

US to support India's 50,000 e-buses plan

India is aiming to get 50,000 electric buses on its streets by 2027 with help from a joint finance mechanism with the United States (US). The \$390 million fund will act as a guarantee for manufacturers seeking loans to expand production, Indian and US officials said at a side event at COP28. As of now, India has 12,000 e-buses in operation.

The payment security mechanism, established with \$150 million from the US government and philanthropic groups, and \$240 million from the Indian government, "is the bedrock of risk management for building out the financial system for electric mobility at scale in India,"

said Mahua Acharya, a government official who spearheaded the deployment of the first e-buses in the country. India has been working to drive down the price of electric buses.

The government previously introduced the concept of "transportation as service," whereby manufacturers rent buses to public entities and collect monthly payments for 12 years. While this allowed local authorities to spread out costs and to afford more buses, it ultimately led to a production lull as vehicle makers faced uncertain returns while carrying the associated long-term debt.

