

Signing of Loan Agreement for “Climate Change Management Project” in India

~Supporting India to reduce the emission of greenhouse gas through Private Sector Investment Finance~

New Delhi, March 25, 2021: Japan International Cooperation Agency (JICA) signed a Loan Agreement for a maximum amount of JPY 10 billion with Indian Non-Banking Financial Company, Tata Cleantech Capital Limited (TCCL) to support the company to offer loans to businesses across India that focus on renewable energy generation, electric vehicles (EV) as well as energy efficiency following the Green Loan Principles (Note 1). This loan will be provided through Private Sector Investment Finance scheme of JICA and is co-financing with the Sumitomo Mitsui Banking Corporation (SMBC).

GHG emission increasing along with economic growth is one of urgent issues in India. The Government of India has ratified Paris Agreement in 2016, in which India promised to decrease the emission of GHG per GDP by 33%~35% before 2030. In order to achieve the target, the Government of India is promoting mitigation measures such as installation of renewable energy (solar power, wind power etc.), energy efficient equipment, and EV.

TCCL, a joint venture between Tata Capital Limited (Tata Group) and IFC (World Bank Group) is a first of its kind Private Sector Green Investment Bank with focus on climate finance and advisory services. Internationally recognized by its induction in the coveted Green Bank Network, TCCL is the premier Indian entity and first Private Sector Climate Finance Institution to be part of this network. TCCL has contributed to the development of 9.8 GW renewable energy which has averted annual carbon emissions of 15.1 MT.

Speaking on the occasion, Mr. MATSUMOTO Katsuo, Chief Representative, JICA India said, “India has a target to reduce the emissions intensity of GDP by 33%–35% by 2030 below 2005 levels, as National Determined Contribution to the Paris Agreement. While Government of India has been making various measures towards the target and JICA had provided our support to it such as Japanese ODA loan to Indian Renewable Energy Development Agency (IREDA) through which 36 projects of solar PV, wind and small hydro has been supported, for further improvement, the contribution from private sector will be also inevitable. In recent years, the presence of private companies in the field of renewable energy sector has increased and their role will be a key to achieve the national target. In consideration of those circumstances, we have decided our collaboration with TCCL.”

JICA’s loan will support TCCL to mitigate the impact of climate change by offering green finance, which will contribute to decrease the emission of GHG in India. It will also contribute to SDGs (Sustainable Development Goals) Goals 7 and 13. JICA will continue its support for climate change initiatives in the world and continue to mobilize private finance for this sector.

Note 1) Green Loans are loans that are limited for use in environmentally conscious projects. Against the backdrop of the expansion of ESG (Environmental, Social, and Governance) investments, the green loan market has developed rapidly as an environment-oriented finance. In order to provide standard guidelines for loan in this sector, Asia Pacific Loan Market Association formulated the Green Loan Principles with its recent version published in February 2021.

(Picture 1) Solar Power Project financed by TCCL



(Picture 2) Signing Ceremony



About JICA

Established, by a specific law, as an incorporated administrative institution under the Government of Japan, the Japan International Cooperation Agency (JICA) aims to contribute to the promotion of international cooperation, as a sole Japanese governmental agency in charge of ODA implementation. JICA is the world's largest bilateral donor agency. JICA works as a bridge between Japan and emerging countries, and aids in forms of loan, grant and technical cooperation so that the emerging countries can strengthen their capabilities.

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