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Green Climate Fund（GCF） Good Practice

India: Developing and leveraging the market for solar photovoltaic (PV) financing[i]

Project name	Line of Credit for Solar Rooftop Segment for Commercial, Industrial And Residential Housing Sectors (FP081)
Entity of funder	National Bank for Agriculture and Rural Development
Project value	USD 250.0m (GCF financing USD 100.0m)
Macro data (2023)	GDP : 3,638,490 million Population : 1,428 million GDP per capita : 2,54
Related materials	https://www.greenclimate.fund/project/fp081

Developing and leveraging the market for solar photovoltaic (PV) financing in India

FP081: LINE OF CREDIT FOR SOLAR ROOFTOP SEGMENT FOR COMMERCIAL, INDUSTRIAL AND RESIDENTIAL HOUSING SECTORS

Partner: National Bank for Agriculture and Rural Development (NABARD)

GCF financing: USD 100m

Total financing: USD 250m

This programme aimed to provide upfront financing to develop the commercial, industrial, and residential solar rooftop financing market. This would help India meet its ambitious target of 40 GW of rooftop solar power by 2022.

As the implementing partner, the National Bank for Agriculture and Rural Development blended a USD 100 million concessional loan from the Green Climate Fund (GCF) with USD 50 million in equity and USD 100 million in debt from Tata Cleantech Capital, which was also a partner.

The programme made considerable headway after a slow start due to macroeconomic instability, a changing regulatory environment, and the COVID-19 pandemic. Despite the challenges, Tata Cleantech had approved 267 MW of rooftop solar capacity by the end of 2021 and expected to achieve its target of 250 MW by the end of 2022.

Installations were expected to generate around 4,000 direct jobs and mitigate 8.2 million tCO2e over their lifetime. However, that mitigation figure is lower than early estimates because the rooftop plants are generating less power than initially expected, causing the implementers to now plan for a 15-per-cent increase in megawatt capacity.

The project has been an early mover in PV financing and creating the enabling conditions for market-driven delivery at scale. At least nine financial institutions operate in the same solar PV financing market. The project also promotes skills development and jobs for women and supports women-led businesses in procurement.

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[i] Credit: Avijit Ghosh / Climate Visuals Countdown