic prosperity, social upliftment, environmental sustainability, and effective governance.

10 The Germanwatch Global Climate Risk Index for 2025 ranks India ninth among countries most affected by extreme climate events between 1995 and 2024.

The scale of finance required to deliver on these goals is significant. NITI Aayog (2026b) has estimated that India's net zero transition will require a cumulative USD 22.7 trillion by 2070, about USD 8.1 trillion above the baseline expected under the current policy scenario and translating to about USD 515 billion annually (Cholayil et al., 2026). These needs are concentrated in three major sectors: power, industry, and transport (NITI Aayog 2026c). A related estimate with a shorter time horizon and different scope from the Ministry of New and Renewable Energy (MNRE 2026a) estimates that India's energy transition alone will require over USD 300 billion by 2030 across renewable generation, energy storage, green hydrogen, grids, and manufacturing. Meanwhile, the country's expected cumulative adaptation finance needs reach nearly USD 684–870 billion through 2030 (MoEFCC 2023a).

TRACKING INDIA'S GREEN FINANCE FLOWS

Growing adaptation and mitigation needs, and effective, timely action to meet them, will require more finance and greater mobilization from public, private, domestic, and international sources. Assessing and tracking green finance helps build an informed understanding of existing finance and trends, as well as potential gaps. Such assessments can inform multiple areas of action as India strengthens its climate goals:

- Supporting targeted policymaking and implementation by identifying finance gaps in various green sectors.
- Helping practitioners formulate informed recommendations for mobilizing additional capital, both public and private, toward green finance.
- Facilitating an evidence base for identifying green investment opportunities in areas for impactful funding by the private sector and other critical investors.

This report aims to map India's green finance flows, to the extent possible, and provide a broad overview of green finance mobilized in the country across sources and instruments.

1.2 SCOPE AND APPROACH

This report maps India's green finance from sources and intermediaries—domestic and international, public and private—through financial instruments to end-use sectors and subsectors. CPI published its first assessment of this landscape in 2020. Subsequent editions in 2022 and 2024 broadened coverage and refined the methodology; the current edition adds data for FY2022-23 and FY2023-24, largely presenting flows as biennial averages in order to smooth out any annual fluctuations.[11]

Within its defined scope, the study provides a broad view of major green finance flows, but does not offer an exhaustive account of all green financing activity. It does not represent a full universe of green finance, but tracks only a climate-focused subset. Definitions of green and climate finance are evolving to become more specific. Box 1 details the operational understanding of green and climate finance for this edition.

11 Previous phases covered FY2016-17, FY2017-18, FY2018-19, FY2019-20, FY2020-21, FY2021-22.

Box 1: Definition of green finance and climate finance

This study's operational scope for tracking green finance builds on the scope and definitions from previous India Landscape reports, drawing on Accelerating Green Finance in India: Definitions and Beyond (CPI 2020), UNEP Inquiry (2016), and UNFCCC Standing Committee on Finance (SCF 2024)

Definitions of green and climate finance vary across institutions and use cases. **Green finance** encompasses climate mitigation, adaptation, and resilience, as well as other environmental objectives necessary to support sustainability, particularly biodiversity and natural resource conservation (CPI 2020, RBI 2023). Within green finance, **climate finance** focuses on mitigation and adaptation.

This report captures mitigation and adaptation finance across select sectors and activities, building on previous editions to support comparability over time. Some areas remain out of scope, partly because of challenges related to data availability and attributing finance specifically to green outcomes. It therefore presents a subset of the broader green finance and should not be interpreted as an estimate of all green finance in India.

Earlier editions of this report drew on the UNEP Inquiry (2016) definition of local, national, or transnational financing from public, private, and alternative sources that supports mitigation and adaptation actions to address climate change. Reflecting the evolution of climate finance definitions, the current study also draws on the understanding from the operational definition recommended by the UNFCCC SCF, which encompasses finance that aims at reducing emissions and enhancing sinks of greenhouse gases, aims at reducing vulnerability, increasing adaptive capacity, and mainstreaming and increasing resilience of human and ecological systems to negative climate impacts, and supporting actions identified in national climate plans and commitments (UNFCCC SCF 2024).[12] The classification of activities also considers developments in India's policy ecosystem, such as the Draft Framework of India's Climate Finance Taxonomy. Definitions and classification frameworks continue to evolve in their scope and boundaries across institutions and use cases.

The study tracks mitigation finance across three sectors: clean energy, clean transportation, and energy efficiency. Coverage follows the methodology established in the previous editions, with additional tracking under BESS and PSP within clean energy. Similarly, under clean transportation, we tracked additional investments in EV charging infrastructure. Some mitigation activities, such as green hydrogen, floating solar, offshore wind, and carbon capture and sequestration, are outside the scope.

Adaptation finance sectors are partly captured and do not represent a comprehensive estimate of the country's total adaptation finance flows. This edition tracks adaptation flows for select sectors based on data availability and a gradually evolving tracking methodology, including disaster management, agriculture (on-farm activities), and health. The tracking scope does not include areas such as water, infrastructure, and ecosystems/biodiversity. Because the scope of

12 These include NDC, adaptation communication, national adaptation plan, long-term low-emission development strategy or other national plan for implementing and achieving the goals of the Paris Agreement and the objective of the Convention.

adaptation flows tracked is limited, we present the adaptation-related total tracked figure for finance in FY2022-23 and FY2023-24 separately.

This report tracks adaptation flows conservatively. Given the complexity and variation in adaptation relevance across activities, we include only those activities where the available description provides sufficient evidence of climate adaptation relevance. For some activities, we use an attribution approach, detailed in Methodology 2026.

Annexure 1 presents the sectors covered in the study, for which the methodology has been calibrated to the Indian context.

Green finance tracking in India draws on a range of primary and secondary data sources. The study collects disaggregated data on actual disbursements, rather than commitments, for each sector. The methodology document details our approach to data collection and processing. To strengthen the credibility and rigor of the analysis, an Advisory Committee comprising experts from academia, industry, and research guided the review of the approach and methodology at each stage.

INTERPRETING THIS REPORT

Given the various tracking challenges, this report is intended as a starting point for analysis, rather than providing a definitive assessment of green finance in India. The findings can provide policymakers, public and private financial institutions, researchers, and other stakeholders with insights into where finance flowed across these sectors, sources, and instruments during the assessed period. The figures should be interpreted alongside broader policy and sectoral contexts, with due consideration of scope, methodology, and data constraints. Key considerations are highlighted below:

1. **Data availability and quality are constrained across public and private sources.** Gaps in disbursement-level data, evolving definitions and taxonomies, and inconsistent reporting formats remain challenges.
2. **Increases and decreases in estimated flows are not attributable to specific policies,** schemes, or interventions, except where tracked explicitly from government budgetary expenditure.
3. **Known overlaps that could result in double counting are accounted for and checked across sources and instruments.** However, some overlap may remain because of limited data granularity and the underlying structure of the datasets.
4. **The tracking methodology currently classifies the green finance flows as either mitigation or adaptation.** Activities with potential benefits across both are reflected in their primary stated objective or intended outcome, based on available project, program, or expenditure information; dual-benefit flows are not disaggregated.
5. **The report presents tracked finance flows as two-year averages.** Throughout the report, 2023/24 refers to the annual average of finance flows tracked across FY2022-23 and FY2023-24, unless otherwise noted, to smooth year-on-year variation.
6. **Analysis is based on INR, while USD figures are also provided, using year-specific exchange rates.** As a result, year-on-year USD comparisons may partly reflect currency movement in addition to underlying trends and must be interpreted carefully with this caveat. Tracked INR-

denominated figures are converted to USD using the annual average exchange rates of INR 80.36 to 1 USD for FY2022-23 and INR 82.89 to 1 USD for FY2023-24 as published by RBI.[13]

Further details on data gaps, assumptions, and methodology notes are in the methodology document.

13 Available at: Publications | Official Website of Reserve Bank of India

2. FINDINGS

2.1 OVERVIEW

India's climate mitigation and adaptation finance has risen from FY2016-17 to FY2023-24, supported largely by domestic sources. Domestic private capital has driven growth in mitigation investments, with debt as the primary financial instrument. Meanwhile, tracked adaptation finance is majorly from public sources, largely from government budgetary expenditure. Mitigation and adaptation coverage includes both flows tracked on a comparable basis with previous editions and flows from data sources, sectors and activities added for the first time this year. This report captures mitigation and adaptation finance for select sectors (See section 1.2 for details).

2.2 CLIMATE MITIGATION

Finance for mitigation in India reached INR 6,685 billion (USD 81.9 billion) in 2023/24, an 80% increase from INR 3,712 billion (USD 50 billion) in 2021/22. This growth has occurred alongside a stronger enabling environment for mitigation activities, supported by government initiatives (MoF 2024). Around 1.5% (INR 99 billion/USD 1.2 billion) of the total tracked mitigation flows is due to expanded coverage under BESS, PSPs, and EV charging infrastructure (see Section 2.2.3).[14]

2.2.1 SOURCES

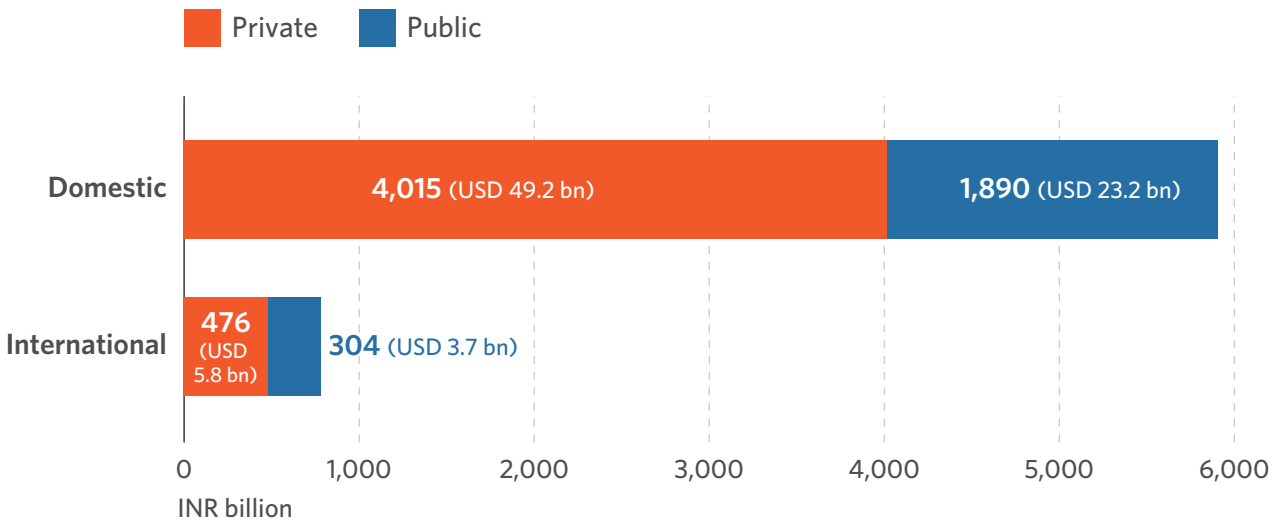
Domestic sources (public and private) remained the primary source of mitigation finance, accounting for around 88% of the total.[15] Domestic financing almost doubled to INR 5,905 billion (USD 72.4 billion) per annum in 2023/24 from INR 3,093 billion (USD 42 billion) in 2021/22, reflecting the continued importance of domestic resources in financing India's climate actions (MoEFCC 2023b). Following the trend since 2019, clean energy received the largest share of domestic funds (47%), followed by energy efficiency (35%).

International mitigation finance flowing to India also increased by 26% to INR 780 billion (USD 9.5 billion) annually in 2023/24. While private sources accounted for the largest share in both domestic and international finance, stronger international public finance (up 32%) supported the increase, with DFIs making a major contribution. International flows were mainly directed to clean energy (76%), followed by clean transportation (23%).

14 BESS was tracked for the first time using project-level investment data from tenders, along with other domestic and international sources. PSP investments were tracked using tender-level data along with other domestic and international sources. EV charging infrastructure investments were captured through data on installed public charging stations and other public and private investments. For further details on the methodology and data sources for these subsectors, see the 2026 Methodology document.

15 While we recognize that a certain percentage of domestic financing may have originated internationally via external commercial borrowings and non-sovereign debt, the lack of any data on the subject has necessitated the classification as such. See the 2026 Methodology document for details.

Figure 1: Finance to mitigation sectors, by source (INR bn)

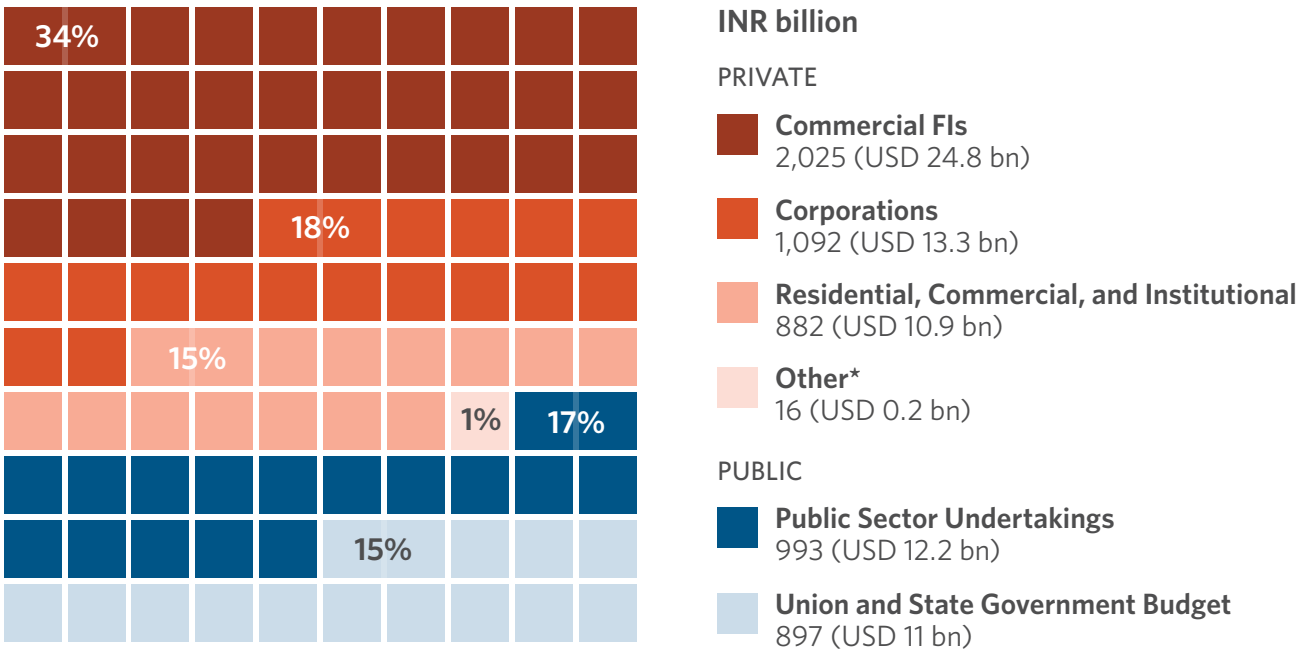


DOMESTIC SOURCES OF FINANCE

Domestic private sources remained the main source of mitigation finance, led by commercial FIs. Private sources contributed nearly 68% of domestic mitigation finance in 2023/24, amounting to INR 4,015 billion (USD 49.2 billion) per annum, almost double the INR 2,048 billion (USD 28 billion) in 2021/22. Commercial FIs provided 50% of domestic private finance in 2023/24. However, corporate finance drove the increase, providing 18% of domestic mitigation flows in 2023/24, mostly for the clean energy sector (91%). Most commercial FIs financing supported energy efficiency (57%), mainly for energy-efficient appliances, followed by clean energy (30%).

Domestic public finance totalled INR 1,890 billion (USD 23.2 billion), with public sector undertakings (PSUs) providing the largest share (53%). PSUs' financing more than doubled to INR 993 billion (USD 12.2 billion) in 2023/24 from INR 449 billion (USD 6 billion) in 2021/22, with 91% of their funds for clean energy. This aligns with the growing role of sector-specific PSUs in providing catalytic capital and direct investment in renewable energy (MNRE 2023a, MoC 2023). Government budgetary expenditure accounted for the remaining 47% (INR 897 billion/ USD 11 billion) of domestic public financing, mainly for clean transportation (73%). Figure 2 shows the shares across domestic sources.

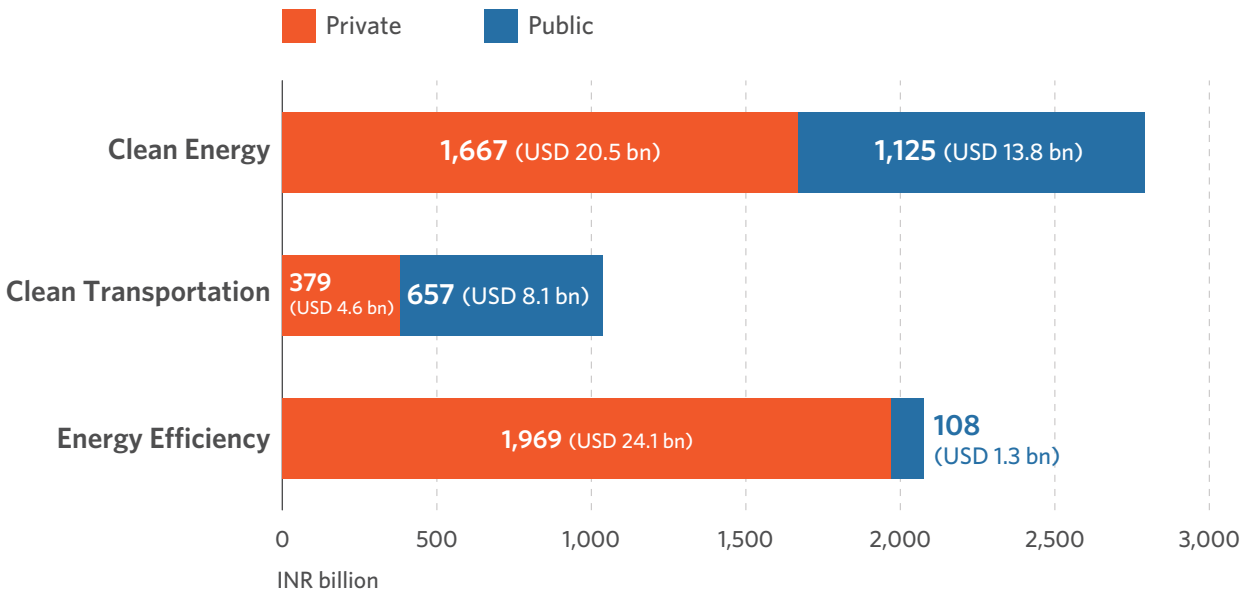
Figure 2: Domestic finance to mitigation sectors, by public and private sources, 2023/24 (INR bn)



* "Other" private sources include PE and VC funds.

By sector, **energy efficiency received the largest share (49%) of domestic private finance,** followed by clean energy (42%). Domestic public capital was mainly directed to clean energy (60%), followed by clean transportation (35%), as shown in Figure 3.

Figure 3: Domestic finance to mitigation sectors, 2023/24 (INR bn)

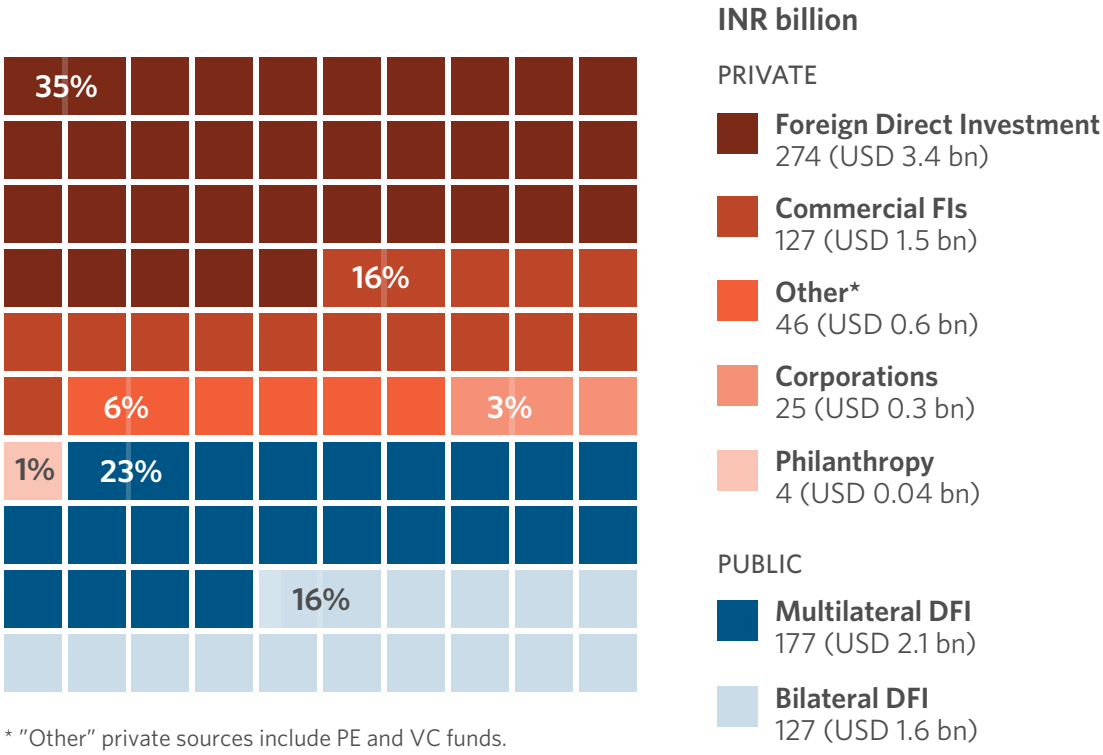


INTERNATIONAL SOURCES OF FINANCE

Private sources continued to dominate international mitigation finance (61%) in 2023/24, primarily through FDI (58%) and commercial FIs (27%), with both largely concentrated in clean energy.

Multilateral DFI financing increased considerably in 2023/24, accounting for 58% (INR 177 billion/USD 2.1 billion) of total international public finance, more than twice the INR 74 billion (USD 1 billion) in 2021/22. More than half of the increase in multilateral DFI funding was directed to clean energy. Bilateral DFIs contributed the remaining 42% (INR 127 billion/USD 1.6 billion), with the largest flows going to clean transportation, particularly MRTS. Figure 4 shows the shares across international sources.

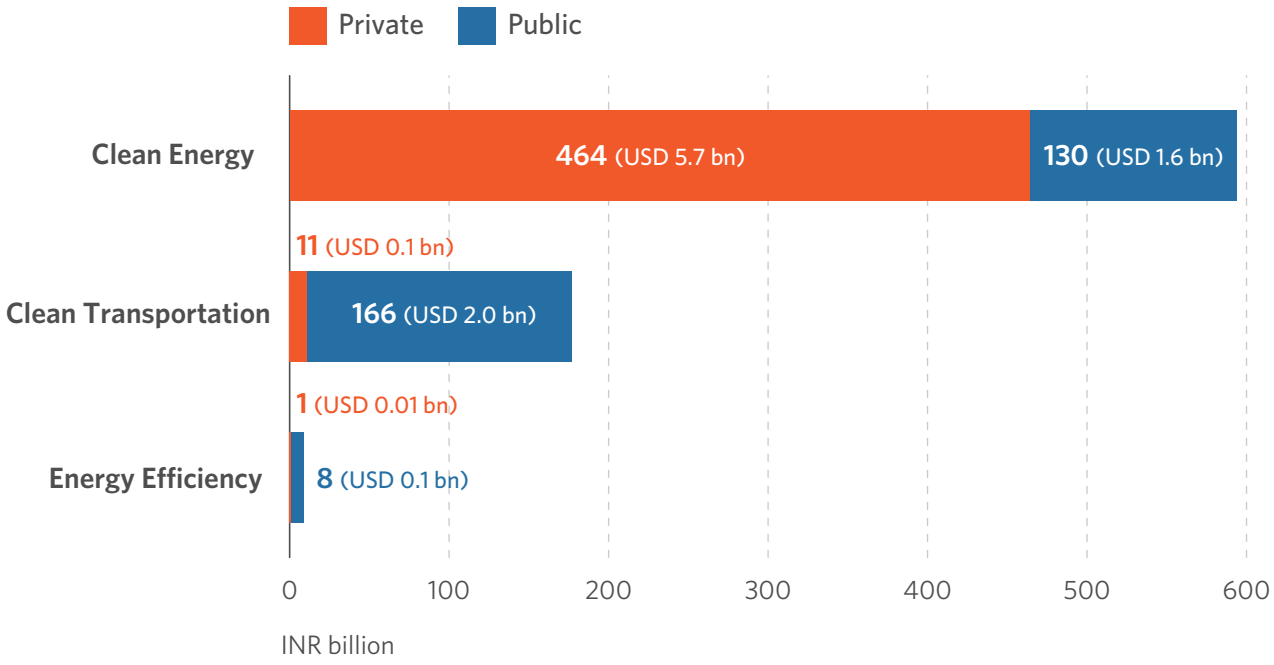
Figure 4: International finance to mitigation sectors, by public and private sources (INR bn)



* "Other" private sources include PE and VC funds.

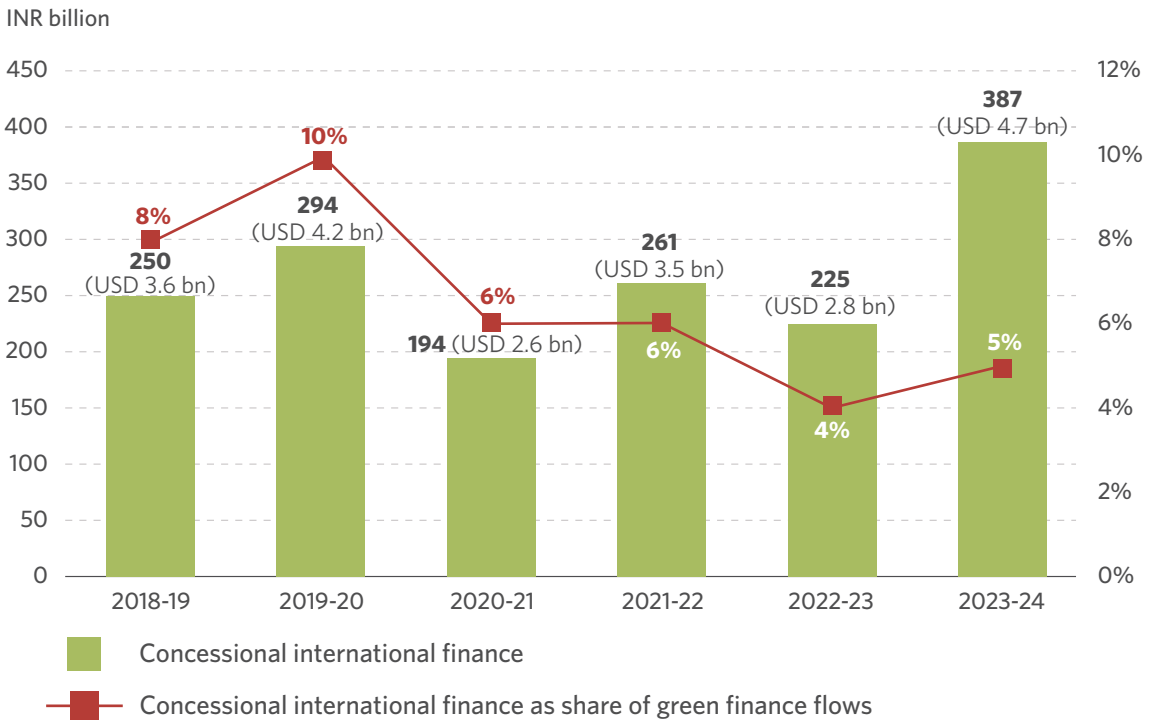
Clean energy accounted for 97% of international private mitigation finance, similar to 2021/22, with solar PV receiving the highest share. Clean transportation continued to receive the most of international public finance (55%). This was mainly driven by rising flows to MRTS, which accounted for 61% of total international public finance to clean transportation, and dedicated freight corridors (34%). Figure 5 shows sectoral flows of international finance.

Figure 5: International finance to mitigation sectors, 2023/24 (INR bn)



Concessional capital (low-cost project debt and grants) from international sources increased by 34%. These flows rose to INR 306 billion (USD 3.7 billion) in 2023/24 from INR 227 billion (USD 3 billion) in 2021/22. Growth was mainly driven by a rise in low-cost project debt in 2023/24. While concessional capital increased in absolute terms, its share in mitigation flows decreased (see Figure 6). Scaling concessional finance from international sources could help mobilize additional capital and absorb early-stage risks in emerging sectors and technologies, such as energy storage and green hydrogen, which may not yet attract commercial capital at scale but are crucial to achieving India's climate targets.

Figure 6: International concessional finance to mitigation sectors (low-cost project debt and grants) from FY2018-19 to FY2023-24 (INR bn)[16]



2.2.2 INSTRUMENTS

Debt accounted for 45% (INR 3,029 billion/USD 37 billion) of mitigation finance in 2023/24. Equity followed at 37% (INR 2,467 billion/USD 30 billion), up from 29% in 2021/22. Tracked debt flows include the debt portion of balance sheet financing, low-cost project debt and project-level market-rate debt, while equity instruments include the equity portion of balance sheet financing and project-level equity.

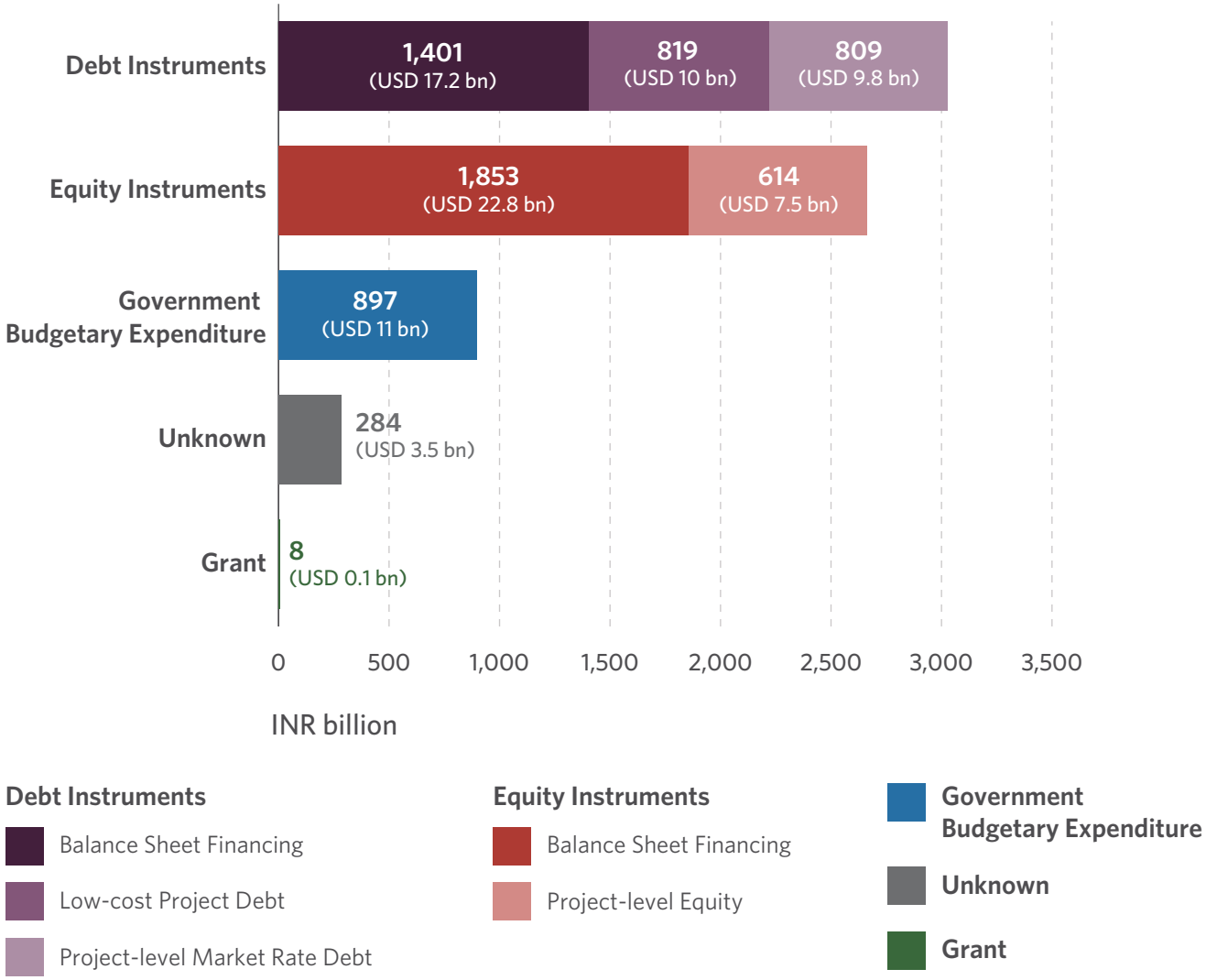
Equity balance sheet financing was the most used individual instrument. It accounted for over 28% of total financing and 75% of total equity investments. The remaining 25% of the equity finance was provided through project-level equity.

Among debt instruments, balance sheet debt financing was dominant (46%). Project-level market-rate debt (up from 12% in 2021/22) and low-cost debt each accounted for 27%. Much of the increase in project-level market-rate debt was driven by flows to clean energy.

Government budgetary expenditure comprised about 13% of total mitigation finance. Government spending also included funding via PSUs, with 56% of their investments provided through debt, though they also provided grants and equity.

16 Data from the Landscape of Green Finance in India 2020 pertaining to FY2016-17 and FY2017-18 is not presented in Figure 6 to ensure consistency and comparability, as the classification of debt instruments from international sources was not available for that period.

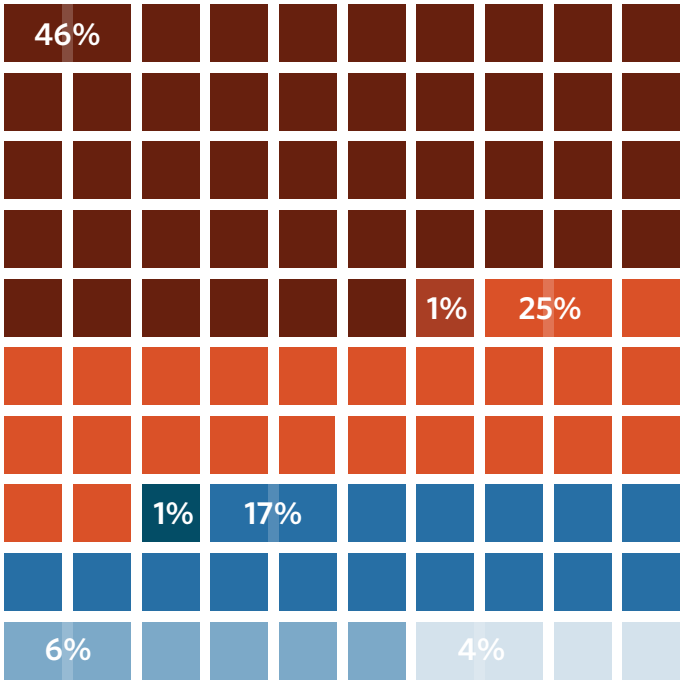
Figure 7: Finance to mitigation sectors by instrument, 2023/24 (INR bn)



Commercial FIs were the primary contributor of debt financing (71%), followed by PSUs (18%), and multilateral and bilateral DFIs (10%). Domestic commercial FIs provided 99% of balance sheet debt and were also the largest contributor to project-level market-rate debt, accounting for 81%. PSUs accounted for 69% of low-cost project debt, compared with an equal split between PSUs and DFIs in 2021/22. This highlights the growing importance of domestic players in scaling up green projects.

Debt financing largely went to clean energy (45%) and energy efficiency (41%). Similar to 2021/22, energy efficiency received the largest share of balance sheet debt financing (76%; or INR 1,066 billion/USD 13 billion), driven by energy-efficient appliances. Meanwhile, 88% of project-level market-rate debt and 71% of low-cost project debt flowed towards clean energy.

Figure 8: Finance to mitigation sectors via debt instruments, 2023/24 (INR bn)



* "Other" source includes PE and VC funds.

INR billion

BALANCE SHEET FINANCING (DEBT PORTION)

Commercial FIs
1,382 (USD 17 bn)

Other*
18 (USD 0.2 bn)

PROJECT-LEVEL MARKET RATE DEBT

Commercial FIs
770 (USD 9.4 bn)

Public Sector Undertakings
41 (USD 0.5 bn)

LOW-COST PROJECT DEBT

Public Sector Undertakings
519 (USD 6.3 bn)

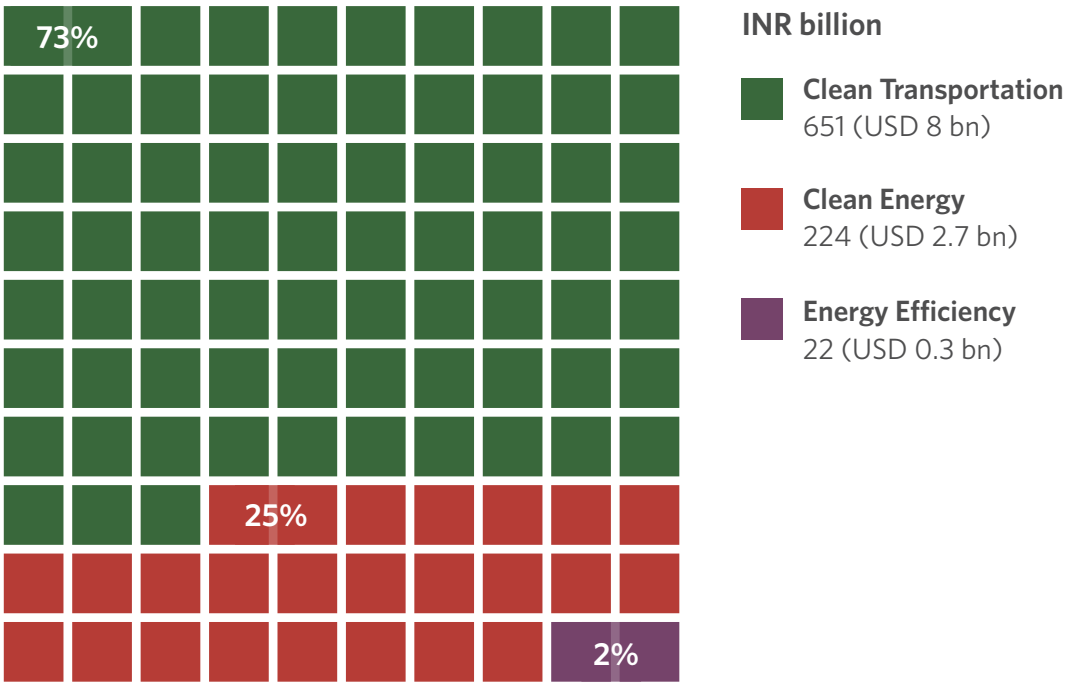
Multilateral DFI
176 (USD 2.1 bn)

Bilateral DFI
123 (USD 1.5 bn)

Equity financing was mainly directed to clean energy (62%), compared with 2021/22, when it was equally split between clean energy and energy efficiency. The higher share of equity financing directed to clean energy was driven by balance sheet financing (51%), primarily going to solar. Clean energy, similar to 2021/22, attracted the highest share (93%) of project-level equity. Private investors provided most balance sheet and project-level equity, indicating continued private-sector participation in clean-energy financing.

Government budgetary expenditure remained focused on clean transportation (73%) in 2023/24, followed by clean energy (25%). As in previous years, MRTS received almost all (96%) of government budget spending on clean transportation to expand metro rail networks and strengthen urban public transport infrastructure. The remaining 4% of government budgetary expenditure went to EVs, with continued policy support for EV adoption and domestic manufacturing, such as FAME-II and production-linked incentive schemes (MHI 2023). In clean energy, solar PV gained the highest share of government spending (47%).

Figure 9: Government budgetary expenditure across mitigation sectors (INR bn)



Box 2: Expanding green finance through diverse financing mechanisms

Tracked green finance was primarily channeled through conventional channels such as government budgetary expenditure, grants, debt and equity. To meet the country's growing climate financing needs, these traditional instruments can be complemented by a broader range of capital-market instruments, investment vehicles, market mechanisms, and risk-mitigation approaches. The current tracking exercise does not cover these instruments, but the study recognizes their importance in attracting new pools of capital, recycling existing capital, and addressing financing risks through their wider adoption and increased deployment.

India's **green bond market** is expanding rapidly, providing an avenue for raising capital for green investments, including capital-intensive renewable energy projects (Calen and Mishra 2020). Corporate, financial, and municipal green bond markets are growing along with sovereign green bonds. The government has issued sovereign green bonds in eight tranches worth INR 477 billion since January 2023 (Climate Bonds Initiative and Mitsubishi UFJ Financial Group 2024).

Alternative investment funds (AIFs) offer another avenue for mobilizing private and institutional capital for renewable energy projects. AIFs offer one potential near- to medium-term avenue to expand renewable energy access to capital markets while broader structural issues in Indian capital markets are addressed (CPI 2019). Similarly, **Infrastructure investment trusts** (InvITs) can let project developers monetize existing operational infrastructure assets, unlock capital, and then use it to invest in new climate investments (IEEFA 2021).

Carbon markets, established through the Carbon Credit Trading Scheme framework, are another emerging financing mechanism that improves project economics by monetizing

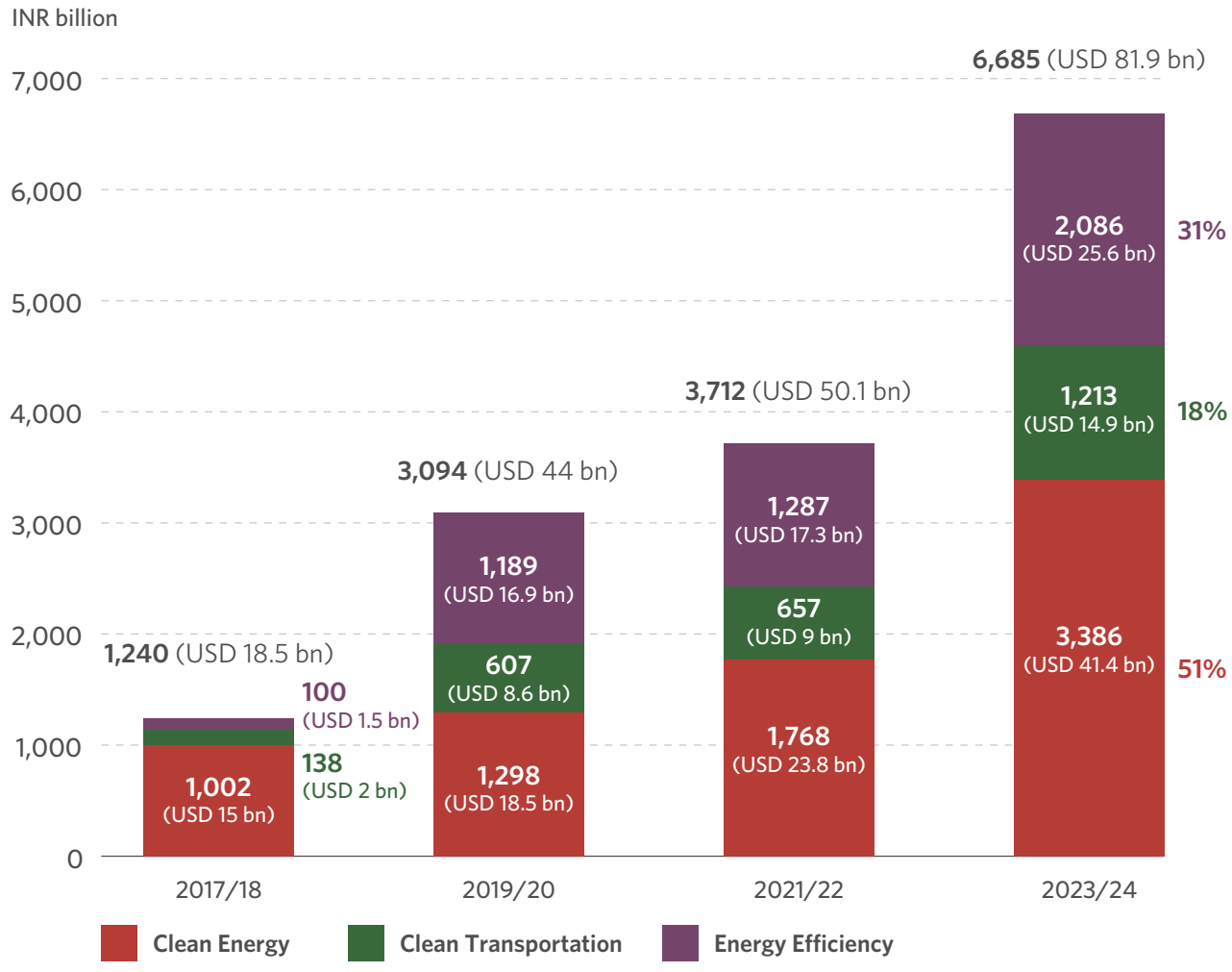
emissions reductions, removals, or avoidance from eligible projects, thereby increasing existing revenue.

Along with these instruments and mechanisms, **guarantees and other risk-sharing instruments** can further support green investments by pooling certain risks, reducing potential losses and improving access to finance. Credit guarantees can unlock much larger sums of climate finance than direct lending alone (CPI 2024).

2.2.3 SECTORS

The composition of tracked mitigation flows across sectors in 2023/24 was largely consistent with previous years. Clean energy was the largest recipient of mitigation finance from 2017/18 to 2023/24, accounting for almost half of flows. In 2023/24, the sector received 51% of total mitigation flows. Energy efficiency accounted for 31% in 2023/24, with finance flows to the sector increasing by 62% compared to 2021/22. While clean transportation received the lowest share (18%), the finance flows almost doubled between 2021/22 and 2023/24.

Figure 10: Finance to mitigation sectors over 2017/18 to 2023/24 (INR bn)



Subsector-wise, energy-efficient appliances received 24% of total mitigation finance, followed by solar PV, including rooftop solar (23%), onshore wind (14%), and MRTS (11%) in 2023/24.

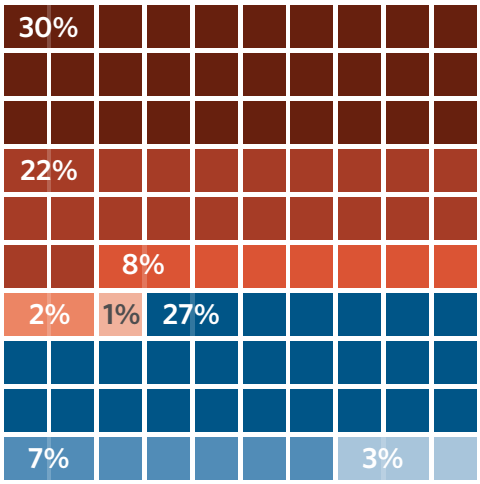
CLEAN ENERGY

Finance to clean energy in India almost doubled to INR 3,386 billion (USD 41.4 billion) in 2023/24 from INR 1,768 billion (USD 23.8 billion) in 2021/22. In addition to strong year-on-year growth in the sector, INR 83 billion (USD 1 billion) was attributed to additional tracking under BESS and PSPs.

Building on the growth momentum in clean energy finance will be important to achieve India's clean energy ambitions. India's total installed renewable energy capacity crossed 289 GW[17] as of June 2026, accounting for around 53% of the country's total installed power capacity (MNRE 2026b). This represents a 27% year-on-year increase[18] and progress toward India's target of achieving 500 GW of installed capacity from non-fossil sources by 2030. According to the Ministry of New and Renewable Energy (MNRE), India would need approximately INR 30 trillion in investment to achieve this target, covering supporting infrastructure, storage, and transmission (MNRE 2025). As India's clean energy transition advances, investment will also need to expand beyond established solutions like utility solar and wind to emerging, high-potential clean energy technologies. Green hydrogen is one area where the investment is gaining momentum, supported by policy push aimed at increasing domestic production and demand (see Box 3).

Corporations were the main source of clean energy investments (30%) in 2023/24, followed by PSUs (27%) and commercial FIs (22%). Most clean energy finance came from domestic sources (82%). This share rose from 75% in 2021/22, supported by a growing project pipeline and greater participation from local companies (S&P Global 2024). The remaining 18% came from international sources, with FDI accounting for nearly half of these flows.

Figure 11: Finance flows to clean energy, by source (INR bn)



* "Other" private sources include PE and VC funds.

INR billion

PRIVATE

- **Corporations** 1,024 (USD 12.5 bn)
- **Commercial FIs** 732 (USD 9.0 bn)
- **Foreign Direct Investment** 274 (USD 3.3 bn)
- **Residential, Commercial, and Institutional** 60 (USD 0.8 bn)
- **Other*** 37 (USD 0.5 bn)
- **<1% Philanthropy** 3 (USD 0.03 bn)

PUBLIC

- **Public Sector Undertakings** 902 (USD 11.1 bn)
- **Union and State Government Budget** 224 (USD 2.7 bn)
- **Multilateral DFI** 94 (USD 1.1 bn)
- **<1% Bilateral DFI** 36 (USD 0.4 bn)

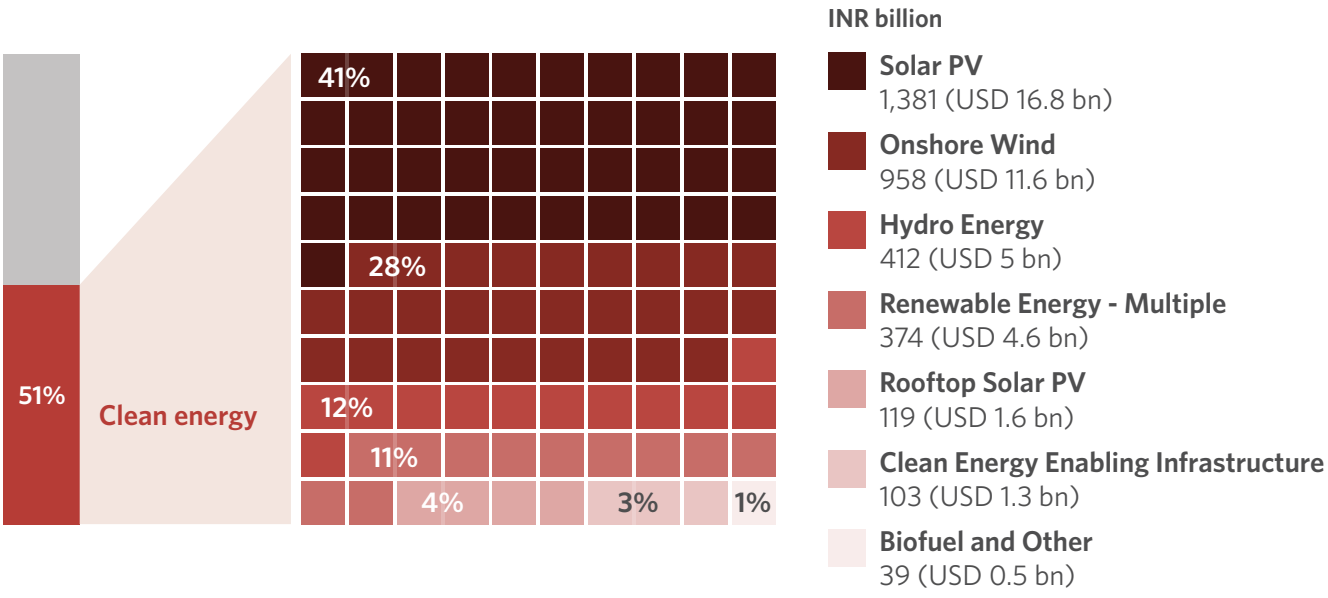
17 India's installed renewable energy capacity reached 288.58 as of June 2026, comprising solar, wind, hydro, biomass and biogas.
18 India's installed renewable energy capacity increased from 226.9 GW as of June 2025 to 288.5 GW as of June 2026.

Clean energy, in the scope of this report, covers renewable energy generation and supporting infrastructure, technologies, and applications that enable its deployment and integration into the power system. The tracked activities include solar (large-scale solar parks and other solar plants), rooftop solar PV, onshore wind, hydro, bioenergy, hybrid renewable energy projects, and enabling infrastructure such as BESS and PSP. Solar applications such as solar thermal systems and solar appliances, as well as R&D related to renewable energy technologies, are also included. More details are available in the 2026 Methodology.

Solar projects (including rooftop solar) continued to attract the largest share of clean energy investments, amounting to INR 1,500 billion (USD 18.4 billion) per annum, a 58% rise since 2021/22. Falling photovoltaic (PV) costs, growing adoption of smaller, decentralized solutions such as rooftop solar, and government initiatives promoting domestic solar manufacturing and deployment have supported increasing solar investment (IBEF 2025). Investments in onshore wind more than tripled to INR 958 billion (USD 11.6 billion) in 2023/24. Continued government initiatives to boost renewable energy deployment and private sector participation are supporting investments across these sectors.

Tracked investment in BESS and PSPs amounted to INR 83 billion (USD 1 billion) in 2023/24, primarily comprising project-level funding.[19] However, India's projected energy storage needs require an estimated INR 1.59 trillion for BESS and INR 0.83 trillion for pumped storage to meet projected storage needs of 59.73 GW, with 41.13 GW of 5-hour battery storage systems and 18.6 GW of pumped hydro by 2029-30 (NITI Aayog 2024a).

Figure 12: Finance to clean energy subsectors (INR bn)

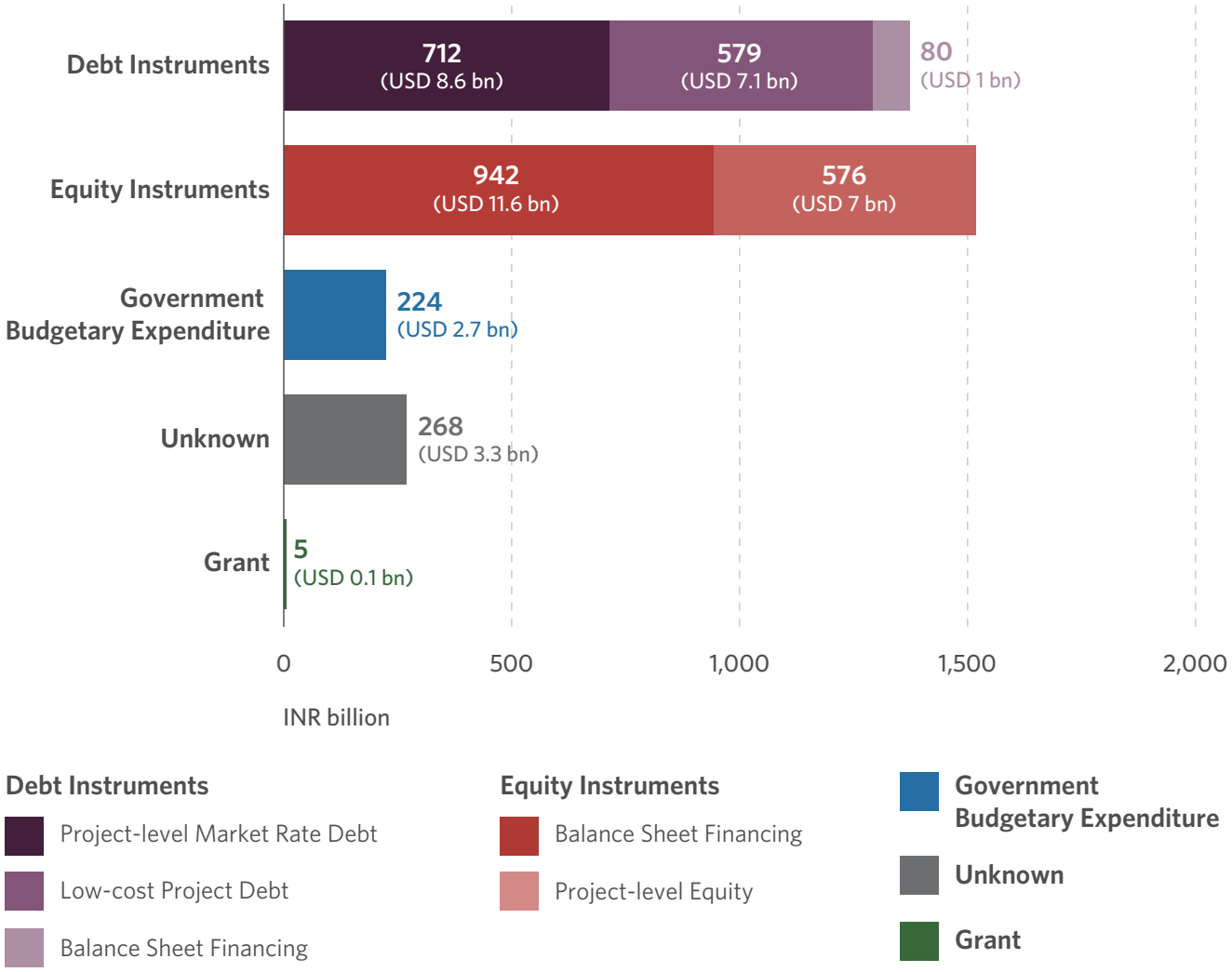


Note: *BESS, PSPs, and renewable energy evacuation and grid integration (named Green Energy Corridor in previous reports) are classified under Clean Energy Enabling Infrastructure, as they enable renewable energy to reach and integrate with the grid at scale.*

19 Details on the estimation of investments under BESS and PSPs, and the data sources used, are provided in the 2026 Methodology.

More clean energy investments were financed through equity (45%; both balance sheet and project-level) than debt (40%) in 2023/24, in contrast to the debt-heavy mix of flows in 2021/22. Solar project finance drove equity investments, accounting for 65% of total equity financing within clean energy. Overall, project-level financing, including both market-rate debt and equity, supports most projects, with debt contributing 21% and equity 17%.

Figure 13: Finance for clean energy by instrument (INR bn)



India's clean energy investment landscape is evolving, with a growing role for domestic and private capital, and investment expanding beyond mature technologies. Continued policy support, especially for emerging technologies such as green hydrogen, offshore wind, and energy storage, can broaden the investment landscape and help mobilize greater private capital.

Box 3: Green hydrogen: An emerging investment opportunity

In 2023, the Government of India announced the National Green Hydrogen Mission, aiming to produce at least 5 MMT of green hydrogen per year (MNRE 2023b). The mission has provided an important policy impetus for the sector's development, including budgetary expenditure of INR 1 billion (USD 0.01 billion)[20] in 2023-24 (MoF 2025).

Green hydrogen activity picked up in FY2023-24, with around nine projects set up during the year. Five green hydrogen tenders were awarded during the period, of which four are already under implementation.[21] Tracked investment was INR 2.6 billion (USD 0.03 billion) in 2023/24, of which INR 1.7 billion (USD 0.02 billion) came from domestic private equity and venture capital, particularly for electrolyzer development and INR 0.9 billion (USD 0.01 billion) from international public and private investments.[22]

Green hydrogen can help decarbonize hard-to-abate sectors such as steel, shipping, fertilizers, and transport, and reduce India's dependence on imported fossil fuels. However, scaling up investment is a challenge. Green hydrogen is still more than twice as expensive as gray hydrogen, with its commercial viability constrained by high electrolyzer costs, infrastructure gaps, limited demand in some end-use sectors, and dependence on imported equipment (CPI & IIC 2025). Given its high costs, green hydrogen is currently emerging as a niche energy source and is potentially more suited to captive applications within factories and industrial facilities than to widespread deployment across sectors. Thus, stronger policy signals and greater finance for green hydrogen technologies can help lower costs, achieve economies of scale and attract more commercial capital.

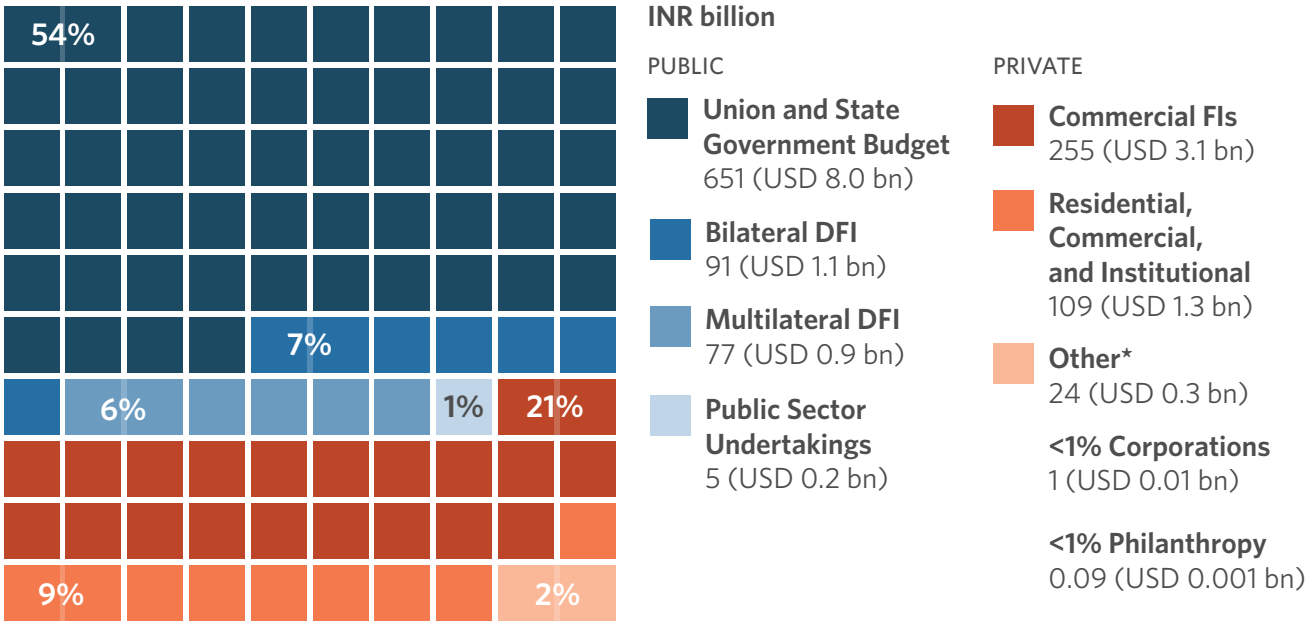
CLEAN TRANSPORTATION

Clean transportation finance increased by 85% to INR 1,213 billion (USD 14.9 billion) in 2023/24 from INR 657 billion (USD 9 billion) in 2021/22. About 1.3% (INR 16 billion/USD 0.2 billion) of total tracked clean transportation finance in 2023/24 is attributed to additional tracking of investment in EV charging infrastructure in this report.

Domestic sources provided 85% of funding. Private participation increased to 32% (INR 389 billion/USD 4.7 billion) of clean transportation flows in 2023/24, up from 11% (INR 69 billion/ USD 0.9 billion) in 2021/22, driven by the rapid expansion of the EV market in India (MHI 2024a). Public capital for clean transportation also increased by 40%, largely for MRTS.

20 Exchange rate of INR 82.8 to USD 1 as per the RBI for FY2023-24, as the budgetary expenditure pertains to 2023-24.
21 Information on awarded tenders was sourced from publicly available sources.
22 Tracked green hydrogen flows are not included in the main analysis due to limited availability of investment data, as activity in the sector has gained momentum only recently, particularly following the launch of the National Green Hydrogen Mission in 2023. We tracked domestic private equity and venture capital investments from the Tracxn database and used FDI and OECD data for international investments.

Figure 14: Finance for clean transportation by source (INR bn)



* "Other" private sources include PE and VC funds.

Clean transportation, in the scope of this report, covers transport systems, vehicles, and supporting infrastructure that contribute to lower-emission mobility and freight movement. The activities tracked include MRTS, electric passenger and freight vehicles, dedicated freight corridors, and low-emission public transportation. The methodology also covers enabling infrastructure such as EV charging and battery-swapping systems, as well as R&D for clean transportation technologies. More details are available in the 2026 Methodology.

MRTS[23] received 60% of clean transportation finance, reflecting continued government investment in metro rail expansion across several Indian cities and developing regional rapid transit system infrastructure, including the Delhi-Meerut corridor (MoHUA 2024).

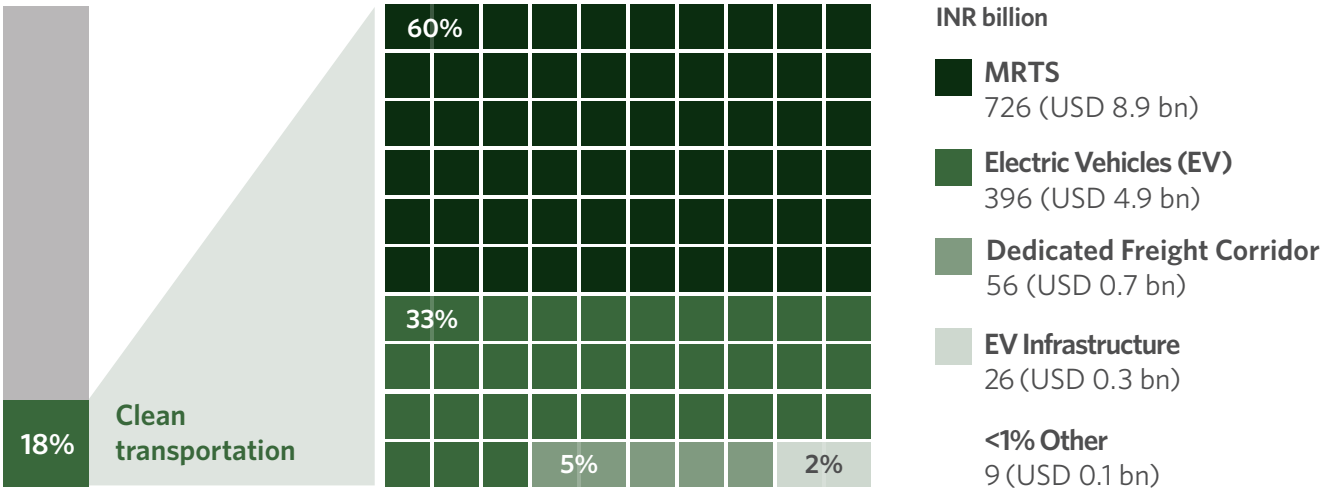
The share of EVs increased sharply from 12% in 2021/22 to 33% in 2023/24. EV investments jumped to INR 396 billion (USD 4.9 billion)[24] in 2023/24 from INR 76 billion (USD 1 billion) in 2021/22. Private capital contributed 92% of the total EV investment in 2023/24. However, much higher investment will be needed to ramp up EV adoption, with India's EV financing requirement estimated to be INR 5.18 trillion (USD 62.6 billion)[25] by 2030 (GIZ 2024).

Investment in EV charging infrastructure stood at INR 16 billion (USD 0.2 billion) in 2023/24. These flows were captured through public charger installations and other private and public

23 In this report, finance for MRTS includes investments in metro rail projects across Indian cities, urban mass transit systems, bus rapid transit systems, regional rapid transit systems, and capacity-building initiatives related to urban transport.
24 EV investments include domestic private investments through EV sales in India and domestic public investment through government budgetary expenditure and public sector undertakings (PSUs), and international investments through philanthropy and bilateral development financial institutions.
25 RBI exchange rate of INR 82.8 to USD 1 for FY2023-24, as of the cited report's publication date.

investments in India.[26] More than 25,000 public charging stations had been installed in India as of December 2024 (MHI 2025). As more EVs are adopted, India may need 2 million public charging points by 2035 (IEA 2024). Increasing uptake will also require investment in the wider EV value chain, such as batteries, components, manufacturing, and recycling (see Box 4).

Figure 15: Finance for clean transportation subsectors (INR bn)



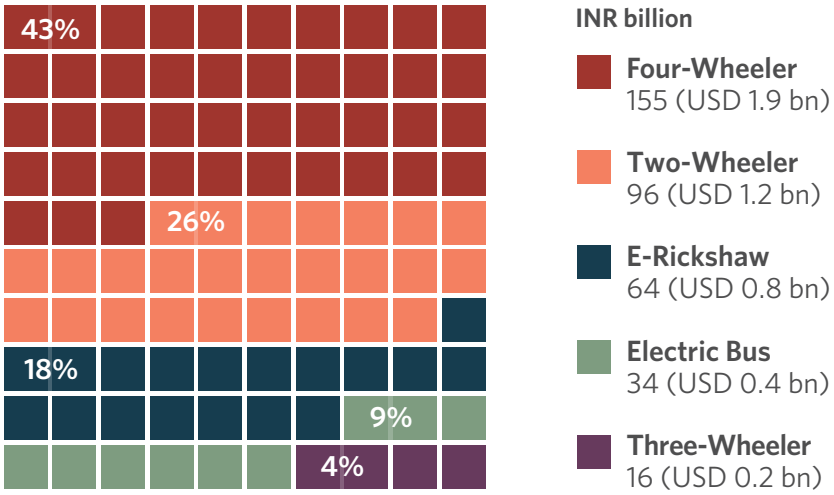
Note: *EV infrastructure includes investments in EV charging infrastructure and other supporting infrastructure, such as battery management systems and battery swapping infrastructure.*

Government budgetary expenditure remained the primary source of clean transportation funding (54%), followed by debt instruments (35%; both balance sheet financing and low-cost project debt). Debt, particularly through balance sheet financing, increased significantly, accounting for 21% of clean transportation financing in 2023/24, up from 7% in 2021/22, largely due to rising EV sales.

EV sales in India (INR 365 billion/USD 4.5 billion)[27] were five times higher in 2023/24 than in 2021/22. Four-wheelers alone accounted for nearly half of sales (INR 155 billion/USD 1.9 billion). In units, EV sales grew more than 2.5 times in FY2022-23 to over 1.2 million units, from 0.5 million units in FY2021-22, and grew by 38% in FY2023-24 to around 1.7 million units. Growth was mainly driven by rising two-wheeler sales, which now account for nearly 60% of total EV sales (in units), followed by e-rickshaws. This trend is expected to continue, with two- and three-wheelers likely to lead India's EV transition as electrification scales up (IEA 2024).

26 Details on the estimation approach and data sources are provided in the *2026 Methodology*.
27 This represents tracked private investment through EV sales in India, which is arrived at by identifying the average ex-showroom price of the vehicles and multiplying it by segment-wise annual sales for both years.

Figure 16: EV sales in India by category (INR bn)



* Three-wheeler refers to Three Wheeler (Passenger) (non-E-rickshaw) and Three Wheeler (Cargo) (non-E-rickshaw).

Box 4: EV value chain growth and investment

As India's EV adoption expands, increasing investment across the EV value chain will be important to build a resilient domestic ecosystem. This value chain comprises battery materials and cell components, battery and component manufacturing, vehicle assembly, charging and battery-swapping infrastructure, and end-of-life battery recycling (NITI Aayog, BCG & ADB 2022).

Alongside its goal of reaching 30% EV sales share by 2030 (NITI Aayog 2025a), the government is also promoting domestic manufacturing of advanced chemistry cells, batteries, electric motors, and other components (NITI Aayog, BCG & ADB 2022). Key measures to encourage domestic manufacturing and investment in advanced automotive technology vehicles include production-linked incentive schemes for advanced chemistry cell batteries, automobiles (Auto PLI), and auto components (MHI 2021a).

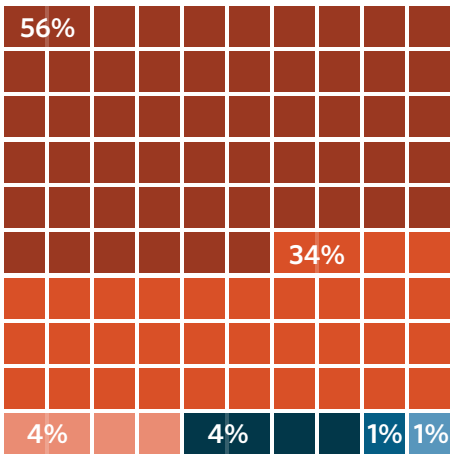
In addition, support for installing public charging stations has increased under schemes like FAME-II and PM E-Drive (MHI 2021b, MHI 2024b). Activity is also growing in areas such as battery swapping, supporting the development of new technologies and business models across the EV ecosystem.

Despite this progress, different parts of the EV value chain still face investment challenges such as high production costs, limited ecosystem support for high-capital expenditure, gaps in domestic research and development (NITI Aayog, BCG & ADB 2022), and limited availability of skilled labour (CPI 2026a). Going forward, a stronger EV ecosystem, including charging infrastructure, can strengthen the sector's resilience and long-term sustainability (Saraswat and Golchha, 2026), while creating opportunities across the value chain, including for micro-, small-, and medium-sized enterprises (MSMEs) (CPI 2025).

ENERGY EFFICIENCY

Finance for energy efficiency reached INR 2,086 billion (USD 25.6 billion) in 2023/24, up about 62% from 2021/22. Domestic sources accounted for 99.6%, with international public sources providing the rest. Domestic private institutions accounted for 94% of the total, with commercial FIs (56%) and residential, commercial and institutional entities (34%) as the two dominant sources.

Figure 17: Finance for energy efficiency by source (INR bn)



INR billion

PRIVATE

- **Commercial FIs** 1,164 (USD 14.3 bn)
- **Residential, Commercial, and Institutional** 713 (USD 8.7 bn)
- **Corporations** 92 (USD 1.1 bn)
- **<1% Other*** 1 (USD 0.008 bn)
- **<1% Philanthropy** 0.3 (USD 0.003 bn)

PUBLIC

- **Public Sector Undertakings** 86 (USD 1.1 bn)
- **Union and State Government Budget** 22 (USD 0.3 bn)
- **Multilateral DFI** 6 (USD 0.1 bn)
- **<1% Bilateral DFI** 2 (USD 0.01 bn)

* "Other" private sources include PE and VC funds.

India's energy transition and net zero trajectory are expected to be electrification-led, with steep electricity demand. India's per capita electricity consumption rose by 46% from 957 kWh in FY2013-14 to about 1400 kWh in FY2023-24 (NITI Aayog 2026a). Rapid urbanization and household electrification are expected to continue driving demand. NITI Aayog's *Scenarios Toward Viksit Bharat and Net Zero* estimates a 40-60% electricity share in India's final energy consumption mix by 2070, up from the current 21% (NITI Aayog 2026a). In tandem, per capita electricity consumption is expected to grow 3.4 to 5 times and overall electricity consumption between four and eight-fold by 2050 alone.[28] Energy efficiency can be a cost-effective lever to manage this demand. Each unit of energy saved or consumption avoided through more efficient appliances, industrial processes and transmission systems not only reduces emissions but also reduces the capital and resources needed to meet demand.[29]

Investments in the sector remain primarily balance sheet financed (88%), with balance sheet debt financing (51%) and balance sheet equity financing (37%) accounting for the largest shares of total investments, followed by project-level debt and equity (7%) and low-cost project debt (3%).

28 The higher end of the ranges corresponds to the 'current policy scenario', whereas the lower ends correspond to the 'net zero scenario', which takes some level of energy efficiency measures into consideration.

29 Energy savings from various BEE schemes in 2023-24 resulted in avoidance of about 321 $MTCO_2e$, along with monetary savings of about INR 2,002 billion.

In this report, energy efficiency covers technologies, equipment, and infrastructure that reduce energy consumption or improve energy-use efficiency across different sources. Activities tracked include energy-efficient appliances and equipment, green buildings, industrial process efficiency measures, and improvements to reduce transmission and distribution losses. The scope also includes smart grid infrastructure and R&D for energy efficiency. More details are available in supporting 2026 Methodology.

Energy-efficient appliances accounted for the largest share (78%) within flows for energy efficiency in 2023/24, followed by transmission and distribution loss reduction (11%), green buildings (6%) and process efficiency (4%).

Transmission and distribution saw a steep increase in flows reaching INR 220 billion (USD 2.8 billion) in 2023/24 from INR 16 billion (USD 0.2 billion) in 2021/22. A key factor behind this increase may be the policy emphasis on improving transmission and distribution efficiency, notably through the Revamped Distribution Sector Scheme.[30] Finance for green buildings reached INR 116 billion (USD 1.4 billion),[31] marking a 12% rise over 2021/22 figures. This increase aligns with growing consumer awareness and a stronger market for green buildings (Singh 2025).

Process efficiency flows rose substantially from INR 22 billion (USD 0.3 billion) in 2021/22 to INR 92 billion (USD 1.1 billion) in 2023/24. This closely tracks the larger energy-savings target under the Perform, Achieve and Trade (PAT) scheme cycle VII (6.627 MTOE) compared to PAT cycle VI (1.66 MTOE).[32] The PAT scheme is progressively transitioning to the Carbon Credit Trading Scheme, regulated under the Indian Carbon Market.[33] The shift is more than a move from an energy-savings metric to an emissions-reduction metric; it is more directly linked to India's emission-intensity reduction goals. Stronger compliance architecture, a wider carbon market, and potential synergies with international carbon markets also accompany it. While large industries are more organized and covered under regulatory mechanisms, MSMEs also hold significant potential for decarbonization and efficiency improvements (see Box 5).

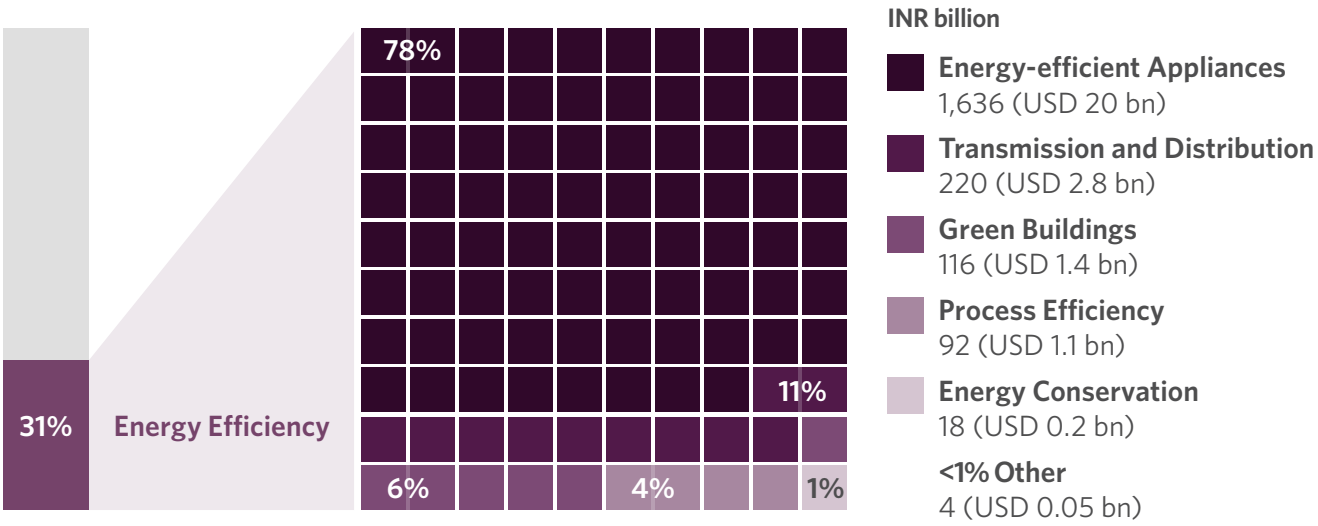
30 The Revamped Distribution Sector Scheme was launched in FY 2021-22 for a period of 5 years with an outlay of INR 3,038 billion. It aims to help distribution companies (Discoms) improve operational efficiency and financial health. This report captures a significant share of the total flow under this scheme compared to the previous landscape report due to the years under consideration.

31 Green building finance data was collected from Green Rating for Integrated Habitat Assessment (GRIHA), International Finance Corporation's Excellence in Design for Greater Efficiencies (IFC-EDGE), Leadership in Energy and Environmental Design (LEED), IGBC and WELL Building Standard (WELL). Data from the Associated Chambers of Commerce and Industry of India (ASSOCHAM) was historically included in our analysis, but was unavailable for the years under consideration in this edition.

32 The Perform, Achieve, Trade (PAT) Scheme aims to improve industrial efficiency and will be merged into the Carbon Credit Trading Scheme, introduced in June 2023. The years under consideration in this report (2022-24) are covered under PAT cycle VII.

33 As of December 2025, seven sectors have transitioned from PAT to the Carbon Credit Trading Scheme compliance mechanism: aluminum, cement, chlor-alkali, petrochemicals, petroleum refineries, pulp and paper, and textiles.

Figure 18: Finance for energy efficiency subsectors (INR bn)[34]



Box 5: Finance for decarbonizing MSMEs

MSMEs contribute about 31% to India's GDP and are also the second-largest employer after agriculture (Economic Survey 2025-26). MSMEs account for about 25% of the country's total industrial emissions (Janardhan 2025), underscoring their importance to India's green transition and industrial decarbonization agenda. The sector, however, does face constraints such as high upfront costs and access to formal credit (Kumar et al. 2023).

Several initiatives have been introduced to increase the flow of green finance toward MSMEs. MSE-GIFT (Green Investment and Financing for Transformation) and ADEETIE (Assistance for Deployment of Energy Efficient Technologies in Industries and Establishments) schemes provide interest subvention for MSMEs adopting green and energy-efficient technologies, with ADEETIE also providing technical support and covering 14 energy-intensive industries across 60 clusters. The MSME Sustainable (ZED) initiative further provides financial support for consultancy and technology upgradation to facilitate adoption of greener practices (Ministry of MSME 2026). Moreover, Small Industries Development Bank of India (SIDBI) also extends dedicated credit lines through its Green Finance Scheme and End-to-End Energy Efficiency (4E) Financing Scheme.

At the ecosystem level, NITI Aayog's Roadmap for Green Transition of MSMEs (2026) and India's Draft Framework for Climate Finance Taxonomy provide direction. While the roadmap proposed an integrated framework around the three decarbonization levers of energy efficiency, green electricity and alternative fuels, through demand aggregation and institutional support (NITI Aayog 2026d), the draft taxonomy framework embeds a principle of proportionality for MSMEs to reduce barriers to participation in climate finance (DEA 2025a).

34 Energy conservation, as a subsector of energy efficiency, includes finance for activities such as energy conservation awareness campaigns, government energy conservation initiatives, and contributions to state energy conservation funds.

2.3 CLIMATE ADAPTATION

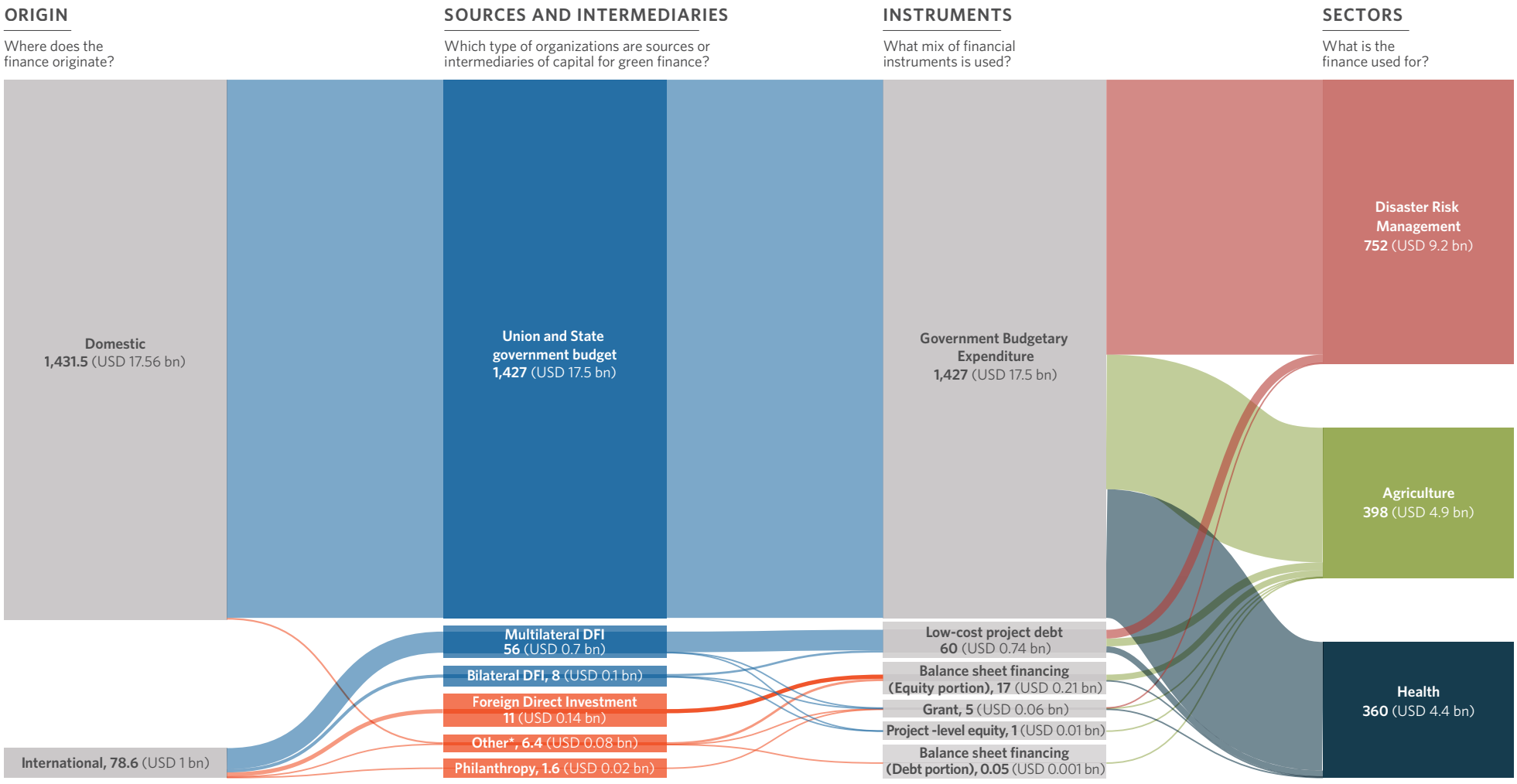
Comparable flows for previously tracked adaptation sectors (disaster and agriculture) rose by about 5%, from INR 1,092 billion in 2021/22 to INR 1,150 billion in 2023/24. INR 360 billion (USD 4.4 billion) was newly tracked for adaptation-relevant health activities, reflecting expanded sectoral coverage. Overall, tracked adaptation flows reached INR 1,510 billion (USD 18.5 billion) per annum in 2023/24. This report tracks adaptation finance for select sectors and does so conservatively, meaning that not all of India's adaptation finance is captured (see Section 1.2 for details).

Figure 19: Landscape of green finance (adaptation)

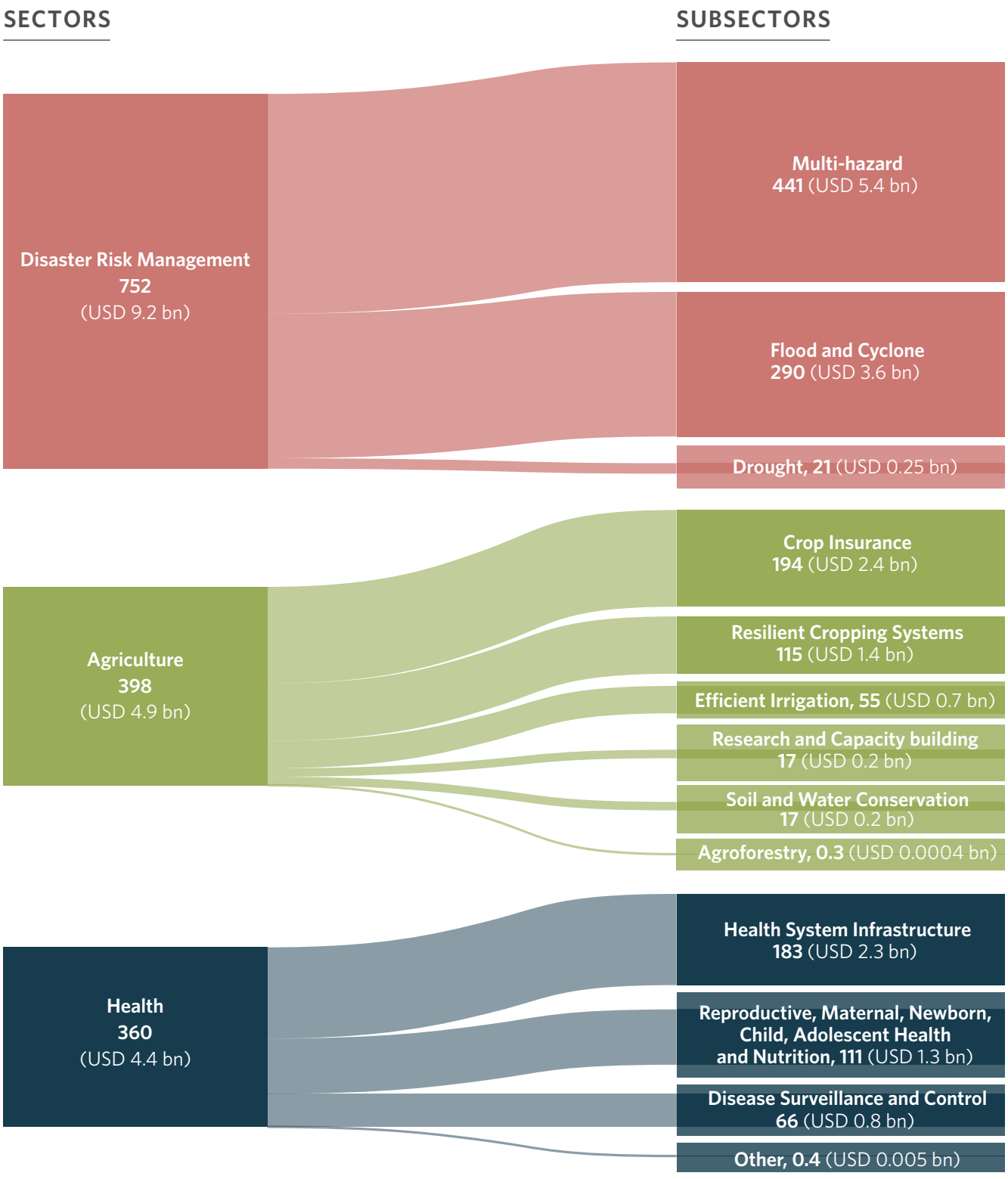
LANDSCAPE OF GREEN FINANCE FOR ADAPTATION IN INDIA FOR YEARS 2023/24

Finance flows for adaptation in India along their life cycle in FY2022-23 and FY2023-24.
Values are in INR billion and presented as averages of two years' data to smooth out fluctuations

ANNUAL AVERAGE
1,510 BILLION INR **18.5** BILLION USD



* "Other" includes Private Equity (PE) and Venture Capital (VC) funds.


SECTORS
SUBSECTORS
Disaster Risk Management
752
(USD 9.2 bn)
Agriculture
398
(USD 4.9 bn)
Health
360
(USD 4.4 bn)
Multi-hazard
441 (USD 5.4 bn)
Flood and Cyclone
290 (USD 3.6 bn)
Drought, 21 (USD 0.25 bn)
Crop Insurance
194 (USD 2.4 bn)
Resilient Cropping Systems
115 (USD 1.4 bn)
Efficient Irrigation, 55 (USD 0.7 bn)
Research and Capacity building
17 (USD 0.2 bn)
Soil and Water Conservation
17 (USD 0.2 bn)
Agroforestry, 0.3 (USD 0.0004 bn)
Health System Infrastructure
183 (USD 2.3 bn)
Reproductive, Maternal, Newborn,
Child, Adolescent Health
and Nutrition, 111 (USD 1.3 bn)
Disease Surveillance and Control
66 (USD 0.8 bn)
Other, 0.4 (USD 0.005 bn)

India's adaptation expenditure has been increasing, along with related finance needs. Adaptation is increasingly becoming an environmental and development priority, in line with India's *Viksit Bharat@2047* vision[35], as noted in the country's Economic Survey 2025–26 (MoF 2026a). Adaptation- and resilience-relevant government expenditure rose from 3.7% of GDP in FY2015-16 to 5.6% in FY2021-22, according to India's Initial Adaptation Communication to the UNFCCC (MoEFCC 2023a). It also estimates a cumulative adaptation expenditure of INR 56.68 trillion (USD 684.6 billion)[36] until 2030 under a business-as-usual scenario, while noting that climate-related damages could further increase the burden, pushing total adaptation finance requirements to nearly INR 72 trillion (USD 854.16 billion) when considering development needs and climate-induced pressures (MoEFCC 2023a, 2024). Another estimate from the Department of Economic Affairs (DEA) puts the cumulative need at INR 85.6 trillion from 2015 to 2030 (2011-12 prices) (DEA 2020), or approximately USD 1 trillion (CPI 2024).

Adaptation finance tracking covers the following sectors:[37]

- **Disaster risk reduction and management:** In relation to floods, cyclones, drought, and multi-hazard activities.
- **Agriculture:** On-farm adaptation-related activities.
- **Health:** Health system infrastructure, disease surveillance and control, reproductive, maternal, newborn, child, adolescent health, and nutrition, and other adaptation-related health activities—tracked for the first time this year.

These sectors are integral to India's adaptation priorities, with the country's recently updated NDC and Biennial Transparency Report to the UNFCCC explicitly identifying them as critical climate-sensitive sectors, among others (GoI 2026, MoEFCC 2025b).

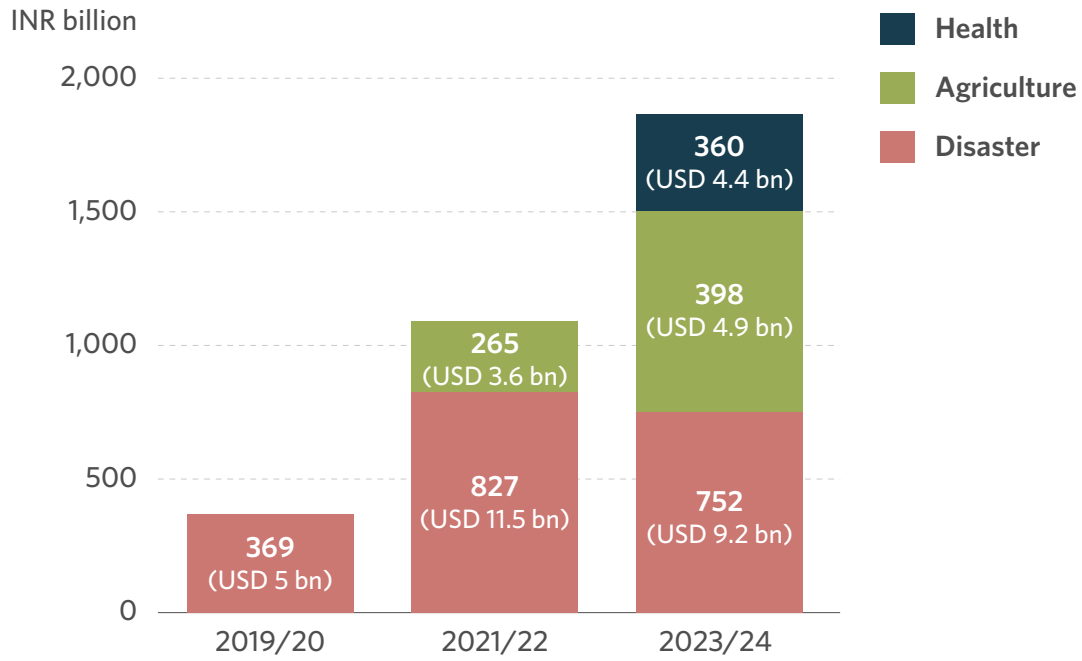
Figure 20 shows finance going to the above sectors. Adaptation finance for on-farm agriculture increased most significantly, growing about 50% from 2021/22 to 2023/24.

35 *Viksit Bharat* represents the Government of India's vision towards achieving developed-country status for India, defined by economic prosperity, social upliftment, environmental sustainability and effective governance.

36 MoEFCC 2023 considers 2023-24 as the base year of their analysis, the conversion has been undertaken assuming an annual average exchange rate of 1 USD = INR 82.7897 (Available at: https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/136T_29082025B3A87298ECDA401D91920EB7555802C1.PDF)

37 This edition tracks finance for adaptation only in select sectors. It does not track adaptation finance in other key climate adaptation-relevant sectors, including but not limited to water, infrastructure, and ecosystems and biodiversity. CPI aims to increase the report's sectoral coverage in subsequent editions.

Figure 20: Adaptation finance to sectors over 2019/20 to 2023/24 (INR bn)

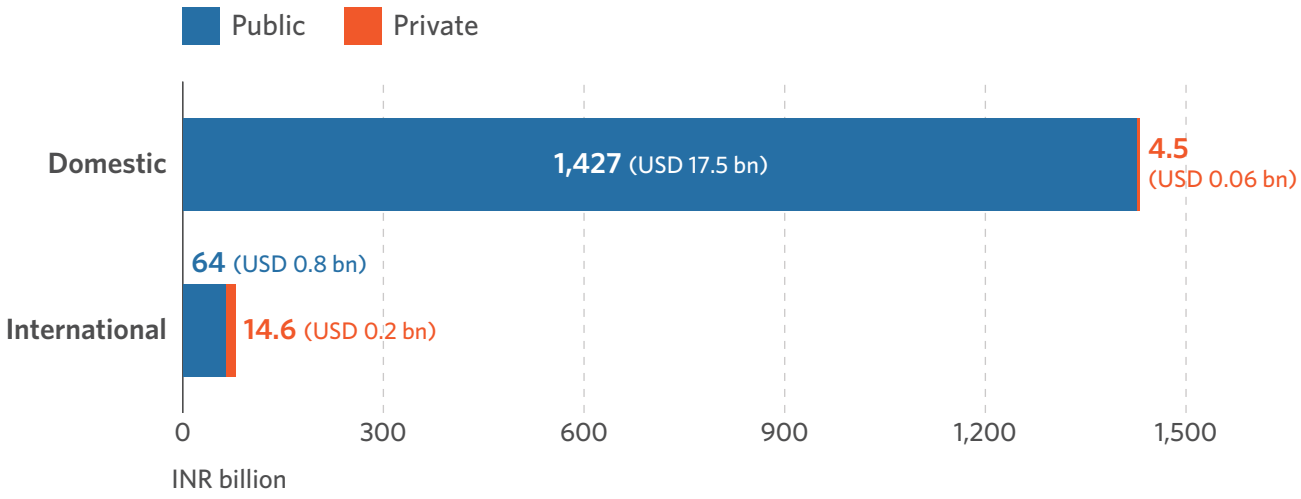


This edition also tracks adaptation-relevant green finance for health, covering public finance data from government budget spending and DFIs, as well as private finance from FDI and PE/VC.

2.3.1 SOURCES

Adaptation funding in 2023/24 largely came from domestic public sources (see Figure 21).

Figure 21: Finance to adaptation sectors, by source, 2023/24 (INR bn)

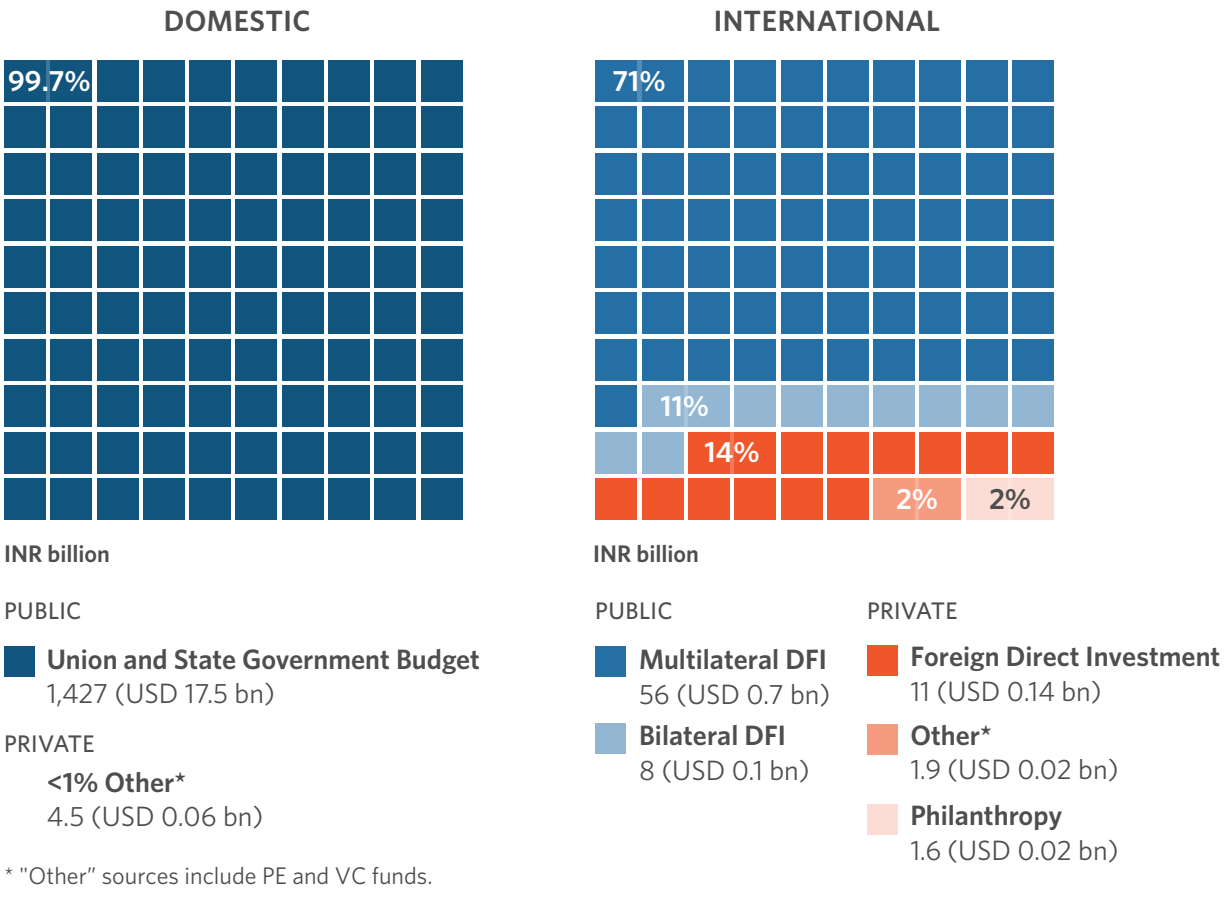


Domestic adaptation finance totalled INR 1,431.5 billion (USD 17.56 billion) in 2023/24, up from INR 1,067 billion (USD 14 billion) in 2021/22. Government expenditure accounted for 99% of domestic adaptation flows. While the public-to-private ratio remains similar, absolute flows

from both have increased. This aligns with India's development-led approach to adaptation, rooted in national and state-level planning backed by domestic public investment (DEA 2025b, MoF 2026).

Domestic private finance tracked stands at INR 4.5 billion (USD 0.06 billion) in 2023/24 across health and agriculture.[38] Agriculture accounted for INR 3.6 billion (USD 0.05 billion) of this in 2023/24, a multi-fold increase from INR 0.7 billion (USD 0.01 billion) in 2021/22. While coverage of tracking private adaptation finance is evolving, the available data does not yet support a comprehensive assessment of private finance for adaptation.

Figure 22: Domestic and International finance for adaptation, by public and private sources (INR bn)



* "Other" sources include PE and VC funds.

Flows to adaptation from international sources increased to about INR 78.6 billion (nearly USD 1 billion) from INR 24.8 billion (USD 0.33 billion). Public finance from multilateral and bilateral DFIs remained the largest share of these flows, as in 2019/20 and 2021/22. However, international private finance grew in both absolute terms and as a share, accounting for nearly 18% of international flows in 2023/24, driven mostly by FDI flows in agriculture.

38 While there is an increase in both coverage and quantum compared to the previous edition, we have only tracked PE/VC and not flows from private FIs for agriculture and health. PE/VC has not been tracked for disaster risk management separately. Tracking private finance for adaptation is more difficult because of evolving terminologies and limited data. Consequently, the private sector's actual contribution to adaptation may be higher than the numbers represented in this report.

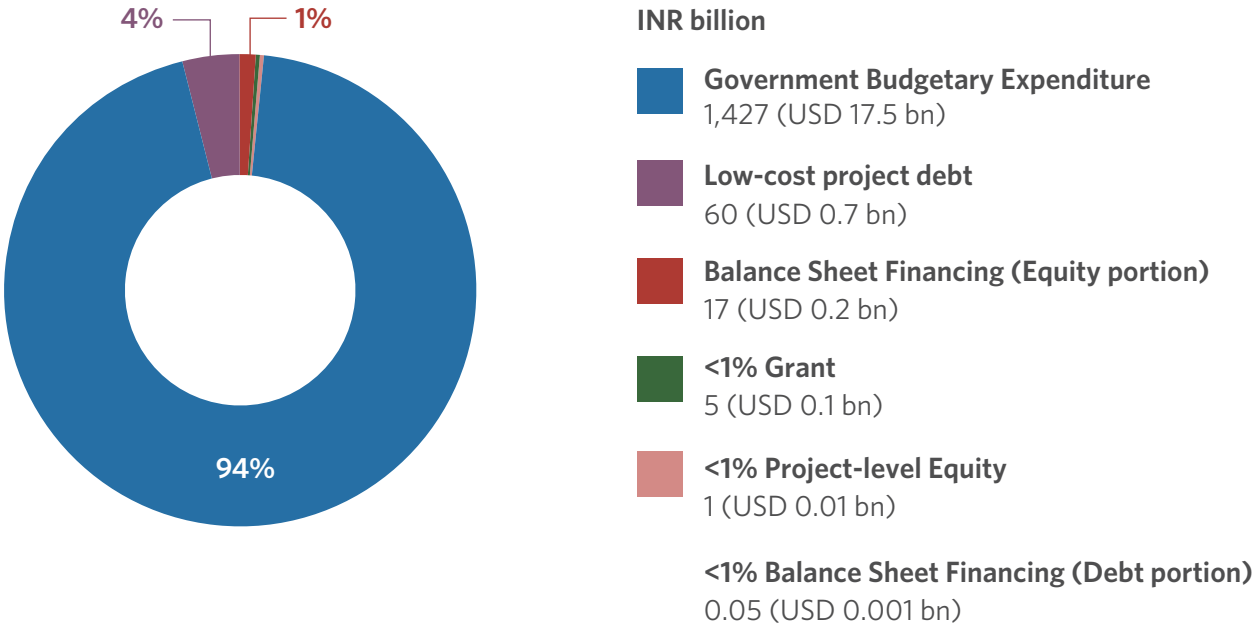
Concessional international finance for adaptation, through low-cost project debt and grants, increased, reaching about INR 65 billion (USD 0.8 billion) in 2023/24.[39] Flows comparable in scope (across agriculture and disaster risk management) nearly doubled between 2021/22 and 2023/24. While the quantum of concessional flows increased substantially, the percentage share remains small and varied between 2019/20 and 2023/24.[40] Concessional finance can complement domestic resources across a range of activities, including project preparation and technical assistance. It can also support projects, including those related to building resilience, which may entail higher upfront costs, or where commercial returns may be limited or uncertain.

2.3.2 INSTRUMENTS

Government budgetary finance remains the largest instrument for domestic funding, accounting for 94% of adaptation flows. However, low-cost project debt at INR 60 billion (USD 0.74 billion) and balance sheet financing (equity) at INR 17 billion (USD 0.21 billion), accounting for 4% and 1%, respectively, increased in both share and absolute amount in 2023/24 compared to 2021/22.

International adaptation finance mainly flowed as low-cost project debt (76%) in 2023/24. Balance sheet financing followed (16%), while grants (6%) and project-level equity (1%) made up the remainder.

Figure 23: Tracked finance for adaptation by instrument (INR bn)

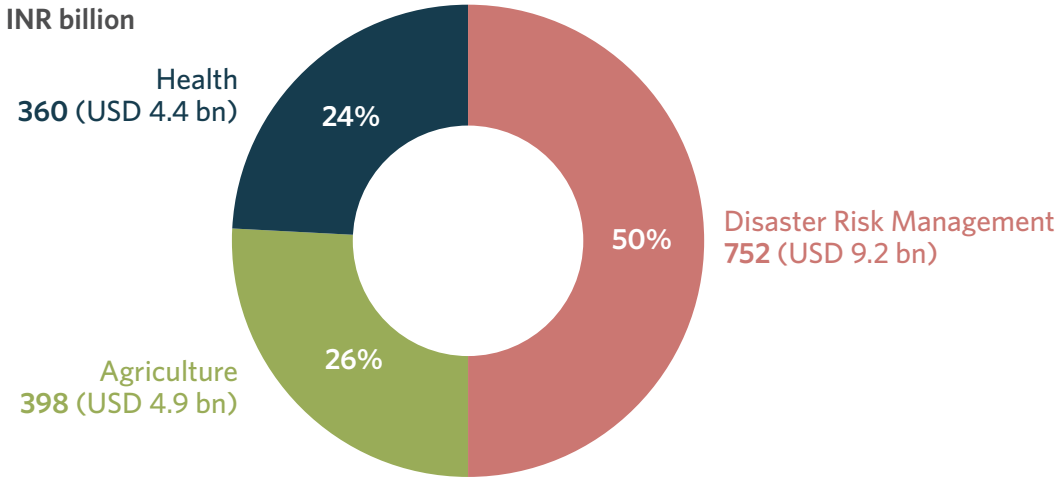


39 This figure includes low-cost project debt and grants from public and private sources.
40 The percentage shares of concessional international finance in total adaptation flows were 5.4% in 2019/20, 2.3% in 2021/22, and 4.3% in 2023/24.

2.3.3 SECTORS

Disaster risk management formed nearly half of adaptation flows tracked across the three sectors covered in this study in 2023/24.[41] Meanwhile, agriculture (26%) and health (24%) split the remainder in near-similar shares.

Figure 24: Tracked adaptation finance by sector (INR bn)



DISASTER RISK MANAGEMENT

Multi-hazard disaster risk management accounted for the largest share, followed by flows to activities related to floods and cyclones, and droughts.[42] Tracked disaster risk management flows[43] declined slightly by about 9% in 2023/24 compared to 2021/22. This is partly attributable to elevated disaster-related expenditure during the COVID-19 period. India notified COVID-19 as a national disaster (MoAFW 2021), and some pandemic-related expenditure could not be separately identified within broader disaster management expenditure.[44] Furthermore, expenditure trends point to a gradual increase in preventive, pre-disaster resilience-building finance (see Box 6), alongside continued financing for disaster response and recovery.

41 In previous editions of this report, disaster risk management, flood and cyclone mitigation (now termed 'flood and cyclone management'), and drought management were tracked as separate sectors under adaptation. In this edition, these areas have been grouped into a single 'disaster risk management' category. This category also now includes a 'multi-hazard' subcategory, which refers to finance flows not explicitly related to flood, cyclone or drought.

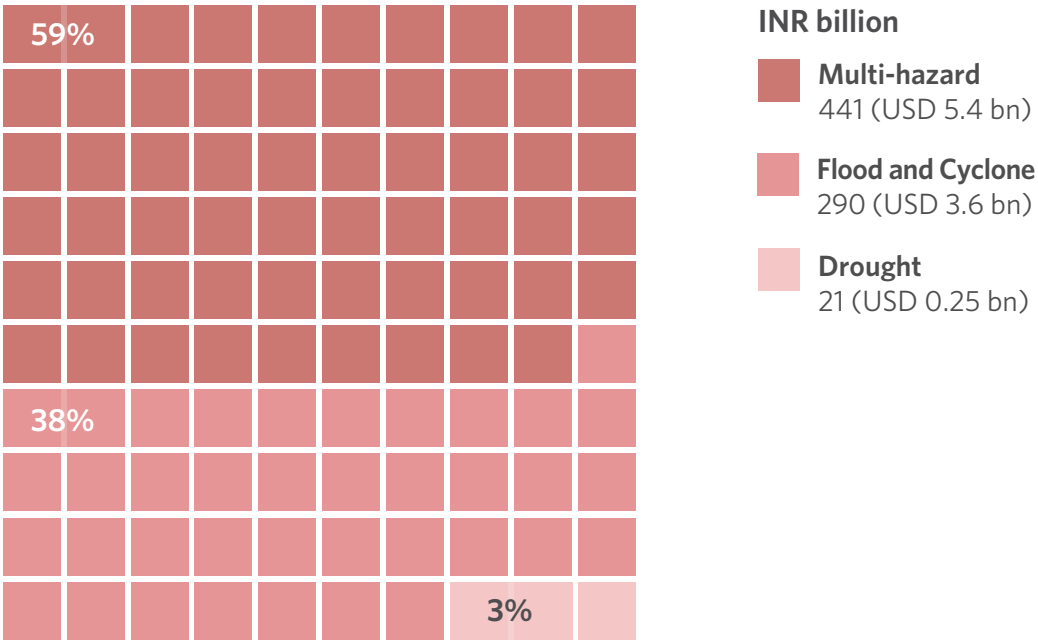
42 Finance for floods and cyclones, as well as droughts, is disaggregated because these are the most critical climate disaster categories in India (DST, 2024), with many states facing multiple risks. Central and state budget documents also often list expenditure on activities related to these hazards specifically.

43 Tracked DRM activities include both pre-disaster risk reduction and preparedness, and post-disaster relief, response, and recovery. Activities supporting agriculture and other sectors are classified under DRM where disaster management is their primary objective.

44 States used the designated disaster response funding for pandemic-related relief and resilience-building activities. For instance, Tamil Nadu allocated resources under the State Disaster Response Fund for COVID-19-related expenditure, including dry ration kits and transportation for migrant workers (Government of Tamil Nadu 2021). While COVID-19 expenditure is not treated as adaptation finance in itself, where such expenditure was subsumed within broader disaster-related budget lines and could not be separately identified, the broader expenditure line was retained.

In the scope of this report, disaster risk management covers activities that support and strengthen preparedness and resilience to climate-related disasters and help manage their impact. Tracked activities include multi-hazard disaster risk management and measures specifically addressing floods, cyclones, and droughts. These include disaster mitigation and response funds, flood and coastal protection, drainage, cyclone shelters, early warning systems, and post-disaster recovery and restoration for building adaptive capacity. More details are available in the 2026 Methodology.

Figure 25: Finance for disaster risk management by subsectors (INR bn)



Box 6: Finance for disaster risk mitigation

Following the recommendations of India's 15th Finance Commission (FC), a dedicated National Disaster Mitigation Fund (NDMF) was set up in 2021, followed by state-level disaster mitigation funds, with allocations of INR 320.31 billion for the State Disaster Mitigation Fund (SDMF) and INR 136.93 billion for the NDMF, supporting greater emphasis on pre-disaster risk mitigation. These funds are forward-looking rather than reactive, with allocations to activities such as embankments, early warning systems, cyclone shelters, and landslide stabilization. The 15th FC provides a list of disaster mitigation activities (2020). The 16th FC Report, released in February 2026, includes further allocations to the disaster mitigation funds for the period 2026-27 to 2030-31.

Several states have started reporting expenditure under the SDMF, including Odisha, Uttarakhand, Bihar, Tamil Nadu, Himachal Pradesh, Punjab, Gujarat, Tripura and West Bengal. Reported SDMF activity expanded from three states in 2020-21 to 16 states by 2023-24. Tracked disaster mitigation fund expenditure increased from INR 2.52 billion in 2021/22 to INR 37.01 billion in 2023/24.

Tracked disaster risk management finance was mainly from government budgets (97%, or INR 728.5 billion/USD 9 billion). International flows primarily channel through multilateral DFIs, especially for state-level flood and cyclone management. It also includes some private philanthropic flows, covering multiple hazards. Although international flows remain relatively low, the absolute amount increased by over 80% in 2023/24 compared to 2021/22, and the share rose from 1.6% to 3.1%.

ON-FARM ADAPTATION-RELATED ACTIVITIES

Finance tracked for on-farm adaptation-related agricultural activities reached INR 398 billion (USD 4.9 billion) in 2023/24, up nearly 50% from 2021/22. This increase has occurred alongside continued policy emphasis on climate-resilient agriculture in India. Initiatives such as the National Mission on Sustainable Agriculture,[45] which aims to enhance water-use efficiency, improve soil health, and improve climate-resilient agriculture, provide an enabling policy framework for adaptation-oriented activities in agriculture.

> In this report, the sector covers on-farm agricultural activities that strengthen the resilience and adaptive capacity of agricultural systems and livelihoods to climate variability and its impacts. Activities tracked include resilient cropping systems, efficient irrigation, soil and water conservation, agroforestry, weather-based crop insurance, and research and capacity building. These cover crop diversification, integrated farming, micro-irrigation, soil-health management, climate and weather information services, among others. More details are available in the supporting 2026 Methodology.

Crop insurance remains the dominant subsector, accounting for 49% of flows to the agriculture sector, driven by state and central government expenditure.[46] Resilient cropping systems (29%) and efficient irrigation (14%) are the two other subsectors to receive substantial flows. Resilient cropping systems saw a considerable increase in adaptation finance share from 19% in 2021/22, mainly due to increased FDI and PE/VC flows.

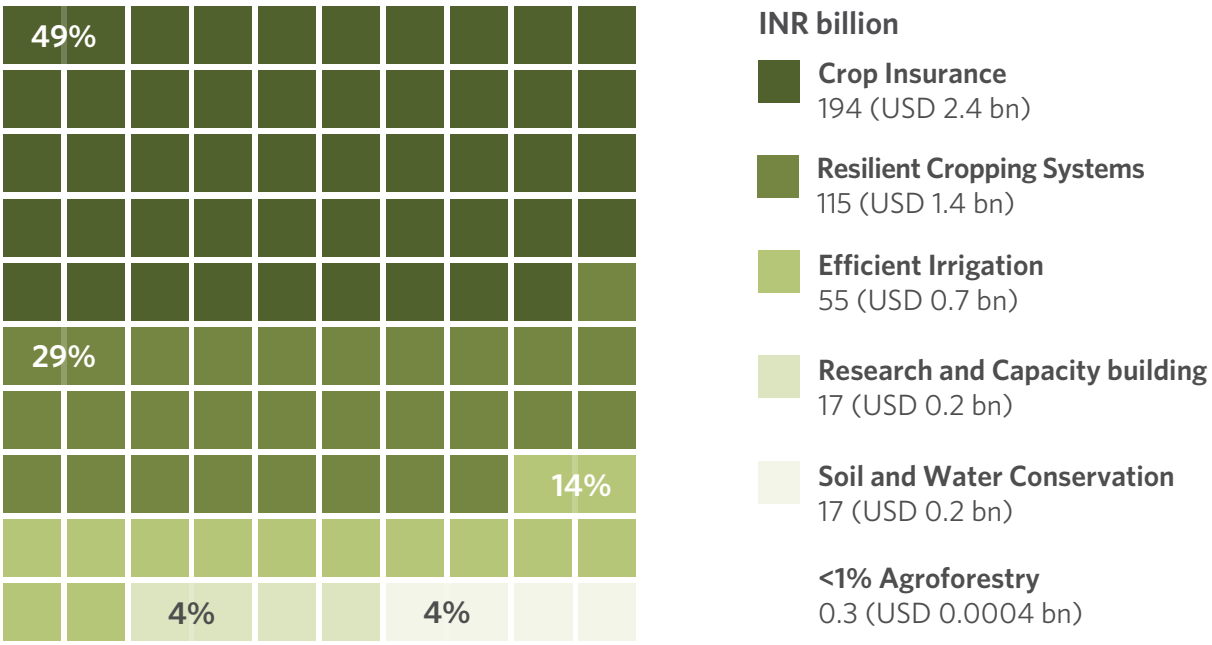
Domestic private finance from PE/VC increased severalfold to INR 3.6 billion (USD 0.05 billion) in 2023/24, up from INR 0.68 billion (USD 0.01 billion). Most of this went to resilient cropping systems (86%), a growing segment aligned with agritech investments. On-farm adaptation investments are a key area of adaptation investment and are critically relevant to food security (Climake 2025).

International flows went mainly to resilient cropping systems (71%) and efficient irrigation (22%). Public finance accounted for 63% of international flows.

45 Launched in 2014-15, the National Mission on Sustainable Agriculture was operationalized as a sub-mission under Green Revolution-Krishonnati Yojana from 2018-19 and nested under Pradhan Mantri Rashtriya Krishi Vikas Yojana (PMRKVY) in 2022-23, reflecting a consolidated approach to sustainable, climate-resilient agricultural development

46 This share is largely owed to anchors such as Government of India's crop insurance scheme – the Pradhan Mantri Fasal Bima Yojana.

Figure 26: Finance for on-farm adaptation activities by subsector (INR bn)



HEALTH

Adaptation-relevant finance for human health totalled INR 360 billion (USD 4.4 billion), based on CPI's attribution methodology (see Box 7). Climate change affects health both directly, through heat stress and extreme weather events, and indirectly through climate-sensitive diseases and disruption of health services. Health sector is being tracked for the first time in this edition, building on its increasing recognition as a climate-sensitive adaptation priority for India (GoI 2026, MoEFCC 2023, 2025a, 2025b). The GoI recognizes health as a climate-sensitive and adaptation-relevant development area in its international communications and reports through the NDC, the Biennial Transparency Report, the Initial Adaptation Communication, as well as through national programs such as the National Programme on Climate Change and Human Health.

The adaptation-relevant health finance tracked in this report represents an estimate within the study's defined scope and methodology.

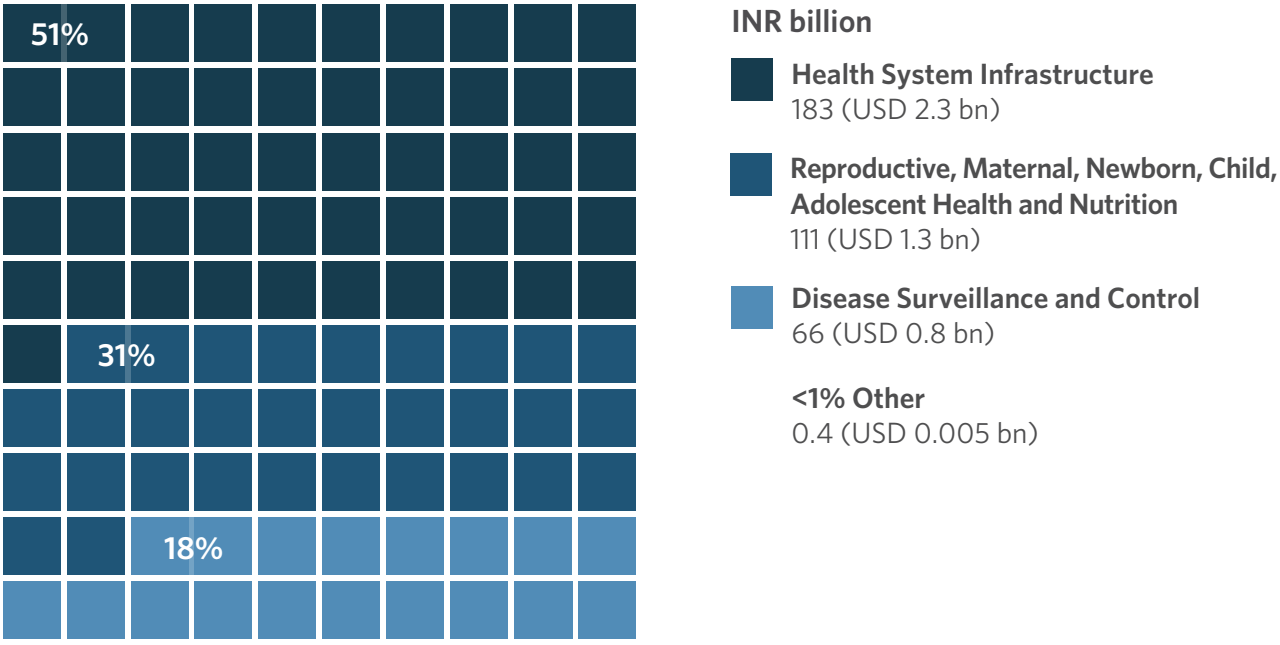
Box 7: Tracked finance for adaptation-related activities in health

This edition tracks health-sector finance for the first time, building on its growing recognition as a climate-sensitive adaptation priority for India. Tracked activities fall under health system infrastructure; disease surveillance and control; reproductive, maternal, newborn, child, and adolescent health, nutrition; and other—a cross-cutting category that includes mental health services, research, training, and digital tools that support responses to climate-related health risks. This report only tracks finance flows with identifiable adaptation-relevant components, using a conservative attribution approach.

The adaptation-relevant finance flows for health tracked in this report represent a conservative lower-bound estimate. The analysis categorizes adaptation-relevant

amounts for government schemes recognized as adaptation-oriented in India's Initial Adaptation Communication to the UNFCCC based on their objectives. For non-government budget flows, we exclude activities with incidental or indirect climate co-benefits unless we can establish a clear adaptation-relevant linkage. See the 2026 Methodology for details.

Figure 27: Finance flows to adaptation-oriented health activities by subsectors (INR bn)



Health systems infrastructure accounts for the largest share of climate adaptation-oriented finance in health (51%). This was followed by reproductive, maternal, newborn, child and adolescent health, nutrition (31%) and disease surveillance and control (18%). The 'other' category accounted for less than 1% of flows.[47] Healthcare systems in about 40% of Indian districts face high climate risk, more granular assessments of climate-related health risks could help inform the targeting of future adaptation finance (CEEW 2025).

Domestic finance accounted for 95% of tracked health flows, primarily through government budgets. Private domestic finance, tracked through PE/VC flows, accounted for only 0.3%. This aligns with global trends, where estimates suggest that only 2% of adaptation funding and about 0.5% of multilateral climate funding go toward health (WHO 2026).

Multilateral DFIs accounted for 97.3% of international flows, followed by PE/VC (1.5%) and philanthropy (1.2%). Health systems resilience often requires longer intervention horizons and yields diffuse benefits, affecting financing needs. Separately, existing research suggests

47 Health systems infrastructure includes spending on interventions that maintain or strengthen overall health-system capacity and continuity under climate-related stresses or extreme events. It does not consider the entire health infrastructure expenditure as adaptation-relevant. See the 2026 Methodology for details.

that many multilateral climate funds emphasize time-bound projects with measurable outcomes, which can make adaptation-related health funding more challenging than in other sectors (Jha 2026).

Government budgetary expenditure was the primary source of adaptation-related finance for health at INR 340.9 billion (95%). Low-cost project debt followed (5%), while grants and balance sheet financing (equity portion) together accounted for less than 1%.

POTENTIAL AREAS FOR FUTURE TRACKING

While the tracked adaptation flows cover three critical adaptation sectors, other sectors have important cross-cutting linkages across adaptation and development priorities. The water sector is increasingly garnering attention (see Box 8), with the Biennial Transparency Report highlighting key goals, including developing and strengthening climate-resilient water infrastructure (MoEFCC 2025b). Water thus represents a potential area for future tracking.

Box 8: Tracking climate-relevant water finance in India

Water is a critical resource, stressed by India's rapid urbanization, growing population, and industrialization. However, attributing adaptation is challenging because much water-sector expenditure is development-first, with adaptation objectives often embedded in broader interventions implemented across multiple ministries and programs.

Water has historically been considered a public good in India, underscoring the importance of tracking government budget expenditure to identify climate-relevant spending on water. This is spread across several ministries such as the Ministry of Jal Shakti (formed by merging the Ministry of Water Resources, River Development and Ganga Rejuvenation and the Ministry of Drinking Water and Sanitation in 2019), Ministry of Housing and Urban Affairs, Ministry of Agriculture and Farmers' Welfare, and Ministry of Rural Development, among others. Furthermore, attributing climate relevance, specifically adaptation or mitigation relevance, is challenging because some flagship government water programs are designed with a development-first objective. However, a considered methodology may help in estimating climate attribution in future editions.

The private sector is also showing growing interest in water, with startups innovating in wastewater treatment, Internet-of-Things-based monitoring, and water-as-a-service models. Impact funds and corporate accelerators are backing early activity, although concentrated at the seed stage (CPI and IIC 2025). However, incremental efficiency improvements and small-scale projects make tracking private climate investment in water and wastewater complicated (CPI 2026b).

3. CONCLUDING OBSERVATIONS

India's green finance landscape has expanded, with growth alongside a strengthening policy and regulatory environment. Growing flows for climate mitigation and adaptation point to opportunities to build further momentum across sectors, technologies, and finance sources. Achieving India's climate and development goals will require not only increased finance but also diversified sources and more capital flowing toward emerging sectors, technologies, and adaptation priorities where finance remains limited relative to identified needs. Key actions include leveraging enabling policies and regulations, mobilizing private capital through appropriate market mechanisms, coordinated action across actors, and strengthening data and information systems. The process can be aided by enabling levers across policy, regulations, markets, and cooperation across diverse actors:

BUILDING ON AN ENABLING POLICY AND REGULATORY ENVIRONMENT FOR MOBILIZING GREEN FINANCE

Domestic green finance has grown significantly amid a strengthening policy and regulatory environment, accounting for the largest share of flows for both mitigation (88%) and adaptation (95%). Government expenditure, including new targeted schemes for clean energy and resilient agriculture, along with growing domestic private flows, is providing a strong foundation to scale green finance. Continued policy signalling can build on this momentum and increase visibility of emerging opportunities to finance green activities. India's recent formal international climate communications, including its updated NDC released in 2026 and the upcoming NAP, create a strong policy base for furthering climate investment. In particular, the national priorities outlined in the NAP can guide the identification and alignment of priority sectors and areas, finance needs and implementation requirements. Embedding these priorities and findings in the State Action Plans on Climate Change (SAPCCs) can further support financing and implementation pathways. Ongoing sectoral initiatives, such as the Green Hydrogen Mission and support for advanced cell chemistries for energy storage, also help to increase flows and build investor confidence in green investment opportunities.

Greater alignment of climate finance with national priorities can support financing across a broader range of green and climate-aligned activities. Mitigation finance has grown, but remains concentrated in a few sectors and technologies. The *Viksit Bharat* and Net Zero 2070 goals provide overarching direction for aligning green flows and activities with national goals. More guidance, roadmaps, and an evolving climate finance taxonomy can enable flows to climate-supportive technologies and activities. For example, the forthcoming climate finance taxonomy building on the Draft Climate Finance Taxonomy Framework released in 2025 (DEA 2025a) can provide greater clarity in identifying investable green and climate-aligned activities. Many existing sectoral roadmaps for energy and climate transition, such as NITI Aayog's cement and aluminium roadmaps and the Ministry of Steel's decarbonization roadmap, highlight financing opportunities, avenues, and gaps in these sectors, as well as technology pathways (NITI Aayog 2026b). These can provide investors with greater clarity and help align financing decisions with sectoral transition pathways.

Continued support from specialized financial institutions to help catalyze capital flows to green sectors. Institutions such as IREDA, PFC, REC, SIDBI, NABARD and IIFCL[48] provide important support for projects that may find it difficult to access commercial finance, particularly for emerging sectors and technologies such as green hydrogen, energy storage, decarbonization and climate resilience in MSMEs, climate-resilient agricultural activities, green and resilient infrastructure, among others. Providing more long-term, patient and catalytic capital and using derisking instruments can improve project bankability and attract private investment. Building on their sectoral expertise, these institutions can help develop financing approaches that are suited to the specific needs and risk profiles of emerging green sectors and technologies.

Further building on existing coordination mechanisms could support policy alignment, information sharing across the green finance ecosystem, and stronger linkages between climate and sectoral priorities and appropriate sources of finance. Such coordination involves a range of actors, including national and subnational governments, financial regulators, public finance institutions and private investors. India has existing forums and coordination mechanisms in place, such as the Financial Stability and Development Council and the RBI's Sustainable Finance Group. Building on these channels and the broader institutional architecture can facilitate knowledge exchange on opportunities and risks for well-informed decision-making.

MOBILIZING GREEN FINANCE THROUGH MARKET MECHANISMS AND BANKABLE PROJECT PIPELINES

Tracked mitigation finance is primarily private and concentrated in a few sectors and technologies, with scope for more diversification. Scaling up finance will require expanding investments across a wider range of sectors and technologies and creating viable opportunities to attract more private capital.

The Indian Carbon Market, currently under development, aims to attract investment in enabling technologies by attaching economic value to emissions reductions. The Carbon Credit Trading Scheme provides a compliance and offset framework for this market (BEE 2026). Approved methodologies include renewable energy, green hydrogen, industrial energy efficiency, and mangrove afforestation and reforestation (PIB 2025). As the market becomes operational, transparent market processes and robust monitoring, reporting, and verification can support investor confidence and participation.

A stronger investment-ready project pipeline, along with scaled blended finance and derisking instruments, can help crowd in private capital and direct available capital to green activities. A limited pipeline of viable projects, especially in emerging sectors and technologies with limited track records, hinders greater participation from private investors. More support for project preparation, feasibility assessment, structuring, aggregation, and risk assessment can better position projects to attract commercial finance. The Accelerating Sustainable State Energy Transition (ASSET) platform, launched by NITI Aayog in collaboration with the Ministry of Power and the MNRE, is a step in this direction (NITI Aayog 2024b).

48 Indian Renewable Energy Development Agency (IREDA), Power Finance Corporation (PFC), REC Limited (formerly Rural Electrification Corporation), Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD), India Infrastructure Finance Company Ltd (IIFCL)

SCALING AND DIVERSIFYING ADAPTATION FINANCE

Adaptation finance is growing but remains underpinned by domestic public finance. Scaling both the quantity and quality of finance (CPI 2025), diversifying sources, and aligning with subnational adaptation priorities can help enable effective, impactful adaptation action.

Private finance can complement public spending on adaptation-relevant activities where viable investment cases exist. India's approach to adaptation recognizes that many adaptation interventions are embedded within development expenditure (MoF 2026), and that public finance will remain critical for many adaptation interventions. However, clear cases of private sector engagement in adaptation are emerging, especially in agriculture. For instance, the partially tracked domestic private finance in agriculture reached INR 3.6 billion in 2023/24, including flows from PE/VCs toward resilient cropping systems and technology-supported agriculture, such as precision farming, soil and water management, and agri-data and advisory solutions, among others. Enabling greater private investment will require a holistic approach that identifies commercially viable projects, establishes appropriate risk-sharing mechanisms, develops a pipeline of investment-ready projects, and provides public support through incentives, guarantees, and blended finance instruments (Gautam et al. 2024).

Considering subnational context and state-specific priorities can help align adaptation finance flows with local needs. Climate vulnerabilities, sectoral priorities, and institutional structures vary across states, requiring tailored solutions and financing approaches. The SAPCC 2.0s draw on national priorities, while involving state-specific adaptation priorities, proposed finance needs and gaps, and implementation arrangements. SAPCCs can thus better align finance requirements with adaptation priorities, work alongside evolving national priorities, and situate them in subnational contexts (CPI 2026b). State-level initiatives such as Maharashtra's Climate Finance Access and Mobilization Strategy (Government of Maharashtra 2025), which aims to guide project preparation and access to finance, and Odisha's climate budgeting and tagging system illustrate complementary approaches.

STRENGTHENING DATA AND INFORMATION SYSTEMS FOR GREEN FINANCE FLOWS

As India's green finance ecosystem evolves, information is increasingly critical for informing action. While data availability has improved since the first Landscape of Green Finance Report in 2020, gaps and inconsistencies remain. Continued improvements in data availability, comparable reporting formats, and granularity can support more comprehensive tracking.

Better access to reliable data, along with greater interoperability, consistent reporting and standardized classification, can strengthen climate finance tracking. Recent initiatives are steps in this direction. The Reserve Bank of India (RBI) Climate Risk Information System aims to address gaps in the availability and standardization of climate-related data, improving interoperability across data systems. It includes a publicly accessible directory covering physical risk data and a secure portal with processed, standardized transition-risk datasets for regulated entities (RBI 2025). In addition, linkages to India's Draft Climate Finance Taxonomy (2025) can improve consistency by providing a common framework for identifying and classifying activities that contribute to climate objectives (DEA 2025a).

Greater consistency in climate-related reporting and disclosures can improve the usability of the information provided. Climate-related reporting and disclosure frameworks in India are

evolving. The Securities and Exchange Board of India (SEBI), RBI, the Insurance Regulatory and Development Authority of India, and the Pension Fund Regulatory and Development Authority are developing reporting and risk-assessment frameworks for entities under their purview. For example, SEBI has developed the Business Responsibility and Sustainability Reporting (BRSR) Framework for India's top 1,000 companies (SEBI 2021) and subsequently mandated third-party assurance or assessment of BRSR Core disclosures for the top 500 listed entities from FY2025-26 (SEBI 2023; SEBI 2025). Similarly, RBI has been working on a disclosure framework for climate-related financial risks for regulated financial entities (RBI 2024). As frameworks develop across regulators and sectors, differences in definitions and reporting methods can limit interoperability and comparability. Consensus on common definitions and metrics can help improve the consistency and usability of climate-related information. Over time, these disclosures can also be linked to a standardized framework (for example, the Climate Finance Taxonomy) for more detail on actual investments by sector and activity, aiding the process of tracking green finance.

3.1 POTENTIAL PATHWAYS FOR INCREASING MOMENTUM

The enabling areas identified above involve public, financial, and private sector actors, each playing different roles in supporting green finance flows. In light of those observations, the table below provides an indicative overview of the actors and their potential roles in each area.

Table 1: Key actors in the green finance ecosystem

Enabling area	Potential pathways	Actors involved
Building on an enabling policy and regulatory environment for mobilizing green finance flows	▪ Greater alignment of climate finance flows with national priorities through sectoral roadmaps, transition pathways, and an evolving climate finance taxonomy to support finance flows across a range of activities ▪ Financing climate-relevant projects with limited access to commercial funding ▪ Continued support from specialized financial institutions for green sectors and technologies through focused financing approaches tailored to different project needs and risk profiles ▪ Policy formulation and implementation and targeted missions/schemes aligned with India's development and climate goals ▪ Operationalizing a common understanding of green activities through a taxonomy framework	Central government ministries, including sectoral ministries (such as MoP, MNRE, MoF, MoEFCC and others), specialized DFIs (such as IREDA, NABARD, SIDBI, PFC, REC and others), national policy institutions (such as NITI Aayog)
Mobilizing flows through market mechanisms, coordinated action, and bankable pipelines	▪ Operationalizing and participating in India's carbon market ▪ Supporting platforms for gathering evidence on successful green projects and lessons for replication and scaling ▪ Facilitating feasibility assessment, risk assessment, project preparation, structuring and aggregation to create bankable investment-ready pipelines ▪ Enabling and designing derisking instruments and financial vehicles for crowding in commercial capital for green activities	Regulatory institutions (such as RBI, SEBI), central and state-level policy institutions and sectoral ministries/departments, private sector investors and blended finance providers

Enabling area	Potential pathways	Actors involved
Scaling and diversifying adaptation finance	▪ Utilization of SAPCCs to identify relevant adaptation priorities at the state level, along with the finance and investment needs and gaps, and implementation frameworks ▪ Aligning adaptation financing structures with varying subnational climate risks, priorities, and institutional and implementation contexts ▪ Building investment-ready project pipelines to increasingly integrate adaptation into public spending and investment processes, as well as enabling greater private sector participation	Central ministries (such as MoEFCC, MoF, relevant sectoral ministries), state departments and other national and subnational government institutions, financial institutions (such as NABARD), associated with India's adaptation priority areas, private sector investors, adaptation practitioners
Strengthening data and information systems for green finance flows	▪ Improving access and bringing greater standardization of climate-related data across sectors and sources of finance ▪ Ensuring consistency, comparability and interoperability of climate-related information through common definitions, metrics and classifications ▪ Strengthening coordination among regulators to better align climate-related reporting and disclosure frameworks	Regulatory institutions (such as RBI, SEBI), central and state-level policy institutions and sectoral ministries/ departments, private sector

Note: *the pathways shown are indicative areas of contribution identified by CPI and are not intended to assign responsibilities or mandates to named ministries, regulators or financial institutions.*

3.2 NEXT STEPS FOR RESEARCH

Future research can help strengthen methodology and expand the coverage of green and climate finance tracking, as India's landscape of green finance evolves. This could include:

- Deeper tracking of emerging areas in mitigation such as green hydrogen and hard-to-abate sectors, informed by evolving sectoral energy transition and decarbonization pathways, operationalization of India's Carbon Market and the upcoming Climate Finance Taxonomy.
- Strengthening of attribution and tracking of adaptation activities, which are often embedded in broader development initiatives. The forthcoming NAP could further provide a reference for identification of sectoral priorities, informing future tracking of adaptation finance.

Subsequent editions could examine how the tracking framework can reflect evolving national priorities while maintaining comparability of green finance flows over time to the extent possible, and accounting for changes arising from expanded sectoral and activity coverage.

ANNEXURES

1. SECTORAL COVERAGE

Table A1: Mitigation sectors covered in the Landscape of Green Finance in India 2026

Sector	Subsector
Clean Energy	• Solar (PV and Rooftop PV) • Onshore wind • Hydro energy • Solar thermal • Biofuel • Biogas energy • Biomass and waste • Renewable energy-multiple • Research and development • Renewable energy evacuation & grid integration (including former Green Energy Corridor) • Energy storage (battery energy storage and pumped storage plants)
Clean Transportation	• Mass rapid transit system (MRTS) • Purchase of electric vehicles (EV)[49] • EV Infrastructure (Including EV charging infrastructure) • Dedicated freight corridor • Public transportation • Research and development
Energy Efficiency	• Energy-efficient appliances • Energy-efficient equipment • Green buildings • Process efficiency • Research and development • Smart grids • Renovation of the existing building • Transmission and distribution

Note: *Red text denotes expanded data sources and flows to sectors and activities added in this edition*

49 This includes all segments of BEVs, 2-wheelers, e-rickshaws, non-e-rickshaw 3-wheelers, 4-wheelers and buses.

Table A2: Adaptation sectors covered in the Landscape of Green Finance in India 2026

Sector	Subsector
Disaster Risk Management	• Multi-hazard • Flood and cyclone • Drought
Agriculture (on-farm adaptation-related activities)	• Agroforestry • Crop insurance • Efficient irrigation • Research and capacity building • Resilient cropping system • Soil and water conservation
Health	• Disease surveillance and control • Health system infrastructure • Reproductive, maternal, newborn, child, adolescent health, nutrition • Other (including mental health and cross-cutting topics)

Note: *Red text denotes newly added sectors and subsectors in this edition*

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