

Beyond the FTA: Delivering an EU–India Clean Technology Partnership

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The conclusion of the EU–India Free Trade Agreement (FTA) marks a significant step in strengthening the strategic relationship between two of the world’s largest economies. However, the real test of long-term EU–India partnership will be whether the FTA can deliver deeper real-world cooperation. The agreement improves market access and creates a more predictable investment environment, but this will not generate tangible benefits without further action to scale up finance and integrate value chains. Clean technology sectors offer the strongest opportunity to combine the EU and India’s complementary strengths to drive innovation, mobilise investment and build resilient partnerships that will deliver industrial growth in both economies.

The completion of FTA negotiations is just the first step towards building a long-term strategic partnership between the EU and India. Tariff liberalisation alone will not be sufficient to deliver tangible economic outcomes. The next step must be to prioritise implementation, delivery, and investment mobilisation.

Existing mechanisms – including the Trade and Technology Council (TTC) and a new platform for cooperation and support on climate action, announced alongside the FTA – provide a strong foundation to identify shared priorities and improve coordination between government and businesses. As EU–India trade cooperation evolves, additional instruments and institutional arrangements should be considered to scale up investment and facilitate economy-wide industrial cooperation.

Focusing the post-FTA partnership on **strengthening clean technology value chains and boosting industrial competitiveness** offers the greatest opportunity to achieve shared economic, political and climate objectives. The EU and India currently rely on each other for just 1% of their respective clean technology imports (in value terms), meaning there is

significant untapped potential for an EU–India clean technology partnership to deepen trade and investment cooperation in this sector.

We recommend a phased approach to scaling EU–India clean technology cooperation. The immediate priorities should be to operationalise the FTA and identify priorities for deployment of the €500 million in EU support to India. This can lay the foundations for deeper policy coordination and, over time, scaled up trade and investment in jointly identified priority clean technologies.

A post-FTA roadmap for EU–India cooperation

PHASE 1: Implement (2026)

Operationalise FTA and Climate MoU

Identify priority sectors for closer collaboration

Deploy the €500m support package

Once priority sectors identified

PHASE 2: Coordinate (2027)

Advance policy dialogues via the TTC

Engage business leaders to build investor confidence

Align trade, investment and industrial goals

Once architecture is being coordinated

PHASE 3: Scale (2028)

Mobilise private sector investment

Build new sector-specific partnerships

Integrate industrial value chains

Section 1: Political context

The EU–India FTA: a building block for closer industrial cooperation

The conclusion of the EU–India Free Trade Agreement (FTA) marks an important milestone in the bilateral relationship between two of the world's largest economies. The agreement signals a shared political commitment to deepening long-term strategic cooperation. It will improve market access, strengthen regulatory predictability, and provide a more robust framework for trade, investment, and economic cooperation.

The EU and India are increasingly important strategic partners in the transition to a global clean economy. For the EU, India represents one of the world's fastest-growing major economies, a rapidly expanding clean energy market, and a vital partner for diversifying clean technology supply chains, strengthening economic resilience, and reducing strategic dependencies. For India, the EU remains a major source of investment, technological

innovation, industrial expertise, and financial capital to support its ambitions to expand domestic manufacturing and accelerate industrial decarbonisation. These complementary strengths provide a strong rationale for deepening trade and investment cooperation.

Recent high-level engagements, including the 2026 EU-India Summit, have helped to build political momentum towards the FTA and reflect a shared commitment to deepen cooperation. Analysis suggests that the agreement reflects not only bilateral economic interests but also wider geopolitical shifts to diversify clean technology supply chains and strengthen economic resilience.¹ In a more volatile global context, FTAs are increasingly being used as political tools to signal intent to work more closely with trusted partners.

However, while FTAs remain important instruments for deepening economic integration and strengthening political relations, trade liberalisation provisions alone are not sufficient to achieve the full potential of an industrial partnership. For example, much of the industrial and regulatory depth of the current EU-Japan relationship was delivered through instruments distinct from the FTA, including the EU-Japan Green Alliance, Strategic Partnership Agreement and Digital Partnership. An FTA should therefore be viewed as a building block for deeper cooperation, rather than as the end goal.

The EU-India FTA also leaves several structural gaps that could constrain deeper integration. This includes the absence of a parallel investment agreement, the exclusion of a government procurement chapter, non-binding climate provisions and unresolved regulatory barriers including compliance with the Carbon Border Adjustment Mechanism (CBAM) and technical product standards. The post-FTA EU-India partnership must therefore focus on filling these gaps and establishing additional tools to translate ambition into tangible industrial and investment outcomes.

Closer partnership can help India and the EU achieve shared objectives in a competitive global context

Global trade and industrial policy priorities have shifted significantly over the past decade. Intensifying geopolitical competition, growing uncertainty surrounding the governance of the global trading system, and concerns over highly concentrated supply chains have prompted many major economies – including India and the EU – to reassess how they pursue economic security and industrial competitiveness objectives.

China's dominant position across clean technology supply chains is a key driver of these concerns. China accounts for around 85% of global solar PV and 80% of lithium-ion battery supply chain production capacity, while also processing more than 70% of lithium, cobalt, graphite and rare earth elements.² This creates a strategic supply chain dependency for

¹ Carnegie Endowment for International Peace, May 2026, [Emerging From the “Zombie State” of Trade Agreements: The India-EU FTA](#)

² International Energy Agency, [Energy Technology Perspectives 2026](#)

economies seeking to build clean industrial capacity domestically. Trade and industrial policy choices are therefore increasingly being shaped by economic security and diversification needs, rather than by efficiency and cost competitiveness.

As a result, both the EU and India are adopting more active approaches to strengthen economic resilience and build sovereign capabilities in strategic sectors. This includes India's Production Linked Incentive (PLI) Scheme and European initiatives such as the Carbon Border Adjustment Mechanism (CBAM), the Net-Zero Industry Act (NZIA), the Critical Raw Materials Act (CRMA), and the proposed Industrial Accelerator Act (IAA) – all of which are reshaping the environment in which Indian and European firms operate.³ In parallel, both the EU and India are pursuing ambitious trade agendas with other partners. India recently signed an FTA with the United Kingdom (UK) and is in advanced talks with the United States (US) and has launched negotiations with the Gulf Cooperation Council (GCC), while the EU has reached agreement with the Mercosur bloc and is focused on signing new deals with other Asian economies.

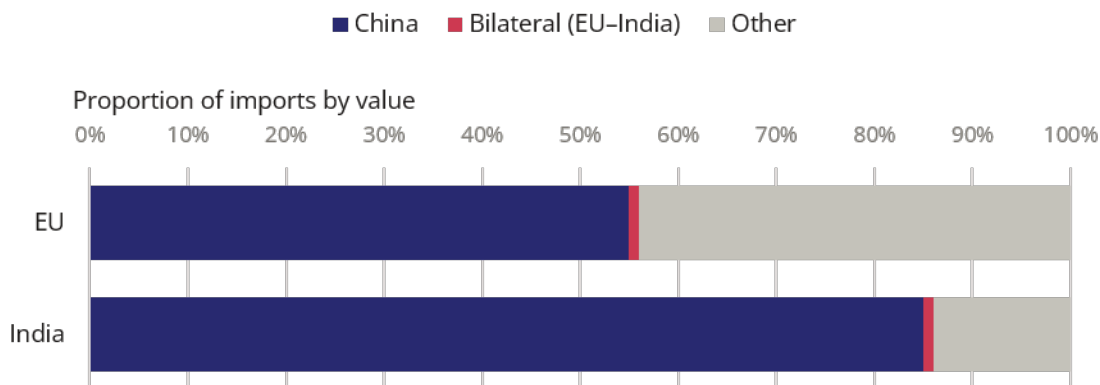
These developments present challenges for deepening the EU-India partnership, including the risk of introducing new regulatory barriers and distracting political attention from delivering FTA commitments. But the competitive global context also reinforces the rationale for strategic cooperation. Despite their different stages of economic development, there is a growing convergence between the EU and India's priorities, with both sides seeking to achieve similar objectives of industrial growth, diversification, and decarbonisation. Building a closer partnership could help to address shared policy challenges, reduce production costs, and build more resilient global value chains.

Clean technology sits firmly at the intersection of the EU and India's trade and industrial policy priorities

Both the EU and India are seeking to reduce their dependence on single suppliers of key transition technologies – including solar PV, wind, batteries, green hydrogen, and critical raw materials – while simultaneously strengthening domestic manufacturing capacity. Most of these technologies are currently imported from China (see Figure 1), while bilateral cleantech trade flows between the EU and India represent less than 1% of the total share. Building a clean technology corridor would be mutually beneficial to reduce strategic dependencies and capitalise on relative competitive strengths across clean technology value chains.

³ Government of India, Production Linked Incentive Scheme (www.pib.gov.in, accessed 7 August 2026); European Commission, 2024, [Net-Zero Industry Act](#); European Commission, 2024, [Critical Raw Materials Act](#)

Origin of cleantech imports for the EU and India



Source: Analysis by E3G and Dalberg Advisors. Cleantech refers to solar PV, wind-powered electric generators and lithium-ion batteries only. Data from OEC Import and Export Trade Data (2024) for “Photosensitive devices; assembled photovoltaic modules/panels”, “Wind-power electric generators” and “Lithium-ion batteries”.

Figure 1: More than 50% of the EU’s and India’s cleantech imports originate from China, while bilateral trade between the EU and India is very small – in the order of millions of dollars. Growing bilateral trade to reduce dependencies elsewhere would be a beneficial strategy for both parties.

This is also a time-bound opportunity. Several clean technologies are still moving rapidly through technology cycles; this includes next-generation solar cells, larger offshore wind systems, alternative battery chemistries, advanced electrolyzers and next-generation grid technologies. It is not guaranteed that current manufacturing leaders will dominate the clean technologies of the future, which gives the EU and India a narrow window to establish new capabilities before supplier ecosystems and manufacturing locations become entrenched.

Co-development of these opportunities would combine Europe’s IP and research strengths with India’s engineering, manufacturing and deployment scale from the innovation stage, instead of transferring mature clean technologies after commercialisation.

Section 2: Evaluating the post-FTA policy landscape

The EU’s industrial policy and regulatory agenda

The post-FTA phase of EU-India cooperation is unfolding against a rapidly evolving European industrial policy landscape. New initiatives – including the Clean Industrial Deal, the Net-Zero Industry Act (NZIA), the Critical Raw Materials Act (CRMA), the proposed Industrial Accelerator Act (IAA), and Carbon Border Adjustment Mechanism (CBAM) – will increasingly shape market access, investment decisions, and clean technology value chains.

Confronted by high energy prices, fierce global competition, and geopolitical volatility, the European Commission has placed industrial policy at the core of its competitiveness and strategic autonomy agenda. In February 2025, the Commission launched the Clean Industrial Deal, aiming to turn decarbonisation into a growth strategy by creating demand for low-carbon products, simplifying regulations and accelerating cleantech investment by reducing strategic dependencies.⁴ Key developments include:

- ▶ **The Industrial Accelerator Act (IAA):** Proposed in March 2026, the IAA aims to stimulate demand for clean industrial products and technologies. Its most significant feature in this context is the introduction of “Made in EU” requirements for public procurement and public support schemes, including for some clean goods. While the definition of “Made in EU” could include key trading partners, its precise implications for India remain subject to ongoing internal EU negotiations later in 2026/27.
- ▶ **The Net-Zero Industry Act (NZIA) and Critical Raw Materials Act (CRMA):** The IAA directly complements and builds on these 2024 frameworks. The NZIA established specific “resilience criteria” for public procurement to limit reliance on third countries, while the CRMA sets reliance caps and promotes mineral circularity to secure European critical raw material value chains.
- ▶ **Trade defence and steel safeguards:** The EU’s steel safeguards were significantly tightened in June 2026, lowering tariff-free quotas and raising out-of-quota tariffs on steel imports. This will have wide-reaching implications for third countries, including India, seeking to export steel to the European market.
- ▶ **Carbon Border Adjustment Mechanism (CBAM):** The CBAM places a carbon price on imports equivalent to the EU’s domestic carbon price, creating an additional cost and compliance burden for Indian producers, particularly MSMEs. This creates an incentive for Indian steelmakers to decarbonise their production processes in order to remain competitive in the EU market. To ease this transition, the EU and India should explore targeted avenues for collaboration, including financial and technical support. The CBAM is currently undergoing a review, which could see an expansion of the regulation to include additional products and downstream sectors relevant for clean technologies, including metal-intensive finished goods like generators and transformers in grid systems.

⁴ European Commission, February 2025, [Clean Industrial Deal](#)

Navigating concerns from Indian stakeholders

Parts of Indian government and industry have responded to the EU's industrial policy interventions with concerns around additional regulatory complexity, compliance burdens, industrial preferences, and the predictability of future market conditions.

While these measures will inevitably increase compliance requirements for some Indian exporters, they also create new opportunities for closer collaboration (see Table 1 and next section). Given the EU's ambition to strengthen industrial resilience and diversify supply chains, India can position itself as a trusted partner to achieve these objectives, for example by encouraging European investment into India's clean industries and supporting joint manufacturing projects. This will require consistent transparency and deeper regulatory coordination between the EU and India to reduce uncertainty and boost investor confidence.

Table 1: Policy matrix – EU Instruments and Indian responses

EU policy development	Core objective (EU perspective)	Implications for India	Areas for cooperation
CBAM (Carbon Border Adjustment Mechanism)	Prevent carbon leakage; equalise carbon pricing between domestic production and imports.	High compliance costs; potential loss of competitiveness for high-carbon Indian steel and aluminium exports.	Acceleration of green manufacturing to secure EU market access; regulatory cooperation on monitoring, reporting and verification methodologies.
Steel safeguard measures	Protect domestic European producers from import surges driven by global overcapacity.	Quantitative limits on steel exports to the EU; risk of disruption to established export volumes.	To prioritise specialised green steel exports to European markets, develop green iron partnerships to link Indian production with steel assets in the EU.
Industrial resilience (NZIA, CRMA⁵)	Build internal capacity for cleantech production and access to critical minerals while reducing strategic supply chain dependencies.	Risk of exclusion from EU public procurement and support schemes; need to enhance regulatory cooperation to respond to emerging market requirements.	Co-development of resilient cleantech supply chains; linking India's manufacturing capabilities with European investment, technology and critical mineral supply chains.
Industrial Accelerator Act (IAA) / Made in EU criteria	Stimulate domestic cleantech demand via public procurement preferences, resilience caps, and local content benchmarks.	Potential risk of restricted market access unless reciprocal procurement arrangements are clarified.	Negotiate a bilateral Green Procurement and Standards Protocol under the TTC; establish joint compliance sandboxes for cleantech components.

⁵ Net Zero Industry Act (NZIA); Critical Raw Minerals Act (CRMA)

India is also pursuing a more active industrial strategy to strengthen domestic manufacturing capacity, increase value addition and build capabilities in clean technology value chains. Policies including the Production Linked Incentive (PLI) schemes, the National Green Hydrogen Mission and efforts to expand critical mineral exploration reflect India's ambition to strengthen its position in the global clean economy. This offers another opportunity to identify joint objectives with the EU, where both sides can leverage their complementary strengths to achieve mutually beneficial outcomes.

Opportunities for closer cooperation

India is well-positioned to benefit from Europe's evolving clean industrial policy through the following opportunities:

- ▶ **Reciprocal market access:** The March 2026 draft of the EU's Industrial Accelerator Act (IAA) proposes a broad interpretation of "Union-origin" content that could extend certain procurement benefits to partners with reciprocal FTAs. As the legislation is currently under negotiation, its final scope and implementation remain uncertain. Indian stakeholders could be excluded from these proposed reciprocity provisions, given India is not a signatory to the World Trade Organization (WTO's) Government Procurement Agreement (GPA) and because public procurement criteria were not included in the FTA. Whether or not India is included, the proposed IAA provisions are only applicable to EU public procurement and support schemes, so wider EU-India trade flows would not be affected. An immediate priority for post-FTA cooperation should be clarifying the implications of the EU's IAA for India.
- ▶ **Supply chain diversification:** Many of the EU's recent trade, investment and industrial policy interventions are aimed at reducing strategic supply chain vulnerabilities and are primarily aiming to reduce reliance on China. This provides a structural incentive to reorient international cooperation opportunities towards trusted partners such as India. Given the EU and India's shared interest in diversification, there is a strong case to jointly build alternative clean technology value chains to meet domestic needs, reduce concentration, and boost investments.
- ▶ **Decarbonisation pathways:** The Carbon Border Adjustment Mechanism (CBAM) creates an additional compliance burden for Indian exporters seeking to access the EU market, but it also incentivises investments in low-carbon production methods which should support decarbonisation efforts in India. Its implementation will benefit from technical cooperation between the EU, India and like-minded partners on carbon accounting and emissions verification methodologies, particularly as India introduces its own carbon pricing scheme. Discussions could explore innovative financial support mechanisms, such as leveraging its revenues to finance trade partnerships. Over time, this could support the development of more competitive low-carbon export value chains.

Realising the full potential of the EU–India FTA will depend on translating these emerging opportunities into coordinated action across investment, industrial policy, technology cooperation and regulatory implementation. The EU and India have a shared interest in expanding reciprocal market access, mobilising investment in commercially viable projects, strengthening clean technology supply chains and reducing the cost of the energy transition. Failure to address regulatory barriers could slow the deployment of clean technologies and increase costs for businesses and consumers. The following section examines how existing mechanisms can deliver this next phase of cooperation.

Section 3. Deepening the EU–India partnership

Building a deeper economic partnership between the EU and India requires ensuring that the Free Trade Agreement (FTA) is implemented effectively, but it will also be necessary to identify additional trade and investment mechanisms to address any gaps left by the FTA. Tariff liberalisation alone will not be sufficient to deliver tangible economic outcomes. Better alignment of new and existing cooperation architecture around a central theme – such as clean technology – would create a stronger institutional foundation to incentivise investment, catalyse industrial projects and build integrated value chains. This is particularly true for clean technologies, where investment cycles are long-term and supply chains are complex.

Implementing the Free Trade Agreement (FTA)

The completion of negotiations in early 2026 was just the first step towards delivering an impactful EU–India FTA. The agreement must be ratified before it comes into force, which can sometimes become a time-consuming process due to the various legal approvals required by different EU institutions. Experts suggest that the EU–India FTA should enter into force in early 2027, since EU decision makers were in close consultation throughout the negotiating period and there should not be a significant divergence in views.⁶

Another marker of success for an FTA is the extent to which preferential market access provisions are utilised by businesses in practice. Evidence shows that only an estimated 20–30% of India's eligible exports currently take advantage of the tariff savings offered by FTAs, a much lower rate than that of other large economies.⁷ This could be due to the regulatory burden associated with complying with FTA requirements, particularly for small and medium-sized enterprises in India, for which tariff reductions would be unlikely to generate substantial savings.

Supporting full implementation of the EU–India FTA will require governments on both sides to raise awareness of the deal among the private sector, support businesses with

⁶ Observer Research Foundation, 2026, [The India–EU FTA: From Political Agreement to Ratification](#)

⁷ Global Trade Research Initiative, 2026, [FTA Report Card 2026](#)

understanding how to leverage new trading opportunities, and continue to address remaining trade and investment barriers that could deter deeper cooperation. Closer coordination between the European Commission and EU member states would also help to align national activities with EU-level priorities.

Additional platforms to support FTA delivery

Alongside full implementation of the FTA, the EU and India should explore additional cooperation platforms as part of deepening their strategic partnership. The biggest gap in current arrangements remains the lack of parallel investment treaty alongside the FTA, which is yet to be negotiated. This would offer protection to investors, which would be key to creating a more predictable environment to scale financial flows.

There are several other arrangements already in place which should be leveraged and coordinated to strengthen EU-India clean economy cooperation:

- ▶ **A new Memorandum of Understanding (MoU) on climate:** Alongside the FTA, the EU and India announced a new MoU to establish an EU-India “platform for cooperation and support on climate action”. This was due to be launched in the first half of 2026. An immediate priority should be operationalising this platform as a principal implementation mechanism to deliver FTA outcomes. This should include identifying priority clean technology sectors and agreeing how the commitment of €500 million in EU support for India should be mobilised to support the green transition. Given the scale of this package relative to India’s investment needs, the funds should be used to catalyse priority projects and lay the groundwork for longer-term technology partnerships.
- ▶ **The EU-India Trade & Technology Council (TTC):** The TTC offers a high-level institutional platform for coordinating trade, technology and industrial policy. Building on recent progress, including Horizon Europe association, the EV Innovation Hub, the Deep-Tech Startup Partnership and cooperation on resilient value chains, the TTC should play a stronger coordination role in delivering the benefits of the EU-India FTA. Rather than acting as a standalone implementation mechanism, it could provide political oversight, identify priority sectors for technology co-development, coordinate regulatory cooperation, and be used to align the wider implementation architecture across the Climate MoU, Global Gateway and relevant financing institutions.
- ▶ **The Global Gateway Initiative:** This is Europe’s primary vehicle for mobilising international infrastructure investment, spanning areas including clean energy, connectivity, sustainable transport and digital infrastructure. Global Gateway is already active in India, though unevenly: its most visible deliverable is the EU-Africa-India Digital Corridor, and EIB Global has committed a facility of up to €1 billion for India’s National Green Hydrogen Mission. But India has been a relatively minor destination for Global Gateway financing compared with some partners in Africa. Scaling Global

Gateway investment towards India's clean-energy priorities, including renewable technologies, grid modernisation and industrial decarbonisation, would mobilise larger volumes of European public and private sector investment into India's clean economy.⁸

- **Clean Energy and Climate Partnership (CECP):** Established in 2016, the EU-India CECP facilitates policy dialogue to support joint projects and research. Existing technical working groups across solar, offshore wind, and hydrogen have established valuable frameworks for technical cooperation, but remain disconnected from commercial deployment and investment decisions. Better integration with industry and financial institutions would help to translate technical dialogues into bankable projects.

Collectively, these existing mechanisms provide a strong institutional foundation for post-FTA cooperation between the EU and India. The immediate priority should be to improve coordination across these frameworks, including alignment with the relevant financing institutions, to align on strategic priorities, investment pipelines and implementation milestones. The following section outlines how this coordination could be operationalised.

A phased approach to strengthening the post-FTA cooperation architecture

Achieving the full potential of an EU-India clean technology partnership may require building new frameworks to complement existing structures – although this should be viewed as a longer-term step, once existing architecture has been operationalised and coordinated to begin generating tangible industrial, investment and trade outcomes.

The EU has developed a range of clean economy partnership models with different strategic partners, each reflecting distinct political, economic and institutional circumstances.⁹ Rather than replicating any single model, the post-FTA partnership with India should selectively draw on relevant elements while remaining tailored to India's scale, industrial ambitions and expectations of co-ownership.

A phased approach to scaling EU-India clean technology cooperation offers the best opportunity to build robust frameworks, grow investor confidence and adapt the partnership over time as the dynamics of the global energy transition evolve. As EU-India cooperation matures, both sides will be better placed to determine whether additional institutional arrangements are needed to support deeper industrial collaboration.

⁸ European Commission, [EU-Africa-India Digital Corridor](#) (webpage, 7 August 2026); European Investment Bank, 2025, [India to upgrade water infrastructure in the state of Uttarakhand](#); European Investment Bank, 2025, [EIB Global strengthens support for sustainable metro transport in Nagpur and Pune](#); European Investment Bank, 2025, [EIB Global joins forces with India Energy Transition Fund](#); Centre for Global Development, 2025, [What Global Gateway flagship projects tell us about the EU's priorities](#)

⁹ Examples include the EU-Japan Green Alliance, the EU-Republic of Korea Green Partnership, the South Africa Clean Trade and Investment Partnership (CTIP), and the Trans-Mediterranean Renewables and Clean Tech Cooperation Initiative (T-MED).

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PHASE 3: Scale (2028)

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Build new sector-specific partnerships

Integrate industrial value chains

Figure 2: A proposed sequencing for how the EU and India should progressively deepen clean technology cooperation across the remainder of this decade.

Phase 1: Implement

The immediate priority for 2026 should be **successful implementation of the FTA** to ensure the terms are fully utilised. The new EU–India “platform for cooperation and support on climate action” (Climate MoU) should also be launched as quickly as possible. This should be used to **identify priority cleantech sectors** where the EU and India have complementary industrial strengths and the greatest potential for long-term cooperation. Establishing these priorities early will set a clear strategic direction for future investment and industrial cooperation between the EU and India, so that ongoing efforts are focused on specific sectors with the highest strategic and commercial value.

Priority clean technology sectors should be those in which the EU and India’s strengths are complementary, where there is strong potential for investment, and where there is an opportunity to build more resilient supply chains. This could include:

- **Solar:** India offers cost-competitive, large-scale solar manufacturing potential, supported by over 200 Gigawatt (GW) of listed module manufacturing capacity and a rapidly expanding cell and wafer ecosystem. Importing more solar technologies from India would support the EU’s diversification and resilience objectives. India and the EU could work together to build technology partnerships, mobilise finance and develop an integrated manufacturing ecosystem for next-generation solar technologies.

- **Batteries:** Demand for next-generation battery technologies, such as lithium iron phosphate (LFP), is growing, but the EU does not currently possess domestic manufacturing capabilities. India could serve as a reliable trade partner to plug this capacity gap, combining India's emerging manufacturing scale with European capabilities in upstream materials, production equipment and critical components, such as battery separators.
- **Wind:** India has an established onshore wind manufacturing ecosystem with strong export capabilities, supported by European OEMs. In 2024, India supplied around 48% (€255 million) of the EU's wind turbine imports. European technological innovation and capital flows could help to grow this manufacturing base and create more resilient wind supply chains. For offshore wind, a nascent sector in India, cooperation with the EU could provide technology, co-financing for deep-water testing and grid infrastructure, and policy and regulatory cooperation to expand India's offshore engineering, floating foundation and subsea cable capabilities.
- **Grids:** The EU is a global leader in grids manufacturing and technologies across the transmission value chain, although it faces some capacity constraints. India could scale production of transformers, towers and conductors to export to the EU, and EU firms could scale India's advanced transmission manufacturing ecosystem through technology collaboration, joint R&D and developing mutually recognised standards.

Once priority sectors are determined, **the €500 million support package should be deployed** to support joint climate action and clean technology cooperation in these sectors. This investment should be targeted towards high-potential technologies to act as an accelerator for crowding in larger volumes of investment in the future. The initial package should aim to address market access barriers that could constrain deployment.

Phase 2: Coordinate

Close coordination across EU-India cooperation architecture will be crucial to ensuring that shared FTA ambition generates tangible benefits. The EU-India Trade and Technology Council (TTC) should evolve into a **principal coordination mechanism for clean technology cooperation**, to ensure effective implementation of objectives across priority sectors. Recent TTC outcomes, such as the launch of an EU-India Startup Partnership focused on deep tech clean technologies, demonstrate the potential for this platform to support industrial cooperation in the clean economy.¹⁰

Beyond regulatory cooperation, the TTC should also increasingly serve as a **structured platform for business-to-government engagement**. This will enable industry to identify implementation barriers, provide feedback on emerging regulatory challenges and support the development of investment-ready projects across priority sectors. Strengthening public

¹⁰ European Commission, 15 July 2026, [EU & India strengthen strategic partnership with Trade and Technology Council](#)

and private sector engagement will help to ensure that investment decisions are informed by commercial realities, while allowing policymakers to respond more effectively to implementation challenges as the EU-India partnership evolves.

Stronger coordination will also be required across financing architecture, including the Global Gateway, European Investment Bank (EIB), other development finance institutions and relevant Indian financing agencies. Better alignment would improve project preparation, better sequence technical assistance and financial aid, reduce institutional fragmentation, and strengthen the pipeline of investment-ready clean economy projects.

Long-term EU-India cooperation will also require **bringing trade, investment and industrial priorities together under one umbrella**. Addressing remaining regulatory barriers will be necessary to unlock private capital, and without private capital both sides will not be able to take advantage of favourable FTA terms. In order to achieve meaningful industrial transformation in the long-term, the EU and India will need to take a cohesive approach to creating a more stable investment environment, diversifying trade flows and building integrated industrial capacity.

Phase 3: Scale

Once clean technology priorities have been identified and institutional architecture is being coordinated strategically, the next challenge for the EU and India will be to grow the scale of the partnership. This will require **mobilising significantly larger flows of public and private capital to increase investment**, alongside introducing new cooperation mechanisms on top of the FTA to accelerate key aspects of the trading relationship.

EU-India investment priorities could include:

- ▶ Investment facilitation platforms supported by European and Indian institutions. Examples such as EIB Global's €60 million commitment to the India Energy Transition Fund show how public finance can catalyse larger volumes of private investment.¹¹
- ▶ Joint project preparation facilities and business matchmaking services to develop a long-term pipeline of investment-ready projects to bring investors on board.
- ▶ Blended finance and risk-sharing instruments, developed jointly with Indian institutions such as IREDA, NaBFID and NIIF.

Existing international initiatives, such as the EU's Trans-Mediterranean Renewables and Clean Tech Cooperation Initiative (T-MED), demonstrate how project preparation, blended finance, investment matchmaking and technical assistance can be combined to mobilise private capital. Although this framework was developed in a different regional context, selected elements of the model could help to inform future EU-India cooperation by strengthening the investment ecosystem surrounding priority clean economy sectors, rather than simply financing individual projects.

¹¹ European Investment Bank, 2025, [EIB Global supports the India Energy Transition Fund](#)

The EU and India should also consider launching **sector-specific clean technology partnerships**, focused on areas where the two sides have complementary strengths and where there has already been a demonstration of commercial value. These partnerships should bring together governments, industry, research organisations and technology developers to drive progress in priority value chains. Creating clear structures for business-to-business collaboration between European clean technology providers and India's expanding manufacturing ecosystem would be an important step towards **integrating industrial value chains**.

One possible framework to consider for this is the EU's Clean Trade and Investment Partnership (CTIP) model, which offers useful lessons for integrating trade, investment, regulatory cooperation and industrial development within a single cooperation framework. While any future EU-India arrangement should be developed jointly and tailored to India's institutional context, selected elements of the CTIP approach – including coordinated industrial planning, regulatory cooperation, technology partnership and investment facilitation – could provide a useful basis for shaping future EU-India relations.

Section 4: Actions for stakeholders

The EU-India FTA establishes the political foundation for a deeper clean technology partnership. Its long-term success will, however, depend on concrete delivery through a combination of new and existing institutions, the rapid mobilisation of investment, and building commercially viable industrial projects.

The priority for 2026 must be to operationalise the FTA and Climate MoU to guide the deployment of the €500 million cooperation package. The Trade and Technology Council (TTC) must work alongside this to support implementation, facilitate regulatory dialogue and build channels for industrial cooperation. From 2027, the EU and India must focus on improving trade, investment and industrial policy coordination across existing cooperation architecture to ensure efforts by governments and businesses converge around joint priorities. Finally, new mechanisms to scale up trade and investment in priority clean technologies should be explored.

Table 2 sets out suggested actions for stakeholders to build a whole-of-ecosystem approach to delivering clean economy cooperation between the EU and India.

In an increasingly competitive and volatile global context, the next phase of the EU-India partnership must demonstrate that closer cooperation can deliver tangible outcomes. If implemented successfully, the post-FTA partnership between the EU and India could become a leading example of how advanced and emerging economies can integrate trade, investment, and industrial policy priorities to boost competitiveness, strengthen resilience and drive growth in the clean economy.

Table 2: Action matrix for stakeholders

Stakeholder group	Strategic role	Immediate action
Indian government (MoC&I, MoEFCC, MNRE, Ministry of Steel, MHI, MoP and NITI Aayog ¹²)	Lead domestic implementation	Operationalise the “Platform for Cooperation and Support on Climate Action”, identify priority clean technology sectors, coordinate implementation across relevant ministries, and strengthen engagement via the Trade and Technology Council (TTC).
European Commission (DG TRADE, DG ENER, DG CLIMA, DG INTPA), EEAS ¹³ and EU member states	Coordinate post-FTA delivery	Deploy the €500 million cooperation package strategically across priority sectors while aligning the TTC, Global Gateway, EIB and other EU instruments to strengthen investment facilitation, regulatory cooperation and delivery.
Indian businesses (CII, FICCI, ASSOCHAM ¹⁴ and sectoral industry bodies)	Build commercial partnerships	Develop a pipeline of investment-ready projects, joint ventures and technology partnerships across priority clean technology sectors while preparing for evolving regulatory requirements and participating in business-to-government dialogues via the Trade and Technology Council (TTC).
Financial institutions (EIB, IREDA, NaBFID, NIIF and other DFIs ¹⁵)	Mobilise capital	Expand project preparation, blended finance, de-risking instruments and investment facilitation to crowd in larger volumes of public and private capital across jointly agreed priority sectors.
Research organisations & innovation agencies (Horizon Europe, EU-India Innovation Hub, IITs ¹⁶ and other research institutions)	Accelerate technology collaboration	Expand joint R&D, demonstration projects, standards development, regulatory cooperation and skills partnerships through Horizon Europe, the EU-India Innovation Hub and related collaborative programmes.

¹² Ministry of Commerce and Industry (MoC&I); Ministry of Environment, Forest and Climate Change (MoEFCC); Ministry of New and Renewable Energy (MNRE); Ministry of Steel; Ministry of Heavy Industries (MHI); Ministry of Power (MoP)

¹³ Directorate-General for Trade (DG TRADE); Directorate-General for Energy (DG ENER); Directorate-General for Climate Action (DG CLIMA); Directorate-General for International Partnerships (DG INTPA); European External Action Service (EEAS)

¹⁴ Confederation of Indian Industry (CII); Federation of Indian Chambers of Commerce and Industry (FICCI); Associated Chambers of Commerce and Industry of India (ASSOCHAM).

¹⁵ European Investment Bank (EIB); Indian Renewable Energy Development Agency (IREDA); National Bank for Financing Infrastructure and Development (NaBFID); National Investment and Infrastructure Fund (NIIF); Development Financial Institutions (DFIs)

¹⁶ Indian Institute of Technology (IIT)

ABOUT E3G

E3G is an independent think tank working to deliver a safe climate for all.

We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

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