



Driving investments in solar sector: EU and ISA bring stakeholders on one platform to deliberate upon ways to increase investments in solar sector

New Delhi, 30 October, 2019: The European Union (EU), International Solar Alliance (ISA) and the European Investment Bank (EIB), jointly organised a session on “How to increase investments in solar energy?” today during the 2nd Assembly of the ISA in New Delhi.

The welcome address was delivered by H.E. Upendra Tripathy, Director General of the ISA. H.E. Ugo Astuto, the Ambassador of the EU to India graced the opening with his presence and delivered his address focusing on ‘importance of deepened cooperation between the EU and the International Solar Alliance’, considering the fact that the issue of climate change has become a fundamental priority for every country and tapping solar energy is essential for meeting the objectives of the Paris Agreement and the United Nations Sustainable Development Goals.

Progressive policies, consensus among stakeholders & advancement in technology paved way for massive capacity additions of solar energy. Countries need to continue investing in non-conventional sources of energy & transition towards a greener & sustainable environment.

Historically speaking, India and EU have shared mutual goals and have demonstrated high-level commitment, through numerous political dialogues and agreements, especially on climate action & sustainable development efforts such as increasing the share of renewables.

The event also saw some insightful presentations on driving investments in solar segment, covering various facets such as latest developments in global markets, sustainable financing options, RE financing and risk mitigation practices. Key takeaways from the presentations are listed below:

- Solar power can be a dispatchable source of power (24x7) with the help of battery & other sources like pumped storage & the development is already happening
- Emphasis on stories of project outcomes can strengthen the case & open financing options
- Projects should adhere to strict environmental & social norms. Low tariff should not be the only driver for market development & emphasis on quality plants is imperative as sub-standard/under-performing plants can affect the country’s energy security
- Commercial projects & technologies need to be considered to nudge great participation from private players, especially in developing economies
- Governments & corporates should transition towards clean energy & sustainable living

Some of the key initiatives that are expected to further support/ catapult the investment in the solar energy sector:

- **Infopedia:** An online platform dedicated to the dissemination of information, best-practices, technologies and knowledge on solar energy. The one-stop online platform, on all things solar, for policy and decision makers, development organisations, businesses, academic community, and the general public. It provides easy access to knowledge, online training, information on stakeholders from around the globe, information on the ISA member

countries related to solar energy. The platform will be officially launched during the ISA Assembly on 31 October 2019.

- **The International Platform on Sustainable Finance (IPSF):** was founded by the EU along with six other countries on 18 October, 2019 in the margins of the Annual World Bank- IMF Summit in Washington. The ultimate objective of the International Platform is to scale up the mobilisation of private capital towards environmentally sustainable investments.
- **Solar Risk Mitigation Initiative:** AFD and World Bank have developed a Solar Risk Mitigation Initiative (SRMI), which is an integrated approach to tackle policy, technical and financial issues associated with scaling up solar energy deployment. SRMI has three main components: an enabling policy environment in targeted countries (technical assistance, capacity building, resource mapping, etc.); support procurement of bankable projects; access to risk mitigation coverage to reduce the risk of private investment. On the third component, AFD is working with the African Trade Insurance, KfW and the EU on the development of the RLSF instrument (EIP/EFSD).

Numerous organizations are voluntarily adopting targets to boost investments in climate action & sustainable development. For example,

- **The European Investment Bank (EIB) has increasingly become more climate-oriented.** EIB, as one of the largest multilateral providers of climate finance worldwide has so far committed at least 25% of its investments to climate change mitigation and adaptation, supporting low-carbon and climate-resilient growth. In 2018 the EIB, or the EU bank as is also termed, exceeded its climate action target for the ninth year running, providing EUR 16.2 billion or 30% of its entire annual investment programme to fight climate change. The EIB announced in New York at last month's UN General Assembly that it is now stepping up its contribution to climate action and has pledged to put half of its new financing towards environmental sustainability by 2025.

The presenters were then joined by Mr. Manoj Gupta (Solar Power Europe and Vice President - Fortum India Pvt. Ltd.) and Mr Christoph Kessler (Director, KfW Office New Delhi) for a panel discussion moderated by Ms. Mafalda Duarte, Head of the Climate Investment Funds (CIF).

The panel deliberated upon ways to drive investments in solar segment, covering various facets such as latest developments in global markets, sustainable financing options and risk mitigation practices related to solar financing. The event highlighted opportunities for various stakeholders including policy makers, international sector experts, financiers, technology providers and project developers to provide their perspective on this important initiative for developing an enabling ecosystem for solar financing.

About the European Union (EU):

The EU, which consists of 28 countries, has the world's largest economy and its third largest population, after China and India. Though richly diverse, the countries that make up the EU (its 'Member States') are all committed to the same basic values: peace, democracy, the rule of law and respect for human rights. They have set up common institutions so that decisions on matters of joint interest can be made democratically at the European level. By creating a frontier-free single market and a single currency (the euro) which has been adopted by 19 Member States, the EU has given a significant boost to trade and employment. It is also at the forefront of policies on sustainability.

EU-India relations: *For over 50 years the EU and India have worked together to reduce poverty, prevent disasters, expand trade, and promote joint research in energy, health, agriculture and many other fields of mutual interest. More information at: <http://eeas.europa.eu/delegations/india>*