



TAKSHASHILA
INSTITUTION

Leveraging BRICS & SCO for India's Energy Security Strategy

Bhumika Sevkani

Takshashila Issue Brief 2026-21
Version 1.0, October 2026

The SCO can help diversify India's oil and gas imports, while BRICS can play a greater role in accelerating India's energy transition.

Recommended Citation:

Bhumika Sevkani, "Leveraging BRICS & SCO for India's Energy Security Strategy", Takshashila Issue Brief 2026-21, Version 1.0, October 2026, The Takshashila Institution

©The Takshashila Institution, 2026

Contents

1 Existing Energy Cooperation Mechanisms	2
2 India's Interests and Limitations	4
3 Recommendations for India	6

Executive Summary

Energy security featured prominently in discussions at both the Shanghai Cooperation Organisation (SCO) and BRICS in 2026, as volatility continues in global energy markets. India can leverage these organisations to attract investments and forge partnerships in clean technology supply chains. This could eventually help in diversifying India's energy consumption mix, thereby contributing to a resilient energy system. For diversification in oil and gas imports, SCO can play a greater role—given the hydrocarbon reserves in Central Asia—but India should ensure the viability of INSTC to source from the region. Both groupings can contribute to diversifying the critical minerals supply chain as well.

Introduction

At the heart of most challenges faced by emerging economies today lies energy security. With oil and gas prices fluctuating and energy supplies uncertain, states are exploring multiple options to reduce their vulnerability to geopolitical shocks. There are mainly two ways to achieve this for an import-dependent country: import diversification and diversifying the energy consumption mix. India is also taking the necessary steps to diversify both import sources and energy sources, but faces constraints in the form of either sanctions or maritime chokepoints.

Energy security was also prominently featured in discussions at both the Shanghai Cooperation Organisation (SCO) and BRICS in 2026. Rightly so, as both groupings include energy-consuming and energy-producing countries. While there exists a similarity in the challenges faced by the member states of these groupings, there is little that can be actually done through these plurilateral organisations towards guaranteeing an uninterrupted, affordable and reliable supply of fossil fuels—especially for India. However, cooperation on clean technologies can prove to be advantageous for both economic growth and energy security of the member states.

This document outlines how active participation in BRICS and the Shanghai Cooperation Organisation (SCO) provides India with a testing ground to de-risk its energy supply, lower capital costs, and boost clean-tech ecosystems.

1 Existing Energy Cooperation Mechanisms

Energy has always been on the agenda of BRICS and SCO, and this year it resurfaced as one of the more important ones. In 2013, the SCO established an energy club to discuss the energy strategy of member states and act as a consultative mechanism. The energy club—a non-governmental advisory body—brings together representatives from the government, businesses and research centres from these member states. It also facilitates dialogue on projects that involve multiple member states, such as the oil and gas pipelines and plans to integrate national grids. The

Strategy for Energy Cooperation among the SCO member states until 2030 was also approved in the Astana Declaration in 2024. It aimed at attracting investments for renewable energy as well as cross-border energy infrastructure, but the work on drafting the roadmap is not yet complete. The SCO has been particularly beneficial for China in finalising and prioritising the construction and security of the oil and gas pipelines from Russia and other Central Asian states to China, making it a major consumer of hydrocarbon resources in the region.^{[1][2]} Meanwhile, China has pursued greater involvement in the region's energy projects, with investments over US\$ 52.5 billion across 160+ power or renewable projects, and 60+ oil and gas ventures in SCO states.³ Last year, three different platforms were launched for China and the SCO to cooperate on energy, green industry and digital economy.⁴

Currently, American sanctions on Russia and the war in Iran have increased operational risks and logistical challenges. This year's SCO summit mainly covered the implementation of technologies and systems that can contribute to energy conservation and efficiency. The member states agreed to a statement of cooperation on energy conservation and efficiency, as well as on energy systems.^{[5][6]} The statements barely covered cooperation on fossil fuels, reflecting the group's limitations in addressing the fuel shortage faced by import-dependent members despite major energy-producing countries being present at the table. Energy exports of Russia and Kazakhstan make for 62 and 51 per cent of their total exports respectively. While Turkmenistan is not a member of the SCO, the country possesses one of the largest hydrocarbon reserves globally and engages with the platform on economic and energy cooperation. Energy exports of Turkmenistan account for about 90 per cent of its total exports.⁷ However, the statements did cover coordination on implementing technologies that support modernisation and digitalisation of energy systems. This also includes adopting technical standards for deploying these technologies.

There is significant potential for expanding bilateral relations with SCO member states given their hydrocarbon reserves, and the organisation could be helpful in providing a platform to facilitate these interactions. Right before the SCO summit in Bishkek, India and Uzbekistan signed agreements and MoUs in several areas—including one in Geology and Mineral resources.⁸ India can build on this partnership to secure natural gas, uranium and critical minerals to support its energy transition, especially as Uzbekistan is exploring foreign investments and partnerships in the sector.⁹ Although India faces stiff competition from China—it being the region's dominant partner—New Delhi can position itself as an alternative by offering financing and technology partnerships, which explicitly aim at reducing Central Asian states' long-term reliance on Chinese capital. While India has extended lines of credit to several Central Asian countries, most infrastructure development projects are located in Tajikistan,

including the Ayni airport and the 8-lane Dushanbe to Chortut highway.^{[10][11][12]}

For BRICS as well, divergent interests of member states and geographic diversity limit the grouping from committing anything significant in terms of securing energy supplies. But the grouping has a much better scope for cooperation on energy transition. The value of approved loans for clean energy in the New Development Bank's (NDB) portfolio has gradually increased from US\$ 1.2 billion in 2017 to US\$ 3.3 billion in 2024.¹³ Under India's 2026 Chairship, the 11th BRICS Energy Ministers' Meeting launched the BRICS Digital Centre of Excellence for Smart Grids and Energy Storage, while progress on the Energy Cooperation Roadmap (2025–2030) continues.¹⁴ The roadmap aims at strengthening the coordination amongst BRICS member countries in order to have a greater say in the international energy agenda, expanding trade in energy-related goods, and expanding energy cooperation—with emphasis on energy security and transition. It also identifies technologies to be prioritised within a sector, and lays out a timeline for implementation of the roadmap. For this year, the timeline prioritised energy storage and smart grids. Moreover, lending from the New Development Bank can help implement infrastructure projects for renewable energy and integration. The NDB directs a higher share of its portfolio to infrastructure-related projects, as energy lending ranks third by sector at US\$ 2.9 billion. Under its 2022–2026 General Strategy, the bank committed to allocating 40 per cent of its total financing to climate projects. Approvals for clean energy projects in the past year accounted for about 30 per cent of the total approvals, at US\$ 937 million. India's actions could focus on attracting investments related to clean mobility infrastructure, especially as the bank is considering local currencies for lending.¹⁵

Hence, while both groupings include energy-producing nations and provide a platform for interaction, limitations in terms of either geography or payments due to ongoing sanctions hinder cooperation. The groupings can prove to be efficient in facilitating India's energy transition and integrating it into the global value chains of clean technologies. This could also mean attracting joint R&D projects in emerging technologies, such as alternatives for Li-ion batteries as well as joint manufacturing projects that can facilitate energy security in the long term.

2 India's Interests and Limitations

India's primary interests, without a doubt, lie in securing affordable energy supplies overland or through maritime routes. In this regard, Petroleum Secretary Neeraj Mittal, representing the country at the 6th SCO Energy Ministers' Meeting in June 2026, emphasised the need to build resilient energy systems through collaboration among member states. He also pointed to the significance of diversifying energy corridors and promoting

greater energy trade within the grouping.

This year, the Energy Track of BRICS was guided by the theme of 'Energy for All'—identifying energy security through affordable supplies, as well as cooperation on several other technologies for alternative energy sources as priority areas.¹⁶ This includes critical minerals, supply chain resilience, smart grids, hydrogen and biofuels. The priorities align with India's interests of focusing on both conventional energy sources, and developing the necessary technologies for energy transition.

However, diversifying import sources for its energy supplies amidst external geopolitical shocks continues to constrain India's efforts in that direction. Focusing on alternative sources, therefore, can contribute to resilience in the energy system. Consequently, a more effective approach would be to accelerate the domestic clean-tech ecosystem in both production and deployment of technologies. This also includes working on diversifying the supply chains early on to avoid reliance on one country later. Central Asian countries, with their diverse and unexploited mineral reserves, could be helpful in this direction. In September 2026, Moscow hosted the SCO Conference on Best Practices in Subsoil Use, which discussed cooperation in resources amongst member states and their development potential.¹⁷ Joint ventures for geological exploration, extraction, material processing, and personnel training were among the key ideas discussed at the conference—showcasing the willingness of Central Asian countries to cooperate on the same.

Furthermore, cooperation on interoperable standards in technologies like batteries, charging infrastructure as well as Hydrogen infrastructure, can help India in securing markets for the components it produces. This aspect of cooperation was more prominent in the BRICS roadmap. Lastly, the experiments in trade using local currencies might later help in evading sanctions, as well as, increase both investments and bilateral trade with respective countries. The most important aspect remains attracting investment and ensuring resilient supply chains of materials for energy transition.

In terms of importing fossil fuels using local currencies, the rupee-rouble mechanism has hit a wall, with excess rupees sitting with Russian companies in Special Vostro accounts. There have been some efforts in the past where third-currency swaps were used, which involve converting excess rupees to either Yuan or Dirhams, but this is only viable if the transaction costs associated with it continue to be beneficial against the price of crude oil. In the context of the ongoing war and inoperable maritime trade routes, the costs might be justified. A new hurdle has appeared in the form of the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, signed by President Trump, that targets top buyers of Russian oil and also covers the 'shadow fleet' vessels.¹⁸ The act allows Trump to impose tariffs of up to 100 per cent on countries purchasing Russian oil, further constraining India's efforts to

diversify its oil and gas imports. Therefore, all of these costs need to be accounted for when sourcing oil and gas from Russia and Iran, as the multilateral organisations in themselves can do little about this limitation.

Geographic constraints further limit India's ability to import fuel from resource-rich Central Asia. Unlike China, India lacks direct land access to Central Asian hydrocarbons due to transit blockades through Pakistan. Meanwhile, the alternative route, INSTC, remains a work in progress for over two decades now.

3 Recommendations for India

To maximise tangible gains, India should actively propose and pursue the following initiatives within BRICS and the SCO:

For clean tech manufacturing and deployment, India can position itself as the primary alternative to China through joint ventures—showcasing a willingness for knowledge-sharing rather than focusing solely on exports. India should leverage the newly established Digital Centre of Excellence for Smart Grids and Energy Storage to anchor joint R&D, interoperable battery standards, and localised supply chains. Interoperable standards in other areas of cooperation, such as green hydrogen, can also help in faster deployment through pilot projects across member countries, while facilitating supply chain integration going forward.

Local currency lending could further facilitate clean energy projects by lowering the cost of capital and eliminating exchange rate risk. By June 2026, 30 per cent of the total project costs financed by the bank across member countries were in local currencies.¹⁹ To take this forward in India, the NDB is working on issuing Maharaja Bonds to leverage both domestic and international capital to fund projects. It also plans to raise INR ₹ 25,000 Cr from the bonds over a period of five years.²⁰

Launched in 2016, the International Finance Corporation was able to raise the equivalent of US\$ 1.6 billion and US\$ 100 million using Masala and Maharaja Bonds, respectively. This initiative by the IFC pioneered a roadmap to raise funds in local currencies through both domestic and international investors.²¹ The IFC also issued Green Masala Bonds to finance climate and sustainability-related projects.²² Under its General Strategy for 2022-2026, NDB also planned to issue thematic bonds in local currencies, such as green bonds.²³ Accelerating this would be particularly beneficial for India in attracting capital for more renewable energy projects. However, the challenges faced by Maharaja Bonds also need consideration. For domestic investors, government securities might be more attractive if the NDB does not price them competitively.²⁴ A pipeline of projects needs to be identified to avoid unallocated capital.

Lastly, using the platform provided by the SCO Energy Club, India could push for the completion of the missing rail link between Iran and Azerbaijan for the INSTC transport corridor. For INSTC to become fully operational, harmonisation of customs procedures and a tariff structure that can make the corridor financially viable should be fast-tracked. This will help in addressing higher transaction costs associated with the route. A major challenge, however, is the sanctions imposed by Western governments on buying energy supplies from Russia and Iran. Although the INSTC can help secure supplies from Central Asian countries, India can explore the possibility of negotiating a narrow exemption for the same, as it did in 2018.²⁵

India should therefore view BRICS and the SCO not as replacements for the existing global order, but as essential platforms for testing alternative economic, financial, and energy arrangements. Geopolitical events like the war in West Asia add momentum to the otherwise slow-moving initiatives in these organisations. Although gains for both conventional energy sources and alternative fuels may be limited, India should continue its efforts to enhance its energy security by engaging with multilateral groupings.

Endnotes

1. "Declaration by the Heads of the Member States of the Shanghai Cooperation Organization." Shanghai Cooperation Organization Secretariat, June 7, 2002. [Link](#)
2. "Statement by the Council of the Heads of State of the Shanghai Cooperation Organisation on Energy Security." Shanghai Cooperation Organization Secretariat, September 16, 2022. [Link](#)
3. Xin, Zheng. "Tech Expertise Enhances Regional Energy Projects." China Daily, September 1, 2026. [Link](#)
4. Jingjing, Ma. "Three Major Platforms for China-SCO Cooperation Launched." Global Times, September 2, 2025. [Link](#)
5. "Statement by the Council of Heads of State of the Shanghai Cooperation Organisation on Cooperation in Energy Conservation and Energy Efficiency." Shanghai Cooperation Organization Secretariat, September 1, 2026. [Link](#)
6. "Statement by the Council of Heads of State of the Shanghai Cooperation Organisation on Cooperation in Energy Systems." Shanghai Cooperation Organization Secretariat, September 1, 2026. [Link](#)
7. "Turkmenistan (TKM) Exports, Imports, and Trade Partners." The Observatory of Economic Complexity, 2025. [Link](#)
8. "List of Outcomes: PM's State Visit to Uzbekistan | Prime Minister of India." Prime Minister's Office India, August 30, 2026. [Link](#)
9. Zakirov, Bekzod. "Uzbekistan's Role in the Rare Earth and Critical Minerals Economy." The Hague Research Institute, August 2025. [Link](#)
10. Ministry of External Affairs. Development cooperation with Central Asian countries, December 22, 2022. [Link](#)
11. Gupta, Shishir. "Ayni in Tajikistan: India Completes Another Capacity-Building Programme." Hindustan Times, July 5, 2022. [Link](#)
12. www.ETInfra.com. "India Becomes a Key Player in Central Asia Riding on Infra Projects." ETInfra, December 23, 2022. [Link](#)
13. Jaspal, Mannat, and Anil Kishora. "Greening Half the World Leveraging the New Development Bank for Green Finance." Observer Research Foundation Middle East, February 2026. [Link](#)
14. BRICS. BRICS committee of senior energy officials: Roadmap for BRICS energy cooperation 2025-2030, May 2025. [Link](#)
15. "NDB Annual Report 2025." New Development Bank, July 2026. [Link](#)
16. Ministry of Power. "India Hosts the 11th BRICS Energy Ministers' Meeting in Gurugram under BRICS Chairship 2026." PIB Delhi, June 25, 2026. [Link](#)
17. "SCO Conference on Best Practices in Subsoil Use." The Shanghai cooperation organisation, September 18, 2026. [Link](#)
18. Tait, Robert. "Trump Signs Bill Imposing Sanctions on Russia and Giving Him More Power to Levy Tariffs." The Guardian, September 18, 2026. [Link](#)
19. "Opening Remarks NDB VP&COO Roman Serov for the Seminar on the Role of the NDB in Mobilising Private Capital in Member Countries." New Development Bank, August 11, 2026. [Link](#)
20. ET Bureau. "Irdai Opens NDB's Maharajah INR Bonds to Insurers." The Economic Times, August 28, 2026. [Link](#)
21. "IFC in India Promoting Sustainable Private Sector-Led Growth." International Finance Corporation, 2016. [Link](#)

22. "MASALA BOND PROGRAM – NURTURING A LOCAL CURRENCY BOND MARKET." International Finance Corporation, January 2017. [Link](#)
23. "India Country Portfolio Evaluation ." New Development Bank, December 2024. [Link](#)
24. Chadha, Purva. "The Role of Development Finance Institutions in Developing and Deepening Local Capital Markets." Funding International Development Organizations, December 2022, 21–35. [Link](#)
25. FPC Briefing. "Readout of U.S.-India 2+2 Dialogue." U.S. Department of State, December 19, 2019. [Link](#)



TAKSHASHILA
INSTITUTION

The Takshashila Institution is an independent centre for research and education in public policy. It is a non-partisan, non-profit organisation that advocates the values of freedom, openness, tolerance, pluralism, and responsible citizenship. It seeks to transform India through better public policies, bridging the governance gap by developing better public servants, civil society leaders, professionals, and informed citizens.

Takshashila creates change by connecting good people, to good ideas and good networks. It produces independent policy research in a number of areas of governance, it grooms civic leaders through its online education programmes and engages in public discourse through its publications and digital media.

©The Takshashila Institution, 2026