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ANNEX I

to the Commission Implementing Decision on the financing of the annual action plan in favour of India for 2023

Action Document for Support to India's Green Transformation
(Clean Energy and Climate, Sustainable Finance and Biodiversity)

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, and an action plan within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title	Support to India's Green Transformation (Clean Energy and Climate, Sustainable Finance and Biodiversity)
OPSYS business reference Basic Act	OPSYS number: ACT-62215 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in India
4. Programming document	Regional Multiannual Indicative Programme (RMIP) for Asia and the Pacific 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Relevant specific objectives and expected results from the RMIP 2021-2027: Priority Area 2- Pursuing EU Interests with Key Partners <input type="checkbox"/> SO 1 – Support India's sustainable modernisation objectives in line with the EU-India Strategy, implementation of the EU-India Roadmap 2025 and the EU-India Connectivity Partnership. <input type="checkbox"/> SO 2 – Support the external dimension of the European Green Deal with India. <input type="checkbox"/> SO 3 – Promote good governance and reduce inequalities. <input type="checkbox"/> ER 1: Effective implementation of the EU-India Roadmap 2025 and progress on implementation of the EU-India connectivity and sectoral partnerships.

	<input type="checkbox"/> ER 2: Improved environmental, energy and climate policies, regulations and practices, supporting India's increased commitments and engagement under the Paris Agreement, the Convention on Biodiversity (CBD) and other multilateral environmental agreements. <input type="checkbox"/> ER 3: More inclusive and participatory decision-making processes of civil society, particularly of underprivileged groups, leading to poverty reduction and social inclusion.			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	Energy (321); Water (140); Environment (410); Urbanisation (430), Disaster Prevention and Preparedness (740); Multisector (430)			
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development Other significant SDGs: SDG 5 - Achieve gender equality and empower all women and girls SDG 7 - Ensure access to affordable, reliable, sustainable and modern energy for all SDG 10- Reduce Inequalities SDG 12 - Ensure sustainable consumption and production patterns SDG 13 - Take urgent action to combat climate change and its impacts SDG 15- Life on Land: sustainable use of terrestrial ecosystems, sustainably manage forests, halt and reverse land degradation and biodiversity loss. SDG 16- Promote just, peaceful and inclusive societies			
8 a) DAC code(s)	DAC Codes: 23110 - Energy Policy – 53.33% 41030 – Biodiversity – 30% 43010 - Multisector Aid – 16.67%			
8 b) Main Delivery Channel	40000 – Multilateral Organisations			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	<p>Budget line(s) (article, item): 14.020131-South East Asia</p> <p>Total estimated cost: EUR 15 000 000</p> <p>Total amount of EU budget contribution EUR 15 000 000</p> <p>The contribution is for an amount of EUR 15 000 000 from the general budget of the European Union for 2024, subject to the availability of appropriations for the respective financial year following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p>			
MANAGEMENT AND IMPLEMENTATION				

13. Type of financing	Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1
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1.2 Summary of the Action

The strategic partnership between the European Union (EU) and India is multifaceted, covering a broad spectrum of topics including trade, investment, clean energy transition, climate change, sustainable urbanisation, biodiversity, science and technology, digital, connectivity and agriculture. Most of these priorities, including in particular those related to the green transition, fall under the **Global Gateway strategy**¹, being implemented through a Team Europe approach. The resumption of the **EU-India negotiations for a Free Trade Agreement (FTA)**, investment protection and geographical indications agreements in 2022 has added momentum to EU-India trade and investment ties. Furthermore, the EU and India have strengthened their relationship as strategic partners by setting up a **new Trade and Technology Council (TTC)**. During the first ministerial meeting of the TTC in Brussels in May 2023, the TTC prioritised, among others, focus on green technologies and resilient value chains. India's latest trade figures for 2022-23 show that the **EU has become India's number one trading partner**. With a young population of 1.4 billion, increasing urbanisation and a growing middle class, its approach towards energy, consumption and the environment will be a major factor in tackling climate change globally. India is already today the world's third largest emitter of greenhouse gases (GHG) and its energy demand is growing. The Government of India (GoI) is committed to achieve climate neutrality by 2070 and cut emissions by 45% by 2030 (revised Nationally Determined Contributions (NDCs) - August 2022), by further expanding renewable energy and achieving 50% non-fossil fuel energy and further integrating it in the economy (c.f. the new national **Green Hydrogen** Mission of January 2023, and the launch of first **offshore wind** tenders). India is also putting a strong emphasis on developing **sustainable and green finance** (with its first sovereign green bond issued at the end of 2022) and also on reducing its fertilisers' import by expanding sustainable food production, in line with the new **Global Biodiversity Framework** (Montreal, December 2022).

This Action is relevant to the three specific objectives and expected results of the **Regional MIP 2021-2027**, namely Sustainable Modernisation (SO1), the European Green Deal (SO2) and Good Governance/inclusive and participatory decision-making processes (SO3/ER3). It will also contribute to achieving a number of SDGs, in particular SDG 17 (Partnerships), SDG 7 (Energy), SDG 10 (Inequalities), SDG 13 (Climate change) and SDG 15 (Life on Land) as well as SDG 12 (Sustainable consumption and production), SDG 5 (Gender equality) and SDG 16 (Just, peaceful and inclusive societies). Optimising synergies across sectors (and SDGs) will be systematically explored and promoted.

The **Overall Objective** of the proposed Action is to support India's achievement of its NDCs² under the Paris Agreement and facilitate its green, low carbon and resilient transition, including some of India's Mission LIFE³ principles. Focus is on strengthening the EU-India partnership in: i) clean energy and climate, through the Clean Energy and Climate Partnership, with a particular focus on renewable hydrogen and offshore wind energy; ii) sustainable and green finance; and iii) agro-ecology for more sustainable and resilient food systems, and their long-term economic viability.

The Action will be anchored in key Ministries, among others: Objective 1: Ministry of Power, including Bureau of Energy Efficiency and Ministry of New and Renewable Energy; and Ministry of Petroleum and Natural Gas; Objective 2: Ministry of Finance; Objective 3: Ministry of Agriculture, Ministry of Environment, Forests and Climate Change, Rural Development. All these are nodal agencies responsible for policy and regulatory work in the proposed sectors and such cooperation once established is expected to give a strategic push to the EU-India political and economic relations. Dedicated partnerships with **private sector, including think tanks** both in India and the EU will be key to reach lasting impact.

Past and on-going dialogue and cooperation under the EU-India Clean Energy and Climate Partnership⁴ have shown the **importance of consistent support to India** in addressing the present challenges the country is facing

¹ https://www.eeas.europa.eu/delegations/india/global-gateway-and-eu-india-connectivity-partnership_en?s=167

² <https://unfccc.int/sites/default/files/NDC/2022-08/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf>

³ <http://missionlife-moefcc.nic.in/>

⁴ https://energy.ec.europa.eu/topics/international-cooperation/key-partner-countries-and-regions/india_en#eu-india-clean-energy-and-climate-partnership

and of building close and trustworthy working relations with India's various energy related ministries. Moreover, the ongoing dialogue and projects confirm that more than a pure policy based cooperation, India is looking for hands-on solutions for a greener development including technology, know-how and green investments. **EU businesses** can help to provide these solutions in areas such as clean energy, energy efficiency, smart energy networks, low carbon production and other best practices and technologies. Given India's energy consumption and GHG emissions, the EU has a clear own interest to cooperate closely with the country to help decarbonise the economy. Also, with the EU's REPowerEU plan⁵, and India's declaration to be energy independent in 2047, it is important to **increase cooperation on energy security**, both blocks being large importers of fossil fuels.

Under India's G20 Presidency, there is greater emphasis on leveraging innovative financial instruments to scale up capital for achieving Sustainable Development for India meeting its 2070 net-zero targets. In India, the tracked **green finance** is only 25 per cent of required funding to fulfil its NDCs under the Paris agreement. The EU support in sustainable finance will foster close collaboration with the **EU's Sustainable Finance Advisory Hub** to be launched soon as a global technical assistance facility to engage and support partner countries.

India is highly vulnerable to the impacts of **climate change**, particularly India's mostly rain fed agriculture and food production, which disproportionately impacts women, and children. India's agriculture is strategic for global food security and heavily dependent on fertiliser imports. Consistent with the recently agreed Goals and Targets under the **Global Biodiversity Framework (GBF)**, the Indian Government therefore encourages farmers to (inter alia) restore tree-cover on farms, improve water efficiency, diversify and adopt chemical free agriculture -the so-called National Mission on Natural Farming.

This Action will be implemented in synergy with the Action 'WeEmpower India', aiming at strengthening economic and social rights for women in India, including in Global Gateway priority sectors such as clean energy, sustainable finance as well as in economic sectors and value chains in certain Indian states. The proposed Action provides a meaningful platform to engage with the Government of India in a **Team Europe** approach to deliver on the EU's **Global Gateway** priorities and further enhance the EU's strategic engagement with India.

The Action will contribute to the priorities of the EU's Gender Action Plan III (GAP III)⁶, in particular under thematic area "Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation, digitalisation, climate change and environment".

2 RATIONALE

2.1 Context

India is the world's **fourth largest economy** in purchasing power parity, and the fastest growing economy among G20⁷ members. Geopolitically, India is in competition with China, trying to diversify its supply chains and strategic relations through a multipolar world, strengthening ties with the West, while maintaining strategic links with developing and emerging economies (including but not limited to Russia). Russian oil has helped the Indian government tackle inflation, their greatest political worry given its impact on citizens and nearing elections, with challenges remaining in reducing poverty, inequalities and promoting social justice. India remains the world's **biggest democracy** and, through its **G20** chairmanship in 2023, is positioning itself as the **voice of the "Global South"** while advocating for a rules based multi-polar international order. India provides development assistance beyond its neighbours, including trilaterally (such as with Germany and France) in South Asia and in Africa. The creations of the International Solar Alliance and the Coalition for Disaster Resilient Infrastructure demonstrate its desire to be an international player on sustainability issues. As G20 Presidency, India also managed to position demand side measures and consumption patterns (coined "lifestyles for sustainable development", or LiFE, domestically) as a new cornerstone of Sustainable Development Goals (SDGs).

⁵ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repower-eu-affordable-secure-and-sustainable-energy-europe_en

⁶ https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf

⁷ 6.1% expected GDP growth for 2023 (IMF projections January 2023)

As India envisions to become a USD 7 trillion economy by 2030, it needs to meet its climate commitments, whilst also achieving its development goals. In this context, it needs to be recognised that achieving economic growth and meeting climate commitments is only possible if the economy is fundamentally moved to circularity so that energy consumption and environmental impacts are avoided or reduced in the first place. India requires an estimated USD 170 billion (circa EUR 160 billion) per year to fulfil its NDCs; however, only USD 44 billion (circa EUR 41.4 billion) went towards green sectors in 2019/2020⁸, indicating a clear gap in resources.

India is particularly vulnerable to the impacts of climate change given the vast population, long coastline, and significant agrarian economy. Impacts of climate change, such as increased frequency of climate-related natural hazards and reduced food and water security, have induced climate change losses to the tune of USD 37 billion⁹ (circa EUR 34.8 billion) in the country according to a Global Climate Risk Index 2020. As such events aggravate, socio-economic shocks will continue to pose more development and environment challenges with a disproportionate impact on women. India has however been consistently striving to pursue the SDGs and has committed to ambitious climate actions through its NDCs and a long-term 2070 net-zero goal. With a **young population of 1.4 billion**¹⁰, increasing urbanisation and a growing middle class, its approach towards energy, consumption and the environment will be a major factor in tackling climate change globally and achieving the SDGs. India is the **world's third largest emitter of greenhouse gases**. While its total carbon emissions have already surpassed the EU's, its per capita emissions are still far below EU or global average. But projected economic and demographic growth means that India will contribute more than any other country to the projected rise in global **energy demand**. India's **agriculture** is strategic for global food security. Still being mostly rainfed, it also remains extremely dependent on rain patterns, heavy use and imports of –energy and GHG intensive– synthetic fertilisers, and thus vulnerable to both climate-related natural hazards and supply chain disruptions.

Consistent with the recently agreed Goals and Targets under the Kunming-Montreal GBF, the Indian Government therefore motivates to regenerate 29% (96.4 million ha) of India's total land area that have been degraded, losing soil fertility, water and carbon carrying capacity. This combination of semi-arid, degraded land, rural transformation, and high food vulnerability, makes India a prime candidate for Ecosystem-based adaptation and Disaster Risk Reduction. Such nature-based solutions have demonstrated their potential to regenerate soils, fertiliser crops, to better buffer soil moisture and water resources and fight pests within more resilient and diversified production systems. By doing so, agroecology also contributes to both climate change adaptation and mitigation through improved agroforestry patterns and better soil management that allow carbon capture into soils and an increase in organic matter as well as through the reduction of the use of external, carbon-intensive inputs.

The leaders of the EU and India, at their meeting in May 2021 committed to accelerate the implementation of the new Circular Economy and Resource Efficiency Partnership to intensify bilateral exchanges on relevant regulatory approaches, market-based instruments and business models. The work of the EU-India Resource Efficiency and Circular Economy Partnership has focused on issues relevant for energy and climate objectives such as electric vehicles and photovoltaics or sectors with significant growth and increased carbon emission potential like buildings and construction which needs to be built upon.

At the 13th EU-India Summit (Brussels, March 2016), leaders agreed to establish an EU-India Clean Energy and Climate Partnership (CECP) and defined its content. As part of an overall EU Energy and Climate strategy towards key global partners, the CECP is intended to be a long term cooperation and coordination platform to facilitate the involvement of the EU and interested Member States, jointly with the relevant Indian authorities, in energy and climate-related activities in India. A second Joint Declaration at the 14th Summit (New Delhi, October 2017) further extended the scope of the CECP. The Ministry of External Affairs, Ministry of Power, Ministry of New and Renewable Energy and Ministry of Petroleum and Natural Gas from the Indian side and the European Commission from the EU side participated in the EU-India Energy Panel Meeting in December 2021 and jointly agreed on a detailed work programme until 2023 to implement the 2016 India-EU Clean Energy and Climate Partnership. The Energy Panel agreed inter alia to increase technical cooperation in the area of energy efficiency, including on nearly zero energy buildings, smart readiness indicators for buildings; renewable energy, including

⁸ *Landscape of Green Finance in India (CPI)*. 2022. <https://www.climatepolicyinitiative.org/publication/landscape-of-green-finance-in-india-2022/#:~:text=Concluding%20observations,Net%2DZero%20emissions%20by%202070>.

⁹ <https://www.germanwatch.org/en/17307>

¹⁰ *India population is surpassing China this year; 50% of it below the age of 25.*

floating solar, thermal solar and offshore wind; cooperation with the International Solar Alliance; renewable hydrogen; grid integration, including smart grids, storage, power market design, interconnection, cold chain, and sustainable financing. A new edition of the Energy Panel is due in autumn 2023 to define priorities until 2025. Current priorities to be continued and reinforced are offshore wind energy and renewable hydrogen, while new thematic areas such as the diversification of energy and green tech value chains, methane emission reduction and just transition of coal regions will be developed. The Partnership is supported by an ongoing project (CECP II) to be implemented until September 2024 beyond which a new commitment is needed to support the large number of thematic priorities mentioned above, with a particular focus on renewable energy (through supporting in particular offshore wind and renewable hydrogen policies and development).

The EU has been supporting offshore wind in India since 2015 by developing a conducive policy and regulatory environment, producing detailed studies to support India's first auctions for investments as well as building knowledge in the Indian wind industry and supporting EU-Indian private sector exchanges for industrial partnerships. The EU has a strong economic and climate interest to see offshore wind develop globally. India has great potential for offshore wind energy and could benefit from this efficient and cost competitive electricity source environmentally and new jobs and economic activities in coastal areas. In July 2022, the Indian Ministry of New and Renewable Energy published the "Strategy Paper for Establishment of Offshore Wind Energy Projects". The Strategy Paper aims at fast-tracking the process of establishing offshore wind in India to the furthest extent possible. A first offshore wind tender is expected to be launched in 2023. The Indian Government approved the National Green Hydrogen Mission in January 2023, with the objective to make India a global hub for production, use and export of renewable hydrogen. It aims to develop by 2030 a robust and sustainable national renewable hydrogen market, with a production capacity of 5 Million Metric Tonne (MMT) per year, produced with 125 GW of renewable energy capacity. This would require an investment of EUR 91 billion and support creation of over 600,000 jobs. It will also identify regions, which are capable of supporting large scale production and/or use of hydrogen as "Green Hydrogen Hubs". It aims at promoting domestic manufacturing of electrolyzers and developing a robust regulatory framework, aligning with high environmental standards. While export of renewable hydrogen is one of the key objectives of the Mission, India also considers renewable hydrogen as critical for its own energy transition, for becoming energy independent by 2047 and to achieve its target to become Net Zero by 2070. The production and responsible use of green ammonia-based fertilisers (in addition to organic fertilisers and a more integrated approach of soil health / fertility management under proposed component 3) could also be considered in scope.

India provides substantial opportunities for the EU to share policies, technologies and best practices to support India in achieving its commitments under the **Paris Agreement, the UN Agenda 2030** and to implement agreed cooperation in the **EU-India Roadmap 2025**¹¹. The Roadmap also emphasises the importance of human rights, including women's rights and empowerment, as shared values between the EU and India.

India has signed various legislation on women's rights in regard to injustice and discrimination, e.g. Equal Remuneration Act-1976; Maternity Benefit Act-1961; Sexual Harassment of Women at Work Place (Prevention, Protection and) Act-2013 among others. Additionally, India has ratified some of the UN Human Rights treaties, including the Convention on the Elimination of All forms of discrimination against Women - CEDAW in 1993. Moreover, India ratified the United Nations Convention on the Rights of Persons with Disabilities (UNCPRD) addressing the rights and well-being of persons with disabilities October 2007, indicating its commitment to implementing and upholding the rights outlined in the treaty.

2.2 Problem Analysis

Achieving the SDGs, as well as implementing the NDCs, the Global Biodiversity Framework strategies and action plans require widespread political impetus, strong financial as well as commercial alignment to sustainable development priorities.

In the area of the clean energy transition and the implementation of the Paris Agreement, the EU and India are closely cooperating under the EU-India Clean Energy and Climate Partnership, sharing expertise on the policy and regulatory framework, technologies, and research and innovation, as well as connecting European and Indian

¹¹https://www.eeas.europa.eu/eeas/eu-india-strategic-partnership-roadmap-2025_en

policy makers, businesses, researchers, think tanks, financial institutions and Civil Society Organisations (CSOs). While continuing and further deepening this policy dialogue, with a particular focus on energy efficiency, renewable energy, integration of renewable energy through smart grids, electricity market regulations and biofuels, climate mitigation and adaptation, it is also increasingly important to support concrete projects in early-stage markets by focussing on the identification and facilitation of bankable and investment ready projects. Given Europe's leading role in the clean energy sector and given the fact that both the EU and India have put in place ambitious strategies to develop in particular offshore wind and sustainable renewable hydrogen supply chain, both sectors should be viable candidates for concrete EU-India flagship projects. The **CECP I (ended 2022) and CECP II (ongoing until September 2024)**, have been instrumental in establishing and maintaining close cooperation with India in the clean energy domain, implementing the activities agreed in a detailed work programme under the 2021 Energy Panel. They have facilitated the **sharing** of EU policies, guidelines, frameworks and best practices in solar, off shore wind, energy efficiency, smart grids, and financing of climate action. The Financing Investment in Clean Energy Platform (FICEP) created under CECP, provides a good overview of all EU and potentially also EU Member States' projects in the clean energy and climate domain in India. Events have showcased EU technologies and enabled **collaborative opportunities** between EU and Indian business to support green transformation. Resources will be required to **sustain the momentum** of CECP II, ending in September 2024, including policy dialogues and outputs through investment projects in sectors like offshore wind and renewable hydrogen, both sectors in which potential future **Global Gateway flagships** could materialise.

Moreover, despite increasing global momentum, the funding gap for SDGs has increased during the last few years to almost EUR 3.78 trillion (USD 4 trillion) every year in developing countries alone. In India, the tracked green finance is only 25 per cent of required funding to fulfil its NDCs under Paris agreement. Given India's 2070 net-zero targets, green climate financing will be a key block for enabling the transition. In Union budget 2023-24, the government announced INR 547 billion (EUR 6.22 billion) for the National Green Hydrogen Mission and energy transition, which can be complemented further through private finance. With India holding the Presidency of the G20 this year, there is greater emphasis on leveraging innovative financial instruments to scale capital for sustainable activities to achieve the Sustainable Development Goals and Net Zero priorities. As per estimates, the total blended finance market in India stood at EUR 1.22 billion (\$1.30 billion) in 2022 and is projected to scale to EUR 2.48 billion (\$2.64 billion) by 2027¹². The blended finance market is growing at a fast pace; however India's average ticket sizes are far lower than the global average. Despite the several advantages of these instruments, the scale up has been muted due to the high cost of structuring, market fragmentation and lack of ease in merging different types of commercial and philanthropic capital.

According to the IPCC Assessment Report 6¹³, launched in March 2023, current global financial flows for climate mitigation and adaptation, including from public and private finance sources, are insufficient and constrain implementation of climate actions in developing countries. There is a clear need to push for sustainable finance instruments for **improved availability of and access to finance** to enable accelerated climate action. There is EUR 436 trillion (\$463 trillion) of global wealth¹⁴ and attracting even 1 per cent would help address the financial gaps for SDGs. To this end, blended finance mechanisms have demonstrated their ability to efficiently attract commercial capital for sustainable development by using scarce public or philanthropic capital. Therefore, **innovative and blended finance instruments have a key role to unlock private capital for sustainable activities**. According to OECD and IPBES¹⁵, global biodiversity expenditure (public and private, domestic and international) totals about EUR 75.4 billion/y (USD 80 billion/y) whereas governments spend approximately USD 500 billion (6X more) supporting developments potentially harmful to biodiversity: use and production of fossil fuels, farm- support based on prices and output levels encouraging unsustainable intensification through crop-specialisation, fertiliser and pesticide use, mining and fragmentation of ecosystems.

More support is needed for innovative financial instruments in order to facilitate the flow of capital towards **sustainable finance**. Grant funding for technical assistance has proven to have the highest leverage ratio in the last 13 years at 23.6X. While a great deal of focus is given to financial instruments once they are launched, designing an investible instrument requires considerable work in its early days around ideation, building an

¹² The India Blended Finance Report, 2023 <https://ashaventures.in/wp-content/uploads/2023/05/The-India-Blended-Finance-Narrative-Report-1.pdf>

¹³ The IPCC Sixth Assessment Report (AR6) https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf

¹⁴ Global Wealth Report 2022

¹⁵ <https://www.oecd.org/environment/resources/biodiversity/report-a-comprehensive-overview-of-global-biodiversity-finance.pdf>

investment case, impact and baseline studies, design and financial structuring, legal compliances, due diligence, and fundraising. Thus, there is a need for a facility that can provide comprehensive technical assistance and capacity-building support to facilitate aggregation of projects to present an investible pipeline for investments. This would also ensure that instruments are aligned with national objectives and capital is directed towards furthering the 2030 Agenda.

Though agriculture remains the largest source of livelihoods in India and the most significant source of income for central and state governments, the Indian agri-food system periodically leads to unprecedented and unacceptable levels of food insecurity and malnutrition, falling short of the minimum standards for healthy and sustainable diets, leading to rising levels of obesity and diet-related non-communicable diseases (cardiovascular diseases, cancer and diabetes). They can also contribute to land use change, deforestation, soil depletion, unprecedented loss of biodiversity and high levels of air, water and soil pollution. These tensions are likely to increase as food systems will continue to face multi-dimensional, complex and mounting challenges including continued population growth, urbanisation, political conflicts, changes in climate and rain patterns, and increased pressure on natural resources (land, water, biodiversity) and ecosystem functions. Hence the need for an urgent and profound transformation in the way food is produced and consumed.

Making the whole agri-food system more sustainable at scale is important to achieve biodiversity restoration, green growth, and resilience. Through mapping, planning and coordination, the Action will directly contribute to supporting nature-friendly, water-savvy production, foster diversification and to the implementation of the GBF, **supporting the EU's Biodiversity and Farm to Fork Strategies**¹⁶. It will build on the good cooperation ongoing in the context of the EU-India Water Partnership with the Ministry of Jal Shakti. This framework allows for fruitful exchanges of best practices between EU and India, including with a range of EU Member States on Water management policies (River Basin Management, Irrigation and efficient water use, Environmental Flows assessment and Safe reuse of treated water, etc), including through joint research initiatives and business cooperation.

With reference to sustainable agri-food systems there is ample scope for improving agro-ecology and downstream value chains (to India and to the EU) and contribute to the conservation of species and landscapes in India. New innovative agroecological production approaches need to be further adapted to local ecosystems and expanded at large scale to help revitalise the soils and increase the plants' resistance to diseases, cyclones and droughts, thereby enhancing the incomes of the farmers. Permanent tree cover including in arid States like Rajasthan are a national priority (India's Green Wall). Given that female farmers perform a large share of agricultural work, women are a mainstay of the project. In addition, they will help to promote the approach and spread it more widely in other regions of India.

The project would build upon lessons learned and networks established from successful EU and EU Member State projects in Assam, Uttar Pradesh, Andhra Pradesh and Uttarakhand. The focus will be on extending these to the largest Indian state, most likely to be Rajasthan (>10% of national territory, 56 million –i.e. 77% of State's population- dependent on agriculture, divided into 33 administrative districts and 10 agro-climatic zones) and primarily rain-fed (receiving less than 1.2 % share of national water resources, agriculture, including animal husbandry, contributes about 25% to the State's GDP), hence most exposed to climate disturbances, also due to low tree cover (<8%). Rajasthan has always been a water deficit state, with erratic rainfall ranging from 100 mm in Jaisalmer to 800 mm in Jhalawar, with frequent drought and famine conditions in the past fifty years. But with climate change, steady increase in population and water demand for various purposes, the state is now firmly heading towards absolute water scarcity. The government of Rajasthan, looking to the urgency of improving productivity and resilience of crops and to ensure better farm income by a coordinated approach focusing on best utilisation of the available water, crop diversification, value addition in agriculture sector along with emphasis on livestock development has agreed to seek credit/loan from MDB¹⁷ and bilateral and private financial institutions. This also comes with efforts to empower farmers and Farmer Producer Organisations (FPO)¹⁸ to take a more central and active role in accessing a wider range of (local, national and global) markets, community-level

¹⁶ https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy_en

¹⁷ <https://documents1.worldbank.org/curated/en/539731636402340823/pdf/India-Rajasthan-Agricultural-Competitiveness-Project.pdf>

¹⁸ <http://sfacindia.com/FPOS.aspx>

marketing capacities and skills, with a view to develop and sustain more profitable, less volatile value chains for their diversified production.

The proposed Action will involve a **broad range of stakeholders, both public and private**, from the EU and from India. These will include EU Member States, EU institutions and agencies, European Financial Institutions (EFIs), Multilateral Banks, as well as key Indian Ministries, Indian agencies and state owned enterprises (BEE, SECI, others), local governments, gender focal points, think tanks, and relevant CSOs, women's and youth organisations, women's trade unions, organisations representing people with disabilities, media, the private sector and influencers. The stakeholders will play a key role in contributing to the implementation of the Action including identifying synergies with existing and planned actions, donor coordination and deployment of required officials to participate in planned actions and steering committee meetings. Key identified stakeholders for each of the targeted outcomes are:

Clean Energy and Climate:

EU Member States, the European Commission, EU and EU Member States' energy stakeholders (European Network of Transmission System Operators for Electricity (ENTSO-E), Council of European Energy Regulators (CEER), regulators, Transmission System Operators (TSO), etc.), European Financial Institutions (European Investment Bank, Agence française de développement (AFD), Kreditanstalt für Wiederaufbau (KfW), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), the Asian Development Bank, the World Bank, the Green Climate Fund, the international energy institutions (International Energy Agency (IEA), International Renewable Energy Agency (IRENA), etc.), the UN, the EU and Indian private sector, energy business associations and academia (FSR) are relevant actors in different areas within the energy sector. Key public stakeholders are the Ministry of New and Renewable Energy (MNRE), Ministry of Power (MoP), Bureau of Energy Efficiency (BEE), Ministry of Petroleum and Natural Gas (MoPNG), Ministry of Environment, Forest and Climate Change (MoEFCC). Other relevant actors are the Ministry of External Affairs, Ministry of Coal, Ministry of Finance and other national and state level government and agencies, NITI Aayog, Think Tanks such as CEEW, The Energy and Resources Institute (TERI), and civil society organisations (CSOs) women human's right organisations and people with disabilities, CSOs that protect differences among castes (ex. Dalits.), women trade unions.

Sustainable Finance:

Ministry of Finance, Government of India; the European Commission, EU Member States, financial institutions (EIB, AFD, KfW, FMO, COFIDES), UN agencies like UNDP; International Finance Corporation (IFC – World Bank group); number of Indian states and cities which are keen and ready to leverage sustainable finance instruments to achieve their climate commitments. Other Indian stakeholders will be think tanks (like Shakti Foundation), banking institutions (Indian Banking Association), and other interested institutions which are willing to collaborate with the EU to strengthen the sustainable finance ecosystem in India.

Agro Ecology for resilient and competitive food-systems:

The state level departments under the Ministries of Agriculture, of Rural Development, and of Environment, Forests and Climate Change would be the main counterparts to steer programme implementation. Additional line ministries will be consulted (Finance, Water, etc.). Local Green Enterprises and governmental self-help groups (including women groups) in 100-300 villages would be the main stakeholders of the Action (component 2 and 3) to be empowered as agents of change, and fiduciary trustees towards *climate-smart, pro-biodiversity agro-development*¹⁹. Private sector involvement –and links to SMEs investments with other resources- for food and products' processing and market access will be key. This Action will mostly act as a catalyst linking different stakeholders and has a good chance to be scaled-up and replicated as it is a Government priority. Other key stakeholders include human rights organisations for women and indigenous people.

¹⁹ Meaning here “any suitable, locally endorsed ongoing reforms, M&E frameworks and means of implementation towards any systemic combination of nature-based solutions, natural farming and agroecology or agroforestry”.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective (Impact)** – is: to support India’s achievement of its NDCs²⁰ under the Paris Agreement and its green, low carbon and resilient transition facilitated, including some of India’s Mission LIFE²¹ principles.

The **Specific Objectives (Outcome)** are:

1. Deepened cooperation under the EU-India **Clean Energy and Climate Partnership**, supporting policy dialogues and its effective uptake by public and private sector stakeholders in areas of mutual interests, in particular in the areas of **offshore wind energy and renewable hydrogen**.
2. Supporting public and private sector capacities to scale-up **sustainable financing** and the greening of the financial sector in India at the national, state, municipal level are increased based on the EU expertise and best practices.
3. To support state-level agroecological transition of **agri-food systems** (probably in Rajasthan) to reaching UNFCCC/UNCCD and sustainable food systems goals and working towards the implementation of the GBF priorities.

The **Expected Outputs** to be delivered by this Action contributing to the corresponding **Specific Objective 1** are :

- 1.1 Reinforced policy dialogue in the areas of renewable energy, energy efficiency and climate mitigation and adaptation, including climate resilience in renewable energy sector, sharing information on the EU regulatory and policy framework, standards, certifications, while promoting a Team Europe approach, both at national and state level with gender and human rights sensitive approach.
- 1.2 Facilitated regulatory and technical knowledge exchange, promoting cooperation, including contributing to a global supply chains, in the areas of renewable energy and hydrogen, solar, storage, advanced biofuels, energy efficiency, smart grids, electricity markets and other priorities as agreed under regular review meetings between India, EU and Member States.
- 1.3 Facilitated access of EU companies’ to the Indian energy sector market by addressing business and investment barriers; promoting investment commitments in the clean energy sector in India (including a gender based approach), focusing on offshore wind and renewable hydrogen.
- 1.4 Support to the local uptake of renewable hydrogen in the Indian economy (eg: green fertilisers, green iron, hydrogen valleys, green shipping fuel, etc.) through EU-India projects with the active involvement of EU Member State and European Financing Institutions (e.g. EIB, KfW, AFD, etc).
- 1.5 Support to India’s offshore wind market development through technical assistance and sharing EU best practices and standards including on environmental, social and governance aspects with active involvement of EU Member States and European Financing Institutions (e.g. EIB, KfW, AFD, etc).

The **Expected Outputs** to be delivered by this Action contributing to the corresponding **Specific Objective 2** are:

- 2.1 Strengthened capacities at national, state and municipal level to leverage sustainable finance instruments increasing public and private finance to accelerate progress towards SDGs including gender and human rights approach.
- 2.2 Developed responsible financial practices and innovative financial instruments to leverage climate financing for social sectors (agriculture, health, education, waste management, and other climate smart interventions) including the participation of women.
- 2.3 Established Sustainable Finance Facility, establishing five to eight demonstratable models of sustainable finance.
- 2.4 Catalysed incremental public and private finance for SDG financing.
- 2.5 Increased women participation and enhanced leadership roles in climate finance ecosystem.

The **Expected Outputs** to be delivered by this Action contributing to the corresponding **Specific Objective 3** are :

- 3.1 Strengthened enabling environment (policies, incentives, technologies and services) for climate and water resilient and sustainable production through agro-ecology and agro forestry, probably in Rajasthan,

²⁰ <https://unfccc.int/sites/default/files/NDC/2022-08/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf>

²¹ <http://missionlife-moefcc.nic.in/>

notably the management of soil fertility, efficient water use and the affordable provision and distribution of farm inputs (fertilisers, Integrated Pest Management (IPM), and reproductive material. – seeds and seedlings).

- 3.2 Environmentally better use and valuation of agro-waste (including reduction of stubble burning as a major driver of peak air pollution).
- 3.3 Support to digitalisation as a means to participative governance, share agro data, market data and contribute to traceability, sustainability and diversity in more profitable and inclusive value chains.
- 3.4 Increased competitiveness and relative profitability of green products and commodities through shorter value chains, access to new market segments (typically fair trade), inclusive, affordable, green innovations, standards and/or eco-labels.
- 3.5 Facilitated increased village level finance, through existing networks (e.g. women self-help groups, FPOs, women's human rights and groups living in vulnerable situations organisations), scaling up best practices (results based finance) of other development partners (KfW, AFD) and possibly through enhanced investments and crowding in more funding from other partners (International Fund for Agricultural Development (IFAD), EIB, etc.) in this sector.

3.2 Indicative Activities

In order to achieve the above-mentioned objectives and outputs, the Action will target sector-specific and cross-sectoral activities. These will be structured, and implemented, throughout an iterative and interconnected continuum of policy dialogue, pipeline identification and negotiation, investment decision-making, project implementation, monitoring and review as well as strategic communication and public diplomacy.

The following **core set of policy dialogue activities**, (non-exhaustive list):

- Helping to organise and facilitate structured evidence-based policy dialogue on energy, climate, environment and sustainable finance with gender and human rights sensitive approach;
- Supporting or providing technical assistance, training and capacity development among nodal ministries including the participation of women in all their diversity and people with disabilities;
- Conducting workshops, seminars, webinars, panel discussions and/or conferences;
- Conducting studies and surveys with gender and human rights-based approach;
- Organising exchange visits, and/or expertise/ peer-to-peer exchanges and/or business forum and Business to Government and Business to Business (B2G/B2B) meetings;
- Providing technical assistance for the revision of (national or state level) legal and strategic frameworks with gender and human rights sensitive approach;
- Producing and disseminating results and lessons learnt with gender approach through communication.

A second set of activities, focusing on **cross-sectoral issues and linkages** (non-exhaustive list):

- Developing gender and human rights need assessment including needs of people living in vulnerable situations due to class or disability in the sectors addressed by the various components;
- Developing linkages across the most relevant issues, themes, sectors or sub-sectors addressed by the various components of the Action; including with gender and social equity lenses (e.g. role, and potential for inclusion, of the informal sector and most vulnerable communities) including different castes, paying particular attention to the role of young men as agents of change;
- Ensuring coherence and linkages between actions on the ground and policy dialogue within each sector and, when relevant, across sectors (use of bioenergy, solar energy for irrigation, green infrastructures for climate mitigation and adaptation, etc.);
- Supporting the translation and benchmarking of climate and biodiversity targets at sector or state level;
- Supporting the definition of low carbon pathways at sector level and relevant activities to be undertaken;
- Supporting the preparation of bankable business models (e.g. offshore wind, renewable hydrogen applications, climate-smart agriculture in specific landscapes, etc.);
- Assessing the added value of green alternatives in infrastructure investments;
- Identifying incentives for the private sector (including SMEs) to green their processes;
- Identifying the potential of creating green jobs (e.g., in clean energy, ecological agriculture, sustainable finance, certification, consulting, related skills development).

Sector- Specific activities:

Clean Energy and Climate: activities will focus on the implementation of the EU-India Working Programme, implementing the EU-India CECF, as agreed in the Energy Panel of December 2021 and likely to be updated in the next Energy Panel in autumn 2023, complemented with ad hoc activities contributing to the implementation of the CECF and, where relevant, activities agreed in the High Level Dialogue on Climate Change.

In addition to the above core and cross-sectoral activities, specific activities may include:-

1.1 Capacity building of Indian stakeholders through studies, training, speakers' events, webinars, workshops and expert exchange visits presenting EU best practices with gender and human rights-based approach in fields such as renewable energy (including offshore wind, renewable hydrogen, and solar), energy efficiency, advanced biofuels and energy storage, (smart) grid integration and financing, climate mitigation and adaptation, as well as diversification of the global supply chain for the energy sector.

1.2 Technical assistance to nodal ministries, regulatory and technical exchange through studies, events, workshops, expert exchange programmes, etc in the areas of offshore wind, renewable hydrogen, solar, storage, advanced biofuels, energy efficiency, smart grids, carbon markets and other priorities agreed under regular review meetings between India and EU Member States.

1.3 Mapping investment opportunities catalysing public and private investments in clean energy through supporting business-to-business meetings, participating in sector specific events in India and Europe facilitating exchange of first hand information between EU and Indian experts including the participation of women.

1.4 Organise annual high-level events in coordination with nodal ministries including EU-India Green Hydrogen Forum, Offshore Wind Forum etc.

1.5 Provide technical assistance to National Institute of Wind Energy (NIWE) through the Centre of Excellence for Offshore Wind and Renewable Energy in close coordination with Denmark; Identify technical institutes in Europe in the offshore wind sector to collaborate with NIWE to foster institutional partnerships between the EU and India and to promote skills development.

Sustainable Finance activities will include providing technical assistance for designing relevant policies and innovative financial instruments through public/private banks promoting blended and innovative financing structures (green bonds, municipal bonds, sector specific bonds etc) in India. Sustainable finance instruments will be supported across multiple sectors to address both environmental and development challenges. Potential sectors include: sustainable agriculture, resilient infrastructure, agroforestry, natural resource management etc promoting livelihood opportunities, especially for youth and women e.g. photovoltaics in the agri sector, decentralised renewable energy applications for livelihoods (for instance solar cold storage); financial instruments for urban local bodies/ panchayats to foster sustainable lifestyles.

2.1 Capacity building for Indian stakeholders (bankers, regulators, think tanks, public/private banks, women's and people with disabilities organisations, general public) through sustainable finance collaborative events, studies, trainings, seminars, webinars, workshops and peer exchange (e.g. climate-related risk management, disclosures, regulation, biodiversity, sub-sovereign and municipal climate finance, others).

2.2 Develop knowledge products including environment, social and governance tool-kits, defining disclosure commitments, market studies to be used by financial institutions to comply with the climate finance requirements; policy briefs, case studies, etc. Knowledge products would be developed focussed on learning from global best practices, international structures and adapting/contextualising it for the Indian market.

2.3 Technical assistance/support to dedicated banks at State/city level to develop models, prototypes for innovative and feasible sustainable finance instruments sector specific bonds, green bonds, etc.

2.4 Assisting EU financial institutions to enhance their portfolio in sustainable finance in India through technical assistance to strengthen banking procedures in India to be climate-oriented.

2.5 Organising women focussed workshops, including women trade unions, seminars, exchange visits, networking events, supporting the Greening of Finance by Women (GroW), a professional network launched by AFD.

Agro-ecology for resilient and competitive food systems: activities will include an assessment of the quality, availability, distribution and suitability of seeds, seedlings and other farm inputs (shops and nurseries) underpinning more resilient, sustainable, regenerative farm practices in the targetted geographic zone (indicatively Rajasthan); a scoping of most profitable, biodiversity-friendly and climate-smart production alternatives with gender and human

rights sensitive approach that farmers could realistically test and eventually bring to domestic, national and export markets in a five year horizon.

3.1 Capacity building of target stakeholders in agro-ecology and agro-forestry through (notably farmer to farmer) trainings, workshops, studies, assessments, peer exchanges, lessons learnt from past actions.

3.2 Assessments related agro waste value chains, identification of possible technologies in Europe suitable for India; business to business exchanges, etc.

3.3 Identification of existing or development of new digital platforms including databases, applications, networks, platforms.

3.4 Developing knowledge products, technical sessions, information sharing among EU and Indian stakeholders on certifications, standards, eco-labels to promote competitiveness of green products and commodities.

3.5 Facilitating access to finance through awareness raising, establishing bankable pipelines for European Financial Institutions (EUFIs) to support agro-ecology and agro-forestry in India.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that key environmental and climate-related aspects need be addressed during design specially for offshore wind and renewable hydrogen related actions where India's energy and water resources will need to be analysed to study the tradeoffs between different development options.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the Action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design. Considering the proposed actions relate to mainly technical assistance and supporting the ecosystem for bankable projects, EIAs will be carried out as and when relevant and/or required by Government of India for actions implemented by the EU.

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this Action is no or low risk (no need for further assessment).

The Action is institutional by nature and is therefore not vulnerable to environmental degradation or climate-related risks. However climate resilience will be ensured and where relevant CRAs will be undertaken. It will ensure India's clean energy transition, promote sustainable agri-food practices through sustainable value chains and catalyse public and private investments through climate finance.

GHG emissions could be expected from international/local experts' travels to/from workshops/events/seminars. The implementing partners, who will be recruited for the implementation of the Action, will be requested to ensure offsetting of the carbon emissions resulting from experts' travel operations.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1.

This implies that gender equality and women empowerment is an important and deliberate objective, but not the principal reason for undertaking the Action. On one hand, the Action will promote the participation of women from relevant ministries, private sector organisations and networks, as well as think tanks, research and innovation institutes and other types of CSOs in workshops and events to ensure equal opportunity is provided to women stakeholders to learn and contribute to the various policy discussions. On the other hand, the project will specifically work towards increasing the role of women in climate finance ecosystem, enhancing access, usage and knowledge of climate finance instruments. A gender expert will be nominated as part of the sustainable finance action, to ensure that gender is adequately mainstreamed across the activities undertaken under the Output 2. Moreover, this Action will be implemented in full synergy with the other action 'WeEmpower India' aiming at

strengthening economic and social rights of women in particular in the priority sectors of this Action: Renewable Energy, Sustainable Finance and economic sectors and value chains in certain Indian States.

Human Rights

A human rights-based approach will be applied during the implementation of the Action, including key principles (participation, non-discrimination, accountability, and transparency) with particular attention to promoting the rights of women, girls, and vulnerable groups, people from different castes, and people with disabilities.

The Action will incorporate the principle of leaving no one behind. By doing so, the proposed Action will aim at strengthening the respect, protection, and fulfilment of women's human rights.

Disability

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D0.

This implies that even though significant actions are not foreseen to address this marker, all activities will be designed to ensure they are inclusive and accessible. This implies also that the Action will address the inclusion of socially marginalised groups with particular attention to persons with disabilities, in the green transformation process.

Reduction of inequalities

Inequality in India is significant, as demonstrated, for instance, in the 135 ranking position (out of 146) in the Global Gender Gap Index 2022. India is home to a third of the world's absolute poor, occupying 131st position in the Human Development Index. Through influencing sustainable farm practices and addressing climate vulnerabilities, the Action is expected to help tackling inequalities and build the resilience of sectors (e.g. energy) and vulnerable communities/populations.

Democracy

The situation of civil society, human rights and gender equality remains sensitive in India. Democratic participation and debate at national, sub-national and city level will in particular be a part of the partnerships engaging with urban local bodies and/or rural administrations; including the clean energy, climate and agrifood systems interventions. The Action will also potentially provide significant means and venues for implementing the EU Gender Action Plan (GAP III) and promoting women's economic empowerment in key areas of the Green Deal and EU's Global Gateway strategy.

Conflict sensitivity, peace and resilience

N.A

Disaster Risk Reduction

The activities under the proposed Action will adequately ensure considering disaster risks in particular from climate change-related hazards of higher frequency/intensity, mainly for the agro-ecology component and other components where relevant (e.g. when investments are planned such as in offshore wind, renewable hydrogen, etc.).

Other considerations if relevant

Promoting sustainable lifestyles, responsible behaviour and consumption patterns, better awareness and understanding of climate impacts or biodiversity loss in our daily life will be an integral part under all proposed interventions. This will be strategic to enhance EU's relevance to India in supporting its Mission LiFE.

Skills development of youth and women in green entrepreneurship, emerging technologies and business models such as offshore wind, renewable hydrogen, organic farming, etc. are envisaged.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1. External Environment	i) Political conflicts / dynamics at subnational level hinder project implementation.	Medium	Medium	i) Systematic engagement at national and sub-national level will be ensured through Steering Committee meetings, EU-India annual policy dialogues and Strategic Review missions.
	ii) Green transition: challenges within the government with regards to planning, building strategies, budgeting, monitoring, data collection/analysis, intra and inter government coordination, including enforcement and frequent changes in administration.	Medium	Low	ii) Adequate mitigations interventions will be planned to enhance national and state level monitoring and review frameworks. Team Europe approach and strong development partners' coordination combined with effective policy dialogue at national and state level, should help reduce such risk.
	iii) The regulatory and market framework in India may still be at a nascent stage during implementation, specifically for India's green transition.	Medium	Low	iii) EU support is aimed towards sharing EU regulations, standards and best practices. This is envisaged under the EU-India Clean Energy and Climate Partnership, Support to Joint Working Group on Environment focusing on circular economy - all of which will help India to learn from EU regulations and initiatives (sustainable supply chains, sustainable product policy, deforestation policy, Green Hydrogen Bank among others). In a Team Europe approach , EU Member States and EU Financial Institutions are actively engaged with India (Germany, France, Denmark, NL, Sweden, EIB, AFD, KfW others), thereby providing opportunity to enhance Team Europe approach by providing support for strengthening regulatory and standards to facilitate EU companies to collaborate and invest in India.
	iv) Supporting bankable pilot projects related to renewable	Medium	Low	iv) The EU will contribute to improving the investor confidence through technical assistance and dedicated activities under the

	hydrogen and off-shore wind may be challenging and face delays due to lack of investor confidence and/or weak policy framework/ high capital costs.			EU-India Clean Energy and Climate Partnership by assisting India in identifying suitable financial models for the First Offshore wind Plant(s) and Green Hydrogen valleys in India. Close collaboration and coordination with international partners (World Bank group, ADB, etc.) and national institutions will also be important.
	v) Market access barriers created for example by the existing public procurement regulation might discourage EU business from seeking a more active involvement in India.	Medium	Medium	v) The EU will ensure, to the extent possible, that such procurement issues are addressed in the ongoing EU-India FTA and investment agreement negotiations.
2. Planning, Processes, systems	i) Indirect management for implementation may overshadow EU support vis a vis the implementation agencies selected.	Medium	Medium	i) The EU will ensure 6 monthly steering committee meetings together with Indian stakeholders and implementing partners to highlight EU support and promote a Team Europe approach in clean energy transition, sustainable finance and promoting biodiversity sectors. Close regular monitoring and constant involvement of the Delegation in the different components of the Action will be ensured as it is already the case for ongoing projects.
	ii) Lack of coherent standards/ taxonomy in sustainable finance may cause delays.	Medium	Low	ii) The EU will ensure coordination and linkage with the EU's Sustainable finance Hub to be launched in 2023. Linkages with the EU Global Green Bonds Initiative will also be ensured. The EU will ensure policy coherence with the International Platform for Sustainable Finance (IPSF).
	iii) Possible risk in donor/institution crowding in supporting strategic sectors as clean energy, biodiversity and sustainable finance.	High	Low	iii) Regular coordination with development partners and State level authorities will be ensured to promote effective coordination, Team Europe approach and further alignments with like minded organisations (World Bank, ADB, US, Norway, Japan, Canada, Switzerland and Australia).
3. Legality and	i) India may not achieve its ambitious renewable energy (RE) targets (500 GW by	Low	Low	i) The EU India Energy Panel has existing cooperation with India on solar, offshore wind, energy efficiency, smart grids, and green financing. EU technical assistance will

Regulatory aspects	2030) and to be energy independent by 2047.			support India's clean transition strategy to meet its NDCs, including facilitating EU investments in strategic sectors through loans and guarantees from Financing Institutions, thereby reducing the risk.
	ii) Weak regulatory and market framework may lead to ineffective integration of renewable energy in the national grid.	Medium	Low	ii) The EU will continue to collaborate with India on just energy transition in the coming years and offer ample opportunities to learn and adapt existing EU regulatory practices related to grid integration.
	iii) The Indian Government may not sustain its current efforts/policies towards climate action and natural farming/biodiversity, and prioritise instead jobs and growth.	Medium	Medium	iii) The project will try and embed itself in local and sub-national institutions and organisations, consistent with rural development objectives, and demonstrating whenever possible the synergies between greening/digitalisation, and fair/inclusive economic transitions. Work on market access for sustainably produced farm products will help reducing such risks.
	iv) Women are prevented from participating for a multitude of reasons, including cultural customs, prejudicial gender norms, inadequate legal frameworks and protection mechanisms, etc. The same risk applies to people living with disabilities.	Low	Low	Women's organisations and networks, as well as those representing persons with disabilities, will be among the groups consulted, thus strengthening their participation in the green transformation process from consultation to decision-making process, planning and access to economic opportunities.

Lessons Learnt:

Clean Energy and Climate: Past and on-going initiatives in the clean energy sectors have evidently shown the importance of providing continuous support to India in addressing its present challenges and meeting its clean energy targets. With such cooperation in place, particularly in a Team Europe approach, there is high level of trust and understanding of working jointly towards India's clean energy transition- learning from EU policies and expertise. Moreover, the ongoing dialogue under the EU-India Energy panel and the CECP I and CECP II confirm that it is strategic to focus on a few sub-sectors and aim towards delivering tangible outputs in those sectors rather than spreading technical assistance in multiple sub-sectors. Hence the focus on offshore wind and renewable hydrogen in the current Action. Indian stakeholders have requested for support towards implementable solutions for its greener development, including getting the first offshore wind tender auctions finalised, starting joint activities related to renewable hydrogen, among others. EU businesses have also expressed their need to be supported in expanding their base to tap into the opportunities in areas such as renewable energy, energy efficiency, smart energy networks, low carbon industrial production and other low-carbon technologies.

Given India's size (with regard to both its energy consumption, production and GHG emissions), the European Union has a clear own interest to cooperate with the country to help diversify the energy production source and address global challenges. Also, with the EU's REPowerEU programme, and for India, having declared that it wants to be energy independent in 2047, it is important to increase cooperation on energy security, both blocks being large importers of fossil fuels.

Sustainable Finance: There have been several initiatives undertaken by key Indian stakeholders during the last few years to mobilise sustainable finance in India. These include issuance of a Sovereign Green Bonds Framework by the Department of Economic Affairs (DEA), development of a Green Deposits Framework by the Reserve Bank of India (RBI) as well as the government's announcement to promote thematic funds (including municipal bonds) for blended finance for areas such as climate action. As part of the Sustainable Finance Collaborative launched by the Ministry of Finance, Department of Economic Affairs, in August 2020, UNDP has been regularly engaging with key stakeholders as the Secretariat of the national Taskforce on Sustainable Finance. They confirm that despite growing interest in innovative finance instruments, many investors have cited the challenge of having a limited pipeline of quality sustainable finance projects. At the ground level, the market for such financial instruments is fragmented with actions structured at an individual level that require high cost of structuring and lack scalability. Hence the proposed Action to support a dedicated design funding window, which would build and aggregate viable pipeline of investment projects. This includes technical assistance support for feasibility and proof of concepts for instruments, as targeted capacity building sessions, and development of knowledge products, to facilitate the uptake of innovative financial instruments for government aligned climate objectives.

In December 2021, Agence Française de Développement (AFD) partnered with the Small Industries Development Bank of India (SIDBI) and Shakti Sustainable Energy Foundation (SSEF), to create the Green Indian Financial Systems (GIFS) initiative. By gathering a community of like-minded finance practitioners composed of banks and financial institutions from India and Europe, the GIFS initiative first aimed at widening and shaping their discourse around greening the financial ecosystem, and supporting its operationalisation through the Indian financial sector. This initiative has been received well by the Indian banks which have requested dedicated technical assistance for their banks to work on pipeline projects to be supported. AFD has been inviting like-minded partners for scaling up and expanding this initiative, also with a special focus on promoting women participation in the financial sector. Also, the EU funded project "*Accelerating Climate-Smart and Inclusive Infrastructure in South Asia (ACSIIS)*", implemented by IFC (ACA/2021/424-917), has confirmed that India has enormous untapped opportunities in climate-smart and inclusive infrastructure investment. Applying both climate and inclusive lenses to infrastructure investments – including a focus on gender and sound Environmental Social and Governance (ESG) practices - is the basis to deliver green, resilient, and inclusive development outcomes.

Agro-ecology for resilient and competitive food-systems: This builds on India's National Missions for Natural Farming and LiFe initiative, as well as prior experiences and EU or Member States' sponsored initiatives of UNEP, UNDP, CIFOR-ICRAF, Development Alternative, KfW, AFD and IFAD.

The proposed Action aims to start the agro-ecologic transition in a few (3-5) of representative "lighthouse" districts (out of the 33 districts in Rajasthan). In the medium term there is an evident need and scope for scaling up the successful pilot actions of development partners in the agro-ecology sector, most significantly building on the past and ongoing projects of AFD, UNEP/UNDP, WB and KfW, among others who are already active in this sector. The impact of the successful pilots has so far been limited to a few districts in India, hence leaving most states neglected, which may nonetheless have similar or better potential for mobilising local communities to restore farm lands using climate-friendly and sustainable practices. Building upon the successful precedent in Andhra Pradesh²², the EU will disseminate these findings, help reach out to additional districts and state(s) through focussed activities to detect and address the bottle-necks (financial, institutional, technical, economic, or even cultural) for marketing products and a risk/return analysis consistent with the needs and appraisal practices of large International Financial Institutions (IFIs), or private interests, that is intended to help scaling up this approach through results based finance, for instance at state level in a 3-5 years horizon, based on additional finance opportunities anticipated in the Global Gateway context (in a Team Europe approach).

²² Agroecology in Andhra Pradesh, India: Unveiling Hidden Costs and Benefits through True Cost Accounting
<https://futureoffood.org/insights/agroecology-in-andhra-pradesh-india/>

E.g. UNEP is supporting one significant project – The Economics of Ecosystems and Biodiversity for Agriculture and Food (TEEBAgriFood) Initiative. This ongoing project is supported by the EU and focuses on the valuation of ecosystem services and the scaling up of organic farming and agroforestry interventions in Uttarakhand, Uttar Pradesh, and Assam. It is progressing well to increase farmers' income and meeting land restoration commitments under the United Nations Convention to Combat Desertification (UNCCD), as well as global priorities outlined in the GBF. Another noteworthy project of UNEP has achieved positive outcomes, including the inclusion of ecosystem-based disaster risk reduction (Eco-DRR) activities in Kerala and the participation of over 3,000 women and self-help groups. UNDP is engaged in agroforestry and ecosystem restoration projects in Gujarat, Maharashtra, and Karnataka. In Gujarat, they collaborate with local communities and the Forest Department to restore grasslands using native species and involve communities in the restoration process. In Maharashtra, where forest rights have been granted to local communities, they aim to work alongside them and the Forest Department to restore degraded areas. In Karnataka, the organisation focuses on coffee plantations, promoting biodiversity-friendly practices and gradually replacing exotic shade plants with native species, reinstating government schemes that incentivises the adoption of native species among coffee planters. KfW is active in Andhra Pradesh through the important Community-Based Natural Farming project, promoting natural farming principles such as no chemical inputs, use of native crop varieties, and natural botanical extract-based pesticides.

3.5 The Intervention Logic

The intervention logic binding the three objectives of the proposed Action is the support to India's green and resilient transition contributing to its efforts in meeting its NDC targets under the Paris Agreement. The Action will be anchored in key Ministries, among others: Ministry of Power, including Bureau of Energy Efficiency and Ministry of New and Renewable Energy, Ministry of Petroleum and Natural Gas (objective 1); Ministry of Finance (objective 2); Ministry of Agriculture, Ministry of Environment, Forests and Climate Change, Rural Development (objective 3). All these are nodal agencies responsible for policy and regulatory work in the proposed sectors and such cooperation once established is expected to strategic support to EU-Indian political and economic relations. Dedicated partnerships with the private sector as well as public institutions (semi-governmental) and think tanks will be prioritised under the three objectives.

The Action will complement core EU objectives in the negotiations of the EU-India free trade agreement (in particular in relation to energy and raw materials), as well as the EU-India Trade and Technology Council, as well as cooperation in relation to those fora. This follows in line with Annual Action Plan 2021 for India (Climate, Energy, Trade and Innovation Support), which also set out specifically to support the EU-India FTA among other key objectives.

Under **the clean energy and climate** objective, the Action will play a key role to sustain the momentum of CECP II, ending in September 2024, ensuring continuity of policy dialogues and catalysing investment projects in new renewable sectors like offshore wind and renewable hydrogen, both of which have potential for developing joined EU-India **Global Gateway Flagships** in the medium term. The priorities agreed under the existing EU-India Energy Panel and the EU-India High Level Dialogue on Climate Change, focusing on the implementation of the Paris Agreement, will guide the project activities and ensure relevance to both EU and Indian stakeholders.

For the **offshore wind sector**, the EU will reinforce its support, which started in 2013²³ of India's first coastal surveys in Gujarat and Tamil Nadu and preparing India's strategy for the sector. The proposed Action is engaged to bring in a Team Europe approach in this sector, closely working with EU Member States and EU Financing Institutions (EIB, AFD, KfW and others) by joining the ongoing programme of Denmark supporting the "**Centre of Excellence for Offshore Wind and Renewable Energy**"²⁴ in India. This Centre of Excellence is a joint initiative between the Indian Ministry of New and Renewable Energy and the Danish Energy Agency. By bringing together industry, public authorities and civil society, the Centre will play a crucial role in facilitating and accelerating the implementation of the Indian offshore wind strategy. The Centre aims to support the ambitious Indian targets on renewable energy of 500 GW by 2030. This is done through a series of enabling initiatives under four thematic areas: Spatial Planning and Permitting Process; Financial Framework and Auction Design; Grid and Supply Chain Infrastructure; as well as Technical Standards and Rules. The EU will contribute to the established Centre by providing additional complementary technical assistance (EU Member States' expertise, best practices, technologies, financial models, certifications, standards, etc.) and fostering institutional cooperation between technical institutes in Europe and the National Institute of Wind Energy (NIWE)²⁵ which has plans to establish a physical centre of excellence in Chennai, South India in the near future. The EU support will help crowding in other EU Member States and EU financial institutions who have shown keen interest and see ready opportunities to contribute to India's offshore wind targets.

For the **renewable hydrogen** sector, the aim is to take forward the discussions initiated in September 2022 under the first EU-India Green Hydrogen Forum which will be organised annually to identify concrete priorities and activities including regulatory and policy frameworks (e.g. hydrogen bank, delegated acts, etc), available technologies, a possible pipeline for projects in India and possible financing mechanisms. The proposed Action will provide opportunities to the EU and India to cooperate in India's clean energy transition to decarbonise hard to abate sectors such as fertiliser, steel, cement, petrochemical, maritime shipping, among others. The EU-India Green Hydrogen Partnership envisages to promote the establishment of open rules-based international markets for trading renewable hydrogen. Renewable hydrogen is a clear priority for the Government and is very high on the political agenda of EU-India cooperation. The EU will work through a Team Europe approach to ensure synergies with existing collaboration activities between EU Member States and India, including supporting the EIB's commitment of EUR 1 billion in this sector in India. The EIB and also other EFI's (KfW, AFD, etc.) are actively exploring opportunities for supporting the renewable hydrogen sector in India and the presence of the EU will be strategic in steering and leading the coordination in this sector in a Team Europe approach. To ensure concrete outcome from this collaboration, the Action will aim to identify and/or support renewable hydrogen projects. Sectors such as fertilizers (green ammonia), iron/steel and shipping, which have good prospects to be developed jointly by EU and Indian industry will be

targetted. Another priority is the development of a renewable hydrogen ecosystem incl. first hydrogen valleys in India.

Both for off-shore wind and hydrogen, the EU will also monitor the introduction or maintenance by India of barriers to access for EU companies in the sectors, and will take into account the degree of openness of markets in the overall assessment of the cooperation and support activities.

Under **the sustainable finance** objective, the Action will specifically contribute to the **political and technical dialogue of the entire ecosystem**, by developing and implementing responsible financial dialogues under the Sustainable Finance Facility (SFF) set-up by the Ministry of Finance, supporting sustainable financial practices among sector players (regulators, supervisors, banks, financial institutions), building resilience for the low-carbon transition. SMEs and MSMEs will also be targeted to make sure they are part of the dialogue and can benefit from climate finance fundings and investments required for their green transition. The SFF initiative aligns with the EU's Sustainable Finance Strategy²⁶ to support the development of other sustainability-related financial instruments and products than green bonds and improve access to capital for sustainable activities. This would make the SFF the only platform in India that would be focused on providing catalytic support to design blended and innovative finance structures that aim to crowd in private capital to meet India's SDGs targets. The SFF will target multiple sectors where co-benefits are linked to environment and climate objectives. The instruments will be targeted towards inclusive sustainable investments and the sectors may include agriculture, disaster resilience, and Water, sanitation and Hygiene (WASH), etc with gender as a cross-cutting focus across different thematic areas. The Action will be complemented by the **EU Sustainable Finance Advisory Hub** (supporting the Global Green Bonds Initiative), a global technical assistance facility to be launched by the EU. Such alignment will ensure quick and easy access to EU stakeholders to engage with Indian counterparts in the framework of the implementation of India's Sustainable Finance Roadmap and support capacity building activities related to standards and certifications. The Team Europe approach will be pursued in the sector including by supporting the GIFS, a dedicated Indo-European platform for the Indian financial system to invest in the country's low-carbon transition, an initiative supported by France.

The Action will support **sustainable agri-food systems** in one selected state in India (probably Rajasthan) to promote:

i) Upstream: district-level and village-level enabling environments for profitable, sustainable and diverse production consistent with all agro-ecology tenets and existing commitments on climate, water, biodiversity and soils; ii) Downstream: Short-value chains, traceability, labelling and trade of biodiversity-friendly products and commodities. Such market incentives should contribute to climate-resilient ecosystems and improved soil fertility. This could as well offer an opportunity for better use of bio-waste (hence reducing air pollution) and access to local and export markets.

iii) Catalysing future opportunities of state level financing for full-state conversion into agro-ecology, agroforestry and organic farming, where relevant, inspired by other similar action in other Indian states.

Overall, both clean energy and sustainable agri-food actions will benefit from the development of sustainable finance in India. Moreover, all components of this Action will be implemented in close synergies with the gender programme, WeEmpower identifying complementarities and synergies.

Finally, a **Team Europe approach** will be implemented not only to deliver on the Action outcomes and expected results within the defined timeline, but also to build the foundation of effective long-term EU-India networks and partnerships as well as future investments priorities, which will enable both the EU and Indian partners in public and private to have higher impact, at larger scale, in more Indian states. A well-coordinated, effective Team Europe approach will be implemented to mobilise more resources (financial, human, technical, technological), both to gain efficiency in our engagement and influence as the EU with our Indian partners, and to benefit the people and the planet, at larger scale, within and beyond India.

²³ <https://mnre.gov.in/wind/offshore-wind/>

²⁴ <https://coe-osw.org/>

²⁵ <https://niwe.res.in/>

²⁶ https://eur-lex.europa.eu/resource.html?uri=cellar:9f5e7e95-df06-11eb-895a-01aa75ed71a1.0001.02/DOC_1&format=PDF

3.6 Logical Framework Matrix

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Support to India in achieving its NDCs under the Paris Agreement and facilitate its green, low carbon and resilient transition, including some of India's Mission LiFE principles.	Renewable energy generation capacity installed (MW) as compared to base year 2023. Volume of sustainable bonds/green bonds in India. GDP from the agriculture sector.	TBC (2023)	TBC		Not applicable
Outcome 1	Deepened cooperation under the EU-India Clean Energy and Climate Partnership, supporting policy dialogues and its effective uptake by public and private sector stakeholders in areas of mutual interests, in particular in the areas of offshore wind and renewable hydrogen.	No. of adopted new/revised regulations/policies updated or introduced with EU inputs. Number of climate change related policies proposed for adoption (including nationally determined contributions), and environment protection strategies and plans (including energy policies/strategies) that include gender equality objectives, in line with the United Nations framework convention on climate change (UNFCCC) gender action plan (GAP Key Outcome indicators)	TBC	TBC	Regulations adopted/revised. Regulations/ Policies proposed for adoption.	The EU and India are committed to strengthen cooperation in new RE sectors including offshore wind and renewable hydrogen
Outcome 2	Public and private sector capacities to enable the scaling-up of sustainable financing and the greening of the financial sector in at the national, state, municipal level are increased based on the EU expertise and best practices.	No. of public policies/regulations supported with EU inputs, with the aim of greening the Indian financial system. No. of gender focussed financial instruments launched. Number of gender-responsive policies approved by partner government in the green economy	TBC	TBC	Sustainable Finance policies/regulations launched by the Government of India.	The Government of India is committed to the development and scaling up of sustainable finance in India.

		sector (GAP III key outcome indicators)				
Outcome 3	Support to state-level agroecological transition of agri-food systems is provided (probably in Rajasthan) towards reaching UNFCCC/UNCCD and sustainable food systems goals and working towards the implementation of GBF priorities.	Share of agricultural land under sustainable and climate resilient agriculture management Number of certifications and labelling adopted and implemented with EU support.	X / TBC	2X (double the baseline)	Initial, Interim and Final Surveys carried out under the project.	Farmers may not all be aware and able to grow and sell lucrative crops, timber or non timber forest products, whose development would also achieve biodiversity and climate objectives.
Output 1 relating to Outcome 1	1.1 Reinforced policy dialogue in the areas of renewable energy, energy efficiency and climate mitigation and adaptation, including climate resilience in renewable energy sector, sharing information on the EU regulatory and policy framework, standards, certifications, while promoting Team Europe approach, both at national and state level with gender and human rights sensitive approach.	1.1.1 No. of annual policy dialogues facilitated 1.1.2 No. of policies proposed based on gender analysis risk, need, demand, barriers, and supply (GAP III key outcome indicators) 1.1.3 No. of events such as trainings, workshops on sharing information on EU policy, regulations, certifications in the Renewable Energy sector	1.1.1 At-least 3per Year 1.1.2 At-least 2 per year	1.1.1 At least 3 per year 1.1.2 Minimum 2 and possibly more.	1.1.1 Press releases/high level agreements/ minutes of the meetings 1.1.2	Clean energy and climate priorities are reconfirmed at the high level political engagements between the EU and India.
Output 2 relating to Outcome 1	1.2 Facilitated regulatory and technical knowledge exchange, promoting cooperation, including contributing to a global supply chains, in the areas of renewable energy and hydrogen, solar, storage, advanced biofuels, energy efficiency, smart grids, electricity markets and other priorities as agreed under regular review meetings between India, the EU and EU Member States.	1.2.1 No. of knowledge exchange events in the target sectors	1.2.1 At-least 3 per Year	1.2.1 At least 3 per Year	1.2.1Event reports	India is keen to engage with the EU in the target scetors- offshore wind, renewable hydrogen, energy efficiency, smart grids, others

Output 3 relating to Outcome 1	1.3 Facilitated access of EU companies to the Indian market in the energy sector in India by addressing business and investment barriers; promoting investment commitments in the clean energy sector in India, including gender based approach focusing on offshore wind and renewable hydrogen.	1.3.1 No. of meetings organised for private sector to inform about opportunities in offshore wind, renewable hydrogen, etc. 1.3.2 No. of projects on offshore wind and renewable hydrogen facilitated with EU support (e.g. establishment of contacts, feasibility studies, etc)	0	2	Announcement of the Partnership in India and the EU.	India and the EU are keen to pursue mutual benefits under the renewable hydrogen sector for renewable energy expansion.
Output 4 relating to Outcome 1	1.4 Supported the local uptake of renewable hydrogen in the Indian economy (eg: green fertilizers, green iron, hydrogen valleys, green shipping fuel, etc.) through EU-India projects with active involvement of EU Member States and European Financing Institutions like EIB, KfW, AFD, and others.	1.4.1 No. of technical experts mobilised to work under EU-India renewable hydrogen partnership (disaggregated by sex, disability). 1.4.2 No. of technical studies finalised, expert exchange visits conducted, events supported.	0 0	Atleast 2 At least 2		
Output 5 relating to Outcome 1	1.5 Supported India's offshore wind market development through technical assistance and sharing EU best practices and standards including on environment, social and governance aspects with active involvement of EU Member States and European Financing Institutions like EIB, KfW, AFD, and others.	1.5.1 Support/technical assistance provided to Centre of Excellence for Offshore wind and Renewable Energy initiated by Denmark. 1.5.2 No. of EU institutions with regular exchange and cooperation with Indian institutions for technical and skills development.	0	At least 5 EU institutes linked to India	MoUs signed	India- EU interest to strengthen cooperation for technical skills development in the renewable energy sector.
Output 1 relating to Outcome 2	2.1 Strengthened capacities at national, state and municipal level to leverage sustainable finance instruments increasing public and private finance to accelerate progress towards SDGs including gender and human rights approach.	2.1.1 No. of States who launch sustainable bonds, municipal bonds 2.1.2 No. of officials trained , including regulators, bankers, other relevant stakeholders (disaggregated by sex)	2.1.1 2.1.2	2.1.1 2.1.2	2.1.1 2.1.2	Good coordination led by Ministry of Finance along with development partners active in this sector.

Output 2 relating to Outcome 2	2.2 Developed responsible financial practices and innovative financial instruments to leverage climate financing for social sectors (agriculture, health, education, waste management, other climate smart interventions) including the participation of women.	2.2.1 Number of financial instruments designed and launched.	0	2.2.1 At least 4 instruments designed and launched	2.2 Financial Instruments launched.	
Output 3 relating to Outcome 2	2.3 Established Sustainable Finance Facility, demonstrating 5-8 demonstratable models of sustainable finance.	2.3.1 No. of sustainable finance instruments designed and launched.				
Output 4 relating to Outcome 2	2.4 Catalysed incremental public and private finance for SDG financing.	2.4.1 Lines of credit offered by EUFIs to Indian banks circa EUR 300 million 2.4.2. Number of women with increased training, financial resources, technology or other resources for sustainable and safe food production, sustainable energy, sustainable transport, and clean water sources, for family consumption or for productive uses (GAP III key outcome indicators)	0	At least 2 Loan Agreements signed by EU FIs	Press release, official announcements	
Output 5 relating to Outcome 2	2.5 Increased women participation and enhanced leadership roles in climate finance ecosystem.	2.5.1 No. of members of the Women Network supported by the action.	100	200+	Databases of the Women Network	Women in sustainable finance sector are encouraged to join the network.
Output 1 relating to Outcome 3	3.1 Developed and strengthened the enabling environment (policies, incentives, technologies and services) for climate & water resilient and sustainable production through agro-ecology and agro forestry probably in Rajasthan, notably the management of soil fertility, efficient water use and the affordable provision and distribution of	3.1.1 Area (hectares) of land producing biodiversity friendly agricultural products in the chosen State.	0	Double from the baseline	Public reports available in the open domain	Good cooperation extended by the state authorities in this sector. Scale up of successful models in other Indian States will be valid for the chosen State.

	farm inputs (fertilisers, IPM, and reproductive material – seeds and seedlings).					
Output 2 relating to Outcome 3	3.2 Contributed to better use of agro-waste (including reduction of stubble burning as a major driver of peak air pollution).	3.2.1 No. of agro waste activities supported by the project. 3.2.2 No. of new technologies showcased under the project.	0 0	At least 6 activities implemented in the chosen state. At least 10	Activity reports List of technologies showcased, event reports	India is keen to learn from EU best practices and relevant EU regulations
Output 3 relating to Outcome 3	3.3 Supported digitalisation as a means to participative governance, share agro-data, market data, to contribute to traceability, sustainability and diversity in more profitable and inclusive value chains.	3.3.1 Databases established for chosen value chains.	0	At least 2 value chains supported	Databases developed	Readiness at the State level to introduce digital innovations for agro-ecology value chains.
Output 4 relating to Outcome 3	3.4 Increased competitiveness and relative profitability of green products and commodities through shorter value chains, access to new market segments (typically fair trade), inclusive, affordable, green innovations, standards and/or eco-labels.	3.4.1 Study on eco-labels, green innovations for the chosen value chains	0	At least one study finalised and shared	Published study	India is keen to adapt to EU standards, certification in agro-ecology
Output 5 relating to Outcome 3	3.5 Facilitated increased village level finance, through existing networks (e.g. women self-help groups, FPO, women's human rights and groups living in vulnerable situations organisations), scaling up best practices (results based finance) of other development partners (KfW, AFD) and possibly through enhanced investments and crowding in more funding from other partners (IFAD, EIB, etc.) in this sector.	3.5.1 No. of awareness events organised under the action promoting access to finance targeting specific banks	0	At least 5	List of banks committed to finance this sector	The Indian regulatory and political ecosystem allows result based financing at the village level

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this Action, it is not envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **60 months** from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the Action with EU restrictive measures²⁷.

4.3.1 Indirect Management with an entrusted entity

This action may be implemented through indirect management with entrusted entities, which will be selected by the Commission's services using the **following criteria**:

- Experience in implementing/managing actions in India related to clean energy, more specifically solar, wind (on-shore and offshore), renewable hydrogen, bio-fuels among others. (Objective 1)
- Experience in implementing and managing sustainable finance actions, preferably in the Indian context, with established engagement with government counterparts at central, state and municipal levels. (Objective 2)
- Experience in implementing/managing actions in India related to biodiversity, agro-ecology, agro-forestry among others. (Objective 3)
- Having existing engagements with public and/or sector financial institutions, nodal agencies involved in accelerating green transition, notably EU FIs. (Objective 1,2,3)
- Expertise to provide technical assistance to governments/public institutions promoting EU standards, certifications, strengthening Team Europe approach, EU Green Diplomacy/Global Gateway vision. (Objective 1,2,3)
- With existing portfolio of similar and relevant actions (sustainable finance, agri-food systems) thereby ensuring multiplier effect to the EU financing. (Objective 1,2,3)
- Demonstrating an institutional commitment in mainstreaming gender, human rights, environmental and governance standards. (Objective 1,2,3)

The implementation by these entities entail the delivery of operational/technical and management tasks for the successful implementation of the envisaged objectives described in section 3.1 :

Objective 1- Clean Energy and Climate Partnership

²⁷ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails

Objective 2- Sustainable finance.

Objective 3- Agro-ecology for resilient and competitive food.

4.3.2 Changes from indirect to direct management mode due to exceptional circumstances

In case, due to circumstances outside of the Commission's control, it is not possible to implement the Action in indirect management with a pillar-assessed entity described under section 4.3.1, the alternative implementation modality to achieve the objectives 1, 2 and 3 will be direct management either via procurement or via grants to public bodies, and/or NGOs or a combination of the two.

Procurement (direct management):

Procurement would contribute to the achievement of the outcomes specified in section 3.1 with an indicative global budgetary amount of EUR 15 000 000 (Objective 1, 2 and 3).

- Grants (direct management):

(a) purpose of the grant(s)

To support the partner countries in addressing the envisaged outcomes described in section 3.1. Indicative global budgetary amount: EUR 15 000 000 (Objective 1, 2 and 3).

(b) Type of applicants targeted

Think tanks, public bodies or, NGOs with experience and capacities in the sectors targeted by this Action.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this Action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Objective 1- Clean Energy and Climate	8 000 000
Indirect management with entrusted entity – cf. section 4.3.1	
Objective 2 Climate Finance	4 500 000
Indirect management with entrusted entities - cf.section 4.3.1	
Objective 3 Agro-ecology/Biodiversity	2 500 000

Indirect management with entrusted entity - cf.section 4.3.1	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	Will be covered by another Decision
Totals	15 000 000

4.6 Organisational Set-up and Responsibilities

The EU Delegation will constantly monitor and ensure the effectiveness and quality of the different policy and technical outputs requested and equally ensure the institutional interactions with Indian authorities, and from other countries when relevant. Dedicated steering committees chaired/ co-chaired by the EU, will be established to act as advisory and reporting mechanism in order to provide the strategic and policy guidance needed to ensure smooth project implementation for each of the designated focus of the Action.

A steering committee should meet at least twice a year and will define the EU-India priority work streams to be addressed. The committee will review and endorse annual work plans, monitor project outputs and achievements and provide advice on how to address obstacles and challenges identified during implementation. The steering committee(s), whose composition will be further detailed during contracting process, will comprise of relevant sections of the Delegation representing relevant Commission services. Participation of the EU headquarters will be encouraged through virtual platforms.

Feasibility and relevance of setting up technical committees/sectoral groups will be considered to pursue detailed technical interactions between the EU, EU Member States and India. Existing technical committees under ongoing cooperation will be further enriched with these new planned actions.

Private sector organisations and networks, civil society, including women organisations, will be consulted and involved in the implementation of the Action, as appropriate. The outcomes of these meetings and key implementation results will feed into the EU's Global Gateway Flagship work-plan and relevant EU-India Joint Working Group Committees, Project Advisory Committees set up under various ongoing partnerships (e.g. E(or whatever the exact name governing the relevant EU-Partnership), and support EU-India Strategic Policy Dialogue in the focal areas of sustainable green energy, sustainable finance, environment. A coordination mechanism composed of the relevant Commission services and EEAS will oversee strategic communication aspects.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this Action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: The implementing entity(s) for each of the designated outputs will be responsible for day-to-day monitoring and reporting based on the agreed

indicators in the log frame. Adjustments to the agreed indicators will be subject to a discussion and approval of the steering committees. The contracting authority will be responsible for the approval of progress and final reports.

All monitoring and reporting shall assess how the Action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex and age, and disability if possible.

5.2 Evaluation

Having regard to the importance of the Action, a mid-term and final evaluation may be carried out for this Action or its components via independent consultants contracted by the Commission or via an implementing partner.

The **mid-term evaluation** will be carried out for problem solving and learning purposes, in particular with respect to the intention to launch a second phase of the Action.

The **final evaluation** will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the Action is implemented with one of the strategic partners of the EU.

Should the above evaluations be carried out the Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

In addition, all evaluations shall assess to what extent the Action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this Action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it remains a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation continues to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States.

However, Action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources are instead to be consolidated in Cooperation Facilities established by support measure Action documents,

allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.