International Solar Alliance (ISA)

Report of the Seventh meeting of the Interim Administrative Cell of ISA (ISA Cell) held on September 7, 2016 at 3.30 PM, Ministry of New and Renewable Energy (MNRE) Conference Room, Block-14, CGO Complex, Lodhi Road, New Delhi-110 003, India

The Interim Administrative Cell of the ISA (ISA Cell), held its seventh meeting on September 7, 2016 in the Ministry of New and Renewable Energy (MNRE). Shri Piyush Goyal, the Hon’ble Minister of Power, Coal, New and Renewable Energy and Mines opened the meeting and Shri Upendra Tripathy, Ex Officio Interim DG of ISA and Secretary, MNRE chaired the meeting. The list of participants is enclosed at Annexure -I. The Agenda and the explanatory notes of the agenda items are placed at Annexure - II and Annexure –III respectively.

2. Shri Piyush Goyal, the Hon’ble Minister of Power, Coal, New and Renewable Energy and Mines welcomed the Interim Director General, all Excellencies and participants to the seventh meeting of the ISA Cell and stated that ISA provides a grand platform to bring together 121 Solar resource rich within the tropics and partner countries to promote and deploy affordable solar energy. He was delighted to see the significant progress made by ISA since its launch on 30 November, 2015 at Paris and appreciated new proposals like Internship scheme, Solar awards, ISA News Letter, four proposed Country-ISA RE-INVESTS, new KfW-IREDA financial instruments, joint declaration with UNDP and World Bank, proposal for a Global Solar Fund, outsourcing agreement / project with UNDP, corpus enhancement scheme etc.

3. He informed the members that there would be several practical actions in the field as many countries and organizations including UN organizations and World Bank have shown tremendous interest in ISA. He further stated that the membership of ISA need not be restricted to countries situated between the two Tropics and could go beyond 121 members taking other countries as partner countries with same rights and obligations. He informed the participants that the steering committee has met on three occasions and taken the work of ISA forward and the ISA Cell of the Interim Secretariat has met six times. In this regard, he requested the Ex Officio Interim DG of ISA to review and create an action oriented, time bound road map for ISA in collaboration with UNDP and other partners.
4. Further, he informed the participants that two programmes on ‘Solar Applications for Agricultural Use’ and ‘Affordable Financing at Scale’ have been launched and Joint Declarations with UN/UNDP and the World Bank have been launched to strengthen these two programmes. The Hon’ble Minister went on to inform everyone that in developing and emerging economies, affordable financing is still a challenge and in this context, ISA aims at mobilizing more than US$ 1000 billion in investments that will be needed by 2030 to meet ISA’s goals for the massive deployment of affordable solar energy in prospective member countries. He mentioned that ISA envisions facilitating an ecosystem of financial instruments to mitigate the investment risks, bring down cost of capital, aggregate demands and promote universal energy access.

5. The Minister also invited the attention of participants to the ‘Switch Global Expo-2016 - International Energy Conference: Opportunities, Challenges and Way Forward’, on 06 October 2016, at Vadodara, where the Ministry of Power, Government of India and the Government of Gujarat are jointly organising ‘The International Energy Conference’. ISA will also have a conference during the event. He reiterated that this would be an excellent platform for ISA to push for its ISA linked RE INVEST programmes in Peru, Kenya, Indonesia and India etc. He further requested the ISA Cell to discuss the progress made with respect to the two meetings held in New York: (i) Roundtable on International Solar Alliance -the Trillion Dollar Opportunity; and (ii) the Joint Declaration made with UN/UNDP. He lay emphasis on strengthening the Secretariat so that all announcements made by ISA so far which are excellent must get translated into urgent action in the field.

6. Unveiling of financial instruments by the Hon’ble Minister of Power, Coal, New and Renewable Energy and Mines formulated by IREDA for India which can be replicated by Financial Institutions in ISA prospective member countries (Agenda item No. 1)

Hon’ble Minister greatly appreciated and unveiled the two financial instruments – Credit Enhancement Mechanism and First Loss Facility on one Million Euros each, developed by KfW and Indian Renewable Energy Development Agency Limited (IREDA), a Government of India Enterprise for India. The two instruments, Hon’ble Minister felt could be replicated by financial institutions in prospective member countries of ISA with the help of ISA. Further, he stated that these instruments are preliminary offerings that can be improved upon to develop better and bigger models, which can then be used as templates, even taking help from Green Climate Fund. He also requested to rope in EXIM Bank to include these instruments to add value to the overseas development assistance countries provide. He congratulated IREDA for this important first step
towards affordable financing and these collaborative efforts which will help in achieving the purpose of ISA. In addition, earnest feedback from economically strong countries on the two unveiled financial instruments was requested in order to enhance the instruments, such that they can be delivered in a manner which is more practical to implement. Subsequently, he advised financial institutions to develop many more innovative financial products to further enable countries to invest and de-risk solar energy projects and encouraged members to support each other and create newer instruments for a brighter and cleaner energy environment. A copy of the instruments has been enclosed at Annexure– IV (a), (b), (c). Hon’ble Minister Shri Piyush Goyal also mentioned that ISA, UNDP and World Bank can introduce mechanisms at global levels to de-risk solar projects and minimise hedging cost and provide a credit road map for the renewable energy sector globally.

7. After Hon’ble Minister’s departure, Chairman, ISA Cell once again welcomed everyone to the seventh meeting of the ISA Cell. He appreciated the presence of ISA Cell members, dignitaries from US, UK, EU, France, Peru, Kenya, Indonesia, financial institutions, multilateral institutions present and other special invitees. He mentioned the sixth meeting of ISA Cell last met on 14 June, 2016. Thereafter, he stated that ISA has made considerable progress since its launch on 30 November 2015, especially under the affordable financing at scale programme, for which various consultation meetings with many financial institutions took place on August 2, 2016 and interesting inputs were received in this regard. The Chairman went on to congratulate IREDA on the two instruments unveiled and thanked KfW for all its support in developing the IREDA Loan Scheme for Access to Energy Projects with First Loss Mechanism under the KfW line of credit. The Chairman also informed the participants that the MD of the World Bank would be visiting India and that discussions on the Joint Declaration with the World Bank would be concertized further. He suggested that ISA and World Bank could discuss a global mechanism for derisking solar projects over next 10 years based on credit enhancement mechanism, first loss facility, and minimisation of hedging costs etc. He proposed that prospective member countries can cooperate in advancing ISA’s objectives and that 25 member countries could be selected on a pilot basis in which above activities could be initiated at the earliest wherein World Bank, UN and other bilaterals such as USAID, GIZ, KfW etc. have a strong presence.

The Chairman also stated that it is imperative for all focal points to communicate regularly through WhatsApp group, an email group and regular video interactions.

8. Thereafter, agenda items were taken up for discussion as under:
a. Agenda item No. 2 (Action Taken Report)

The progress on the decisions taken in the last (six) meetings were presented by Ms. Rajasree Ray (Economic Advisor), Interim Secretariat of ISA for the information of ISA cell members and special invitees. A copy of the presentation is at Annexure – V.

b. Agenda item No. 3 (Developments on joint declaration between ISA and World Bank)

The Chairman, ISA Cell thanked Government of India and informed the members on the development of the World Bank and ISA Joint Declaration to promote solar energy globally signed on June 30, 2016 in the august presence of the Hon’ble Finance Minister, Hon’ble Minister for New and Renewable Energy and the President of World Bank. He elaborated that discussions have taken place in order to implement the Joint Declaration of ISA Cell with the World Bank and a video interaction was also held in this regard on July 21, 2016.

The following steps for implementation of ISA activities were delineated:

i. The World Bank was requested to prepare the financial roadmap/action plan for ISA to help mobilize financing of more than US $1000 billion in investments that will be needed by 2030 for ISA activities and discuss the same during the upcoming visit of Mr.Gevorg Sargsyan’s (Global Lead on Clean Energy, World Bank) to India in mid-September.

ii. The World Bank offered to explore how to leverage the World Bank Group’s solar engagement in other ISA countries to promote the objectives of ISA.

iii. The World Bank offered to support ISA to host the next ISA meeting in Marrakesh during the upcoming COP 22 meeting scheduled for the week of November 2016. Given the procedures of COP, MNRE may need to urgently secure a slot for this meeting with COP organizers. World Bank stands ready to support with the organization of the event.

iv. The World Bank will explore the ESMAP (Energy Sector Management Assistance Program) trust fund to be used for achieving some of the above mandates.

v. The proposal is to establish a US $300 billion Solar Fund over ten years with contributions from the World Bank, ODA and also from Green Climate Fund
(GCF) to leverage US $3000 billion investment from the corporate sector for meeting investment requirement for solar energy programmes and projects in the ISA member countries for the next 10 years.

**Way Forward:** The Secretary thanked World Bank for these efforts. The Chairman also informed that the ISA Cell had written to GCF Secretariat with a copy to all Directors for support for the global solar fund. ISA Cell would also make a presentation before the MD and CFO of World Bank during his visit to India, as suggested by the President of the World Bank. The proposal is to strive for a US $300 billion Global Solar Fund over ten years with contributions from the World Bank, ODA and also from Green Climate Fund to leverage US $3000 billion investment from the corporate sector for meeting investment requirement for solar energy programmes and projects in the ISA member countries for the next 10 years.

c. **Agenda item No. 4 (Developments on joint declaration between ISA and UN/UNDP) and Agenda item No. 5 (Presentation on the project proposal of MNRE with UNDP on ISA)**

Mr. Yuri Afanasiev, UN Resident Coordinator and UNDP Resident Representative in India made a presentation and informed participants of progress made with respect to the Joint Declaration with UNDP. A copy of the presentation has been enclosed at Annexure – VI. UN laid emphasis on knowledge management and promotion of ISA objectives through social media. To a query, UN clarified that ISA shall have total ownership of all support given by the UN and that UN shall have no ownership in relation to such support. He elaborated the action points which will be taken by UN Agencies on an outsourcing basis so that ISA can focus on implementation of its programmes, at nascent stage when international organizations mostly spend time to build up administration and financial infrastructure.

i. The development support for the first roadmap of ISA and action plan draft will be sent to the Interim Secretariat at the earliest with input from experts.

ii. He clarified that UNDP efforts were purely advisory in nature and prepared at an arm’s length approach. UNDP will be providing support to establish and operationalize ISA Secretariat for the next 3 years. In addition, technical, legal and programmatic assistance from UN of 1 million USD will be provided. Along with these, support programme implementation in member
countries, corpus management (fiduciary responsibility) and putting in place a knowledge management system will also be looked into by UNDP as per the project.

iii. UNDP has taken on board 7 UN agencies namely UNDP, UNIDO, UNEP, UNESCAP, APCTT, UN WOMEN and ILO.

In addition to the above, UNDP, in coordination with others, is working on a Project document for partnering with MNRE for ISA on the following:-

i. Prepare a baseline assessment report that would inter-alia include:-
   - Solar projects implemented/under implementation with assistance from UNDP in 121 prospective ISA member countries during last 3 years and currently ongoing;
   - Demand for solar projects for different applications in prospective ISA member countries;
   - A portfolio of pilot projects for different solar applications in around 25 prospective ISA member countries. This may include countries where UNDP is implementing the projects/or has implemented the projects, or in any other prospective ISA member country where no projects have been implemented so far or a mix thereof;
   - Assessment of capacity building requirement for undertaking solar pilot projects, such as training of policy makers, engineers, technicians etc; and
   - Financial resources that UNDP can mobilize as technical assistance for implementation of pilot projects.

ii. Examine the prospects of integrating UN existing network for audio-visual interaction system with that of NIC’s Webinar system/web ex system (24x7 knowledge centre of ISA);

iii. Develop a proposal for creating a link for ISA in the existing UNDP data base of best practices for different solar applications & a plan for collection of 1000 best practices video on solar applications;

iv. Detailed project report for setting up an UN-ISA centre for research on solar applications for consideration by International Steering Committee (ISC);

v. Develop a repository of solar energy initiatives taken up by civil society players;
vi. Support ISA Interim Secretariat in developing standardized training modules for solar technicians and also training of trainers from prospective ISA member countries; and

vii. Providing a link to ISA webpage (www.intsolaralliance.org) in UNDP/UN Agency webpages.

viii. Engagement of interns in the Interim Secretariat of ISA by UN as per norms in the joint declaration between ISA and UNDP.

**Way Forward:** The Chairman, ISA Cell, thanked UNDP for these efforts and requested them to send the reports at the earliest.

d. **Agenda item No. 6(Status of joint programmes with USA/UK/EU)**

USA/UK/EU have shown interest in developing a joint programme under the aegis of ISA.

The **USA** has sent a draft concept note for launching the third Program “Off-Grid Solar Knowledge Portal”. The proposed initiative intended to build an off-grid solar knowledge portal (the portal) to enable the sharing of solar energy development experiences, and analysis on short and longer-term issues in the solar energy access and off-grid field. **EU** has supported similar ideas and has shown an interest to develop a joint programme for digital market place solutions to address demands of solar power.

Similarly, **UK** has shown an interest to develop a joint programme in areas which include, finance initiatives, energy collaboration with partnership countries, research and innovation in expanding solar marketing. UK especially offered to partner in Kenya – RE-INVEST 2017 where UK is already working in the solar sector. This gesture was welcomed and appreciated.

**Way Forward:**

- The USA informed that the concept note will be finalized at the earliest.
- Chairman requested US to link the US knowledge portal with the NREL (National Renewable Energy Laboratory) information portal.
- EU informed that the first draft joint concept note will be sent by end of October. EU also suggested that ISA and EU conduct a side event at Marrakesh (COP 22) to launch the joint programme, and also partner in future REINVEST events.
- UK informed that they will be sending the draft concept note of the programme soon.
e. **Agenda item No. 7 (Publication of ISA quarterly journal by the Shakti Foundation and CEEW)**

Centre for Energy, Environment and Water (CEEW) made a presentation to address the ISA quarterly journal that would report the progress made by ISA in each quarter and demonstrate its mission and add value. The quarterly journal would fill the need for improved information and regular communications from and about the ISA and improve ISA’s brand-value and visibility in the public domain. A copy of the presentation has been enclosed at Annexure– VII.

In this context, Shakti Sustainable Energy Foundation has offered to task the Council on Energy, Environment and Water (CEEW) for the publication of the ISA quarterly journal. There is no financial implication for ISA. The Ambassador of Peru also suggested the quarterly journal could be translated in Spanish with the help of professional translators from UNDP/Embassies/MEA.

Ms. Soma Banerjee from CII also mentioned that ISA should have a communication strategy in place for building its brand once ISA is formally in place. This was agreed to by all.

**Way Forward:**

1. The first quarterly journal may be launched in Marrakesh or in World Sustainable Development Summit (WSDS) event or earlier in a suitable event.
2. Communication and Media Strategy to be finalised by a professional agency once ISA formerly comes into operation.

f. **Agenda item No. 8 (Participation by ISA in Events)**

The Interim Secretariat informed that ISA would be participating in the events mentioned below as these are excellent platforms to promote objectives of ISA.

a. Renewable Energy India Expo, 7-9 September 2016, Noida by UBM, India.


Way Forward: The Interim Secretariat will request all prospective ISA member countries and partners to participate in these events.

g. Agenda item No. 9 (India-ISA Reinvest – 2017:- Kenya-ISA, Indonesia-ISA, Peru-ISA)

ISA Cell informed that the ISA - RE-INVEST in India will be in February 2017. ISA - RE-INVESTs are envisioned with participation from all prospective ISA member countries from the continents and outside.

Mr. S. S. Madan, Consultant, MNRE presented the experience and the model of Delhi International Renewable Energy Conference (DIREC). The Government of India hosted Delhi International Renewable Energy Conference (DIREC) 2010, the fourth in the series of global Ministerial-level Conference on Renewable Energy from 27th to 29th October, 2010. The Chairman informed that in RE-INVEST 2015 there was a surplus of US$ 50 million, half of which was donated to the World Renewable Energy Museum in NISE. A copy of the presentation has been enclosed at Annexure–VIII.

The distinguished delegate from Kenya requested that clear deliverables and time lines should be established for such proposed events.

Way Forward: ISA Secretariat will actively engage in developing detailed programmes for ISA-RE INVESTs in Kenya, Indonesia and Peru in consultation with respective governments, Contact points, the World Bank, UNDP, CII, FICCI, and Terawatt Initiative. In order to facilitate the process the ISA Secretariat may consider to take assistance from professional organizations, to ensure that these future events should be revenue neutral and must have very clear outcomes and takeaways. ISA, CII and Terrawatt Initiative should help and facilitate holding ISA RE-INVEST events in Kenya, Indonesia and Peru and the ownership will be with the host countries. The events will be branded as (Country Name)-ISA (Year). ISA could network with 10-15 global event managing companies as RE-INVEST partners who could help ISA on a probono basis on reaching out to companies and countries.

Chairman also requested CII, FICCI and Terrawatt Initiative to extend all help to Kenya, Indonesia & Peru for future REINVEST events on a probono basis.
h. **Agenda item No. 10 (Initiation of Credit Enhancement Mechanisms)**

Under the ‘Affordable finance at Scale’ the second programme of ISA, a presentation was made by Yes Bank on credit enhancement structures and they recommended how ISA can facilitate credit enhancement for other prospective ISA members. A copy of the presentation has been enclosed at Annexure– IX.

**Way Forward:** It is proposed to explore introduction of Credit Enhancement Mechanisms by Financial Institutions for implementation in about 25 prospective member countries, wherein the World Bank and the UNDP have their presence. A suitable matrix can be developed for this purpose.

i. **Agenda item No. 11 (Innovative financial instruments for Solar Energy)**

Under the ‘Affordable finance at Scale’ the second programme of ISA, a presentation was made by Climate Policy Initiative (CPI) under which four ideas with the most potential to drive investment in solar sector were presented. A copy of the presentation has been enclosed at Annexure– X.

**Way Forward:** The Chairman requested CPI to submit details of all countries where such financial instruments are being implemented currently in order to start expanding these instruments in other prospective ISA countries.

j. **Agenda item No. 12 (Future cooperation with financial partners)**

ISA Cell informed the members in pursuance of Paris Declaration, future cooperation being worked out with the financial institutions and a request letter for future partnership with the draft Joint Declaration has been sent to Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), Inter-American Development Bank (IDB), Green Climate Fund (GCF), and New Development Bank (NDB) - Keeping in mind the strong alliance of the mandate of these institutions with the mandate envisioned for ISA, it would be in order to explore collaboration of ISA Cell with these institutions aimed at supporting ISA in mobilising finance of US$ 1000 Billion by 2030 for development and deployment of affordable solar energy in member countries.
ADB reiterated their commitment and partnership with ISA.

**Way Forward:** The ISA Cell agreed that a credit road map for mobilization of US$1000 billion dollars should be prepared by ISA with the help of the financial partners for submission to ISC.

**k. Agenda item No. 13 (Future cooperation with institutional partners)**

Similarly, ISA Cell informed the members on the course of future cooperation planned with Asian and Pacific Centre for Transfer of Technology (APCTT), International Labour Organization (ILO), United Nations Economic and Social Commission for Asia and Pacific (UNESCAP), and Climate Parliament (CP) who have come forward to work with ISA in promoting ISA objective.

**Way Forward:** ISA, together with these institutional partners, will take steps to scale up and speed up development and deployment of solar energy in a sustainable manner. Joint declarations could be signed in appropriate events for promoting ISA objectives.

**l. Agenda item No. 14 (ISA webpage)**

ISA Cell informed the members that the website of the International Solar Alliance (ISA) is a work in progress. Currently, the ISA website has several items which can be opened and viewed. Some of these items include the ISA’s mission, Paris Declaration on the launch of the ISA, a list of prospective country members and details of the ISA steering committee and the Interim ISA Cell reports and meetings. Other heads on the website are objectives, activities, focus areas, governance, projects and reports of the ISA.

**Way Forward:** Since the website is a work in progress, efforts are being made to make it more user friendly and attractive to everyone. Additional content(s) on the progress of ISA will be included in a continuous manner by Interim Secretariat of ISA. The Interim Secretariat suggested giving the development and maintenance of the website to a professional company through UNDP as ISA is not yet a formal body.

**m. Agenda item No. 15(Draft FAQs)**

ISA Cell informed the members keeping in mind the common questions with respect to ISA are being looked into especially for the benefit of relevant stakeholders and the
public at large. In this regard, the Frequently Asked Questions (FAQs) have been developed and will be uploaded in the webpage of ISA.

**Way forward:** The Chairman informed that the FAQ’s are a work in progress and will be updated and uploaded on the ISA web page from time to time as and when there are developments in ISA. He further stated that a feedback mechanism would be inbuilt in the FAQ’s once uploaded. He requested members to provide feedback frequently.

n. **Agenda item No. 16 (Solar awards programme):** Interim Secretariat will examine a proposal from MNRE to have a Solar Awards programme.

(a) The programme will recognize, promote and incentivize advances made in the solar energy sector under the aegis of ISA. The scheme is proposed to be named as Solar Awards programme. An award is proposed to be awarded to the Prime Minister/Executive Head of a member country of the ISA that took a distinct lead and quantum jump in meeting and achieving the objectives of the ISA with regard to development and application of solar energy, especially promotion of universal energy access.

(b) In order to encourage countries and send a positive signal, designing an International Solar Award programme under the aegis of ISA will be a significant step. ISA member countries can volunteer to fund such awards in future. However, if a particular member country provides funding for the award, the same member country shall have the right to suggest a title for the award at its discretion.

**Way Forward:** The ISA Cell members are in consensus and suggested that the offer amount from countries and corporates could be kept in a corpus and the interest amount can be given as awards to a suitable nominee/s chosen on a transparent manner on the occasion of ISA’s annual and Ministerial Assembly.

o. **Agenda item No. 17 (Engagements of Interns in the Interim Secretariat of ISA)**

Chairman ISA Cell informed the members that Interns can be given a specific assignment from an area in which ISA implements its various programmes such as solar applications for agriculture use, financial instruments for energy access. Duration of Internship will be from 3 to 6 months. All internships are as per UN norms.

**Way forward:** Members appreciated the proposal. UNDP was requested to initially select 15 interns for this year. Similarly, for the next two years UNDP will provide 15
interns for every year. In addition, the Chairman also suggested that the interns selected should be from different geographical distributions and requested US, UK, France and EU to provide interns from the second year when the number of interns could be increased to 30. This interns will be given exposure to various solar applications projects including 34 solar parks in India.

**p. Agenda item No. 18 (ISA Corpus Enhancement Scheme)**

ISA Cell suggested a proposal to create an ISA corpus enhancement scheme which will ensure ISA’s long term financial sustainability. Indian and international organisations, institutional donors, individuals, public and private sector can make contribution to the corpus and all contributors may receive a few benefits. However, the contributors shall not be eligible to make any decision with respect to the use of contributions made in order to avoid conflict of interest.

**Way forward:** The ISA Cell members are in consensus and this will be put forth at the next International Steering Committee Meeting (ISC) meeting for discussion and inputs so that corporate sector all over the globe gets an opportunity to participate.

9. In his concluding remarks, Chairman expressed thanks to the Special Invitees for attending the meeting and providing valuable inputs. He hoped that with the support from the prospective ISA member countries, ISA will be successful in achieving its stated goal for expediting development and deployment of solar energy in the prospective ISA member countries at the required scale, speed and skill.

Ms. Claire Thvavoet, Counsellor for Energy and Industry, Embassy of France in India, while appreciating measures taken so far by the Interim Secretariat, mentioned that moving forward, we focus more on action and field level implementation of activities in relation to the two programmes launched. She stated that we must strive to get more member countries to join the programmes. She also proposed more discussions on other credit enhancement structures and innovative financial instruments which will help ISA become an innovative and action oriented organisation. The e-mail dated September 7, 2016 received from National Focal Point of ISA, France was discussed with her and was suitably addressed.

10. Usually, the proceedings are uploaded on the webpage for perusal by all. Now that we have got more than 30 focal points from prospective member countries, it was decided to e-mail the reports to all focal points and contact points.
11. Subjects taken up with the permission of the Chair.

(i) Status of the program on ‘Solar Applications for Agricultural Use’

Eight countries (Bangladesh, Ethiopia, France, India, Nigeria, Seychelles, Sri Lanka and Uganda) are participating in the Programme. For the programme “Scaling solar applications for agricultural use” representatives had two video interactions on 28 June 2016 and 20 July 2016 respectively. The areas identified for working jointly included: a) Top priority applications are solar water pumping, irrigation, drinking water, water pumping for fish ponds, lighting and milk chilling; b) each country should be assigned with a specific solar application to lead, and also to gather data and information pertaining to specifications, standards, best designs and engineering practices of specific application adopted by member ISA countries; c) to manage exchange of best practices both in engineering / designs and also procurement procedures; and d) local capacity building for installation, operation and maintenance.

(ii) Status of the program on ‘Affordable Financing at Scale’

Under the programme “Affordable Finance at Scale”, the work is being focused specifically on credit enhancement mechanism and developing bankable projects. A joint Collaboration with World Bank was signed on June 30, 2016 to support ISA’s goal of mobilizing more than US$ 1000 billion in investments that will be needed by 2030 for the massive deployment of affordable solar energy in prospective member countries. The unveiling of two financial instruments – Credit Enhancement Mechanism and First Loss Facility developed by IREDA, India is a valuable one. Further, item 9, item 10 and item 11 in the agenda also contribute to the second programme. Proposed partnerships, to be handheld by the World Bank, with Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), Inter-American Development Bank (IDB), Green Climate Fund (GCF), and New Development Bank (NDB) will also help in laying down a credit road map for the global solar corporate sector in future.

12. The meeting ended with a vote of thanks to the Chair.

*****
Annexure-1
Annexure-1

Seventh meeting of the Interim Administrative Cell of International Solar Alliance
7th September, 2016, 3:30 PM
Venue: MNRE Conference Hall

List of Participants

Chairman
Shri Upendra Tripathy, Secreatry, MNRE & Ex- Officio Interim Director General, ISA

Members
1. Shri Inder Jit Singh, Additional Secretary, MNRE
2. Shri Santosh D. Vaidya, Joint Secretary - Solar, MNRE
3. Shri Ajit Gupte, Joint Secretary, MEA - I, MEA
4. Smt. S. Majumdar, Economic Adviser, MNRE
5. Dr. O.S. Sastry, Director General, NISE
7. Mr. Agrim Kaushal, Economic Adviser, Interim Secretariat, ISA
8. Dr. P.C. Maithani, Scientist – ‘G’, MNRE
9. Shri Yogender Kumar Yadav, Director General, NIBE
10. Dr. K. S. Popli, CMD, IREDA
11. Dr. D.K. Khare, Director – International Relations, MNRE
12. Dr. N.P. Singh, Former adviser, MNRE
13. Shri C. Kannan, Director Finance, SECI Ltd.

Special Invitees
1. Ms. Claire Thvavoet, Councillor for Energy Industry, Embassy of France, India
2. Mr. Benjamin Cabouat, Counsellor, Embassy of France, India
3. Dr. Dougles A. Morris, Deputy Minister Councillor, Economic Environment Science & Technology, U.S. Embassy, India
4. Mr. Ray Sudweeks, Energy Unit Chief, U.S. Embassy, India
5. Mr. George N. Sibley, Counsellor, U.S. Embassy, India
6. Mr. Sikander Shah, Senior Economic Advisor, U.S. Embassy, India
7. Ms. Hanriette Faergemann, Councillor for Energy, European Union, India
8. Ms. Smita Singh, Project Manager, European Union, India
9. Mr. Simon Lucas, First Secretary, UK High Commission, India
10. Mr. Samuel Karicho, Minister, Kenya High Commission, India
11. Mr. Taufik Rigo, First Secretary, Indonesia Embassy, India
12. Mr. Carlos Jimenez, Acting Ambassador in Charge, Peru Embassy, India
13. Mr. Yuri Afanez, UN Resident Coordinator and UNDP Resident Representative in India
14. Dr. S.N. Srinivas, Programme Officer, UNDP, India
15. Mr. Sanjay Kumar, Executive Director, Climate Parliament
16. Mr. Jiwan Acharya, Energy Specialist, ADB, India
17. Ms. Kanika Chawla, Senior Programme Lead, CEEW
18. Ms. Soma Banerjee, Principal, CII
19. Mr. Shuva Raha, Deputy Director – Energy, CII
20. Mr. Labanya Prakash, Consultant, Climate Policy Initiative
21. Mr. Vivek Sen, Consultant, Climate Policy Initiative
22. Mr. Krishna Dhaawan, CEO, Shakti Sustainable Energy Foundation
23. Ms. Poulami Choudhary, Assistant Director
24. Mr. Pawan Kumar Agarwal, Vice President, Yes Bank
25. Mr. Chandan Bhavnani, Assistant Vice President, Yes Bank
26. Mr. Vikas Bansal, Yes Bank

In Attendance
1. Shri S.S. Madan, Sr. Consultant, MNRE
2. Shri K B K Reddy, Assistant General Manager, IREDA
3. Shri S K Deb, Consultant, EFM, MNRE
4. Shri Srikant Sharma, Consultant, MNRE
5. Ms. Neha Udeshi Bhat, Sr. Consultant, Interim Secretariat, ISA
6. Mr. Shishir Seth, Sr. Consultant, Interim Secretariat, ISA
Annexure-2
**Opening Remarks**
- Hon'ble Minister of Power, Coal, New and Renewable Energy and Mines.

## Agenda Items

<table>
<thead>
<tr>
<th>SI No.</th>
<th>Item</th>
<th>Time (hrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Unveiling of financial instruments by the Hon'ble Minister of Power, Coal, New and Renewable Energy and Mines - formulated by IREDA for India which can be replicated by Financial Institutions in ISA prospective member countries</td>
<td>1530-1550</td>
</tr>
</tbody>
</table>
| 2.     | Remarks by Ex Officio Interim DG & Secretary, MNRE Action Taken Report on proceedings of last meeting held on 14<sup>th</sup> June 2016  
*Presentation by ISA Cell*                                                                 | 1550-1553  |
|        |                                                                                                                                         | 1553-1555  |
| 3.     | Developments on Joint Declaration between ISA and World Bank on 30th June, 2016, as informed during 6<sup>th</sup> meeting.  
*Presentation by World Bank, India*                                                                 | 1555-1600  |
| 4.     | Developments on Joint Declaration with UN/UNDP  
*Presentation by UNDP*                                                                                                                     | 1600-1605  |
| 5.     | Presentation on the project proposal of MNRE with UNDP on ISA  
*Presentation by UNDP*                                                                                                                    | 1605-1610  |
| 6.     | Status of joint programmes with USA/UK/EU                                                                                                 | 1610-1620  |
| 7.     | Publication of ISA quarterly journal by the Shakti Foundation and CEEW  
*Presentation by CEEW*                                                                                                                     | 1620-1625  |
| 8.     | Participation by ISA in Events  
   i. Renewable Energy India Expo, 7-9 September 2016, Noida,                                                                          | 1625-1630  |
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ii.</td>
<td>Switch Global Expo-2016 - International Energy Conference: Opportunities, Challenges and Way Forward, 06 October 2016, Vadodara</td>
</tr>
<tr>
<td>iii.</td>
<td>Special Session on ISA in the TERI WSDS Event-Oct 6-7, New Delhi</td>
</tr>
</tbody>
</table>

*(Presentation by Mr Santosh D Vaidya, JS, MNRE)* |

<table>
<thead>
<tr>
<th></th>
<th>1630-1640</th>
</tr>
</thead>
</table>
| 10. | Initiation of Credit Enhancement Mechanisms for prospective ISA member countries.  

*(Presentation by Yes Bank)* |

<table>
<thead>
<tr>
<th></th>
<th>1640-1650</th>
</tr>
</thead>
</table>
| 11. | Innovative financial instruments for Solar Energy  

*(Presentation by the India Innovation Lab for Green Finance)* |

<table>
<thead>
<tr>
<th></th>
<th>1650-1700</th>
</tr>
</thead>
</table>
| 12. | Future cooperation with financial partners  
Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), Inter-American Development Bank (IDB), Green Climate Fund (GCF), European Investment Bank (EIB), and New Development Bank (NDB) |

<table>
<thead>
<tr>
<th></th>
<th>1700-1710</th>
</tr>
</thead>
</table>
| 13. | Future cooperation with institutional partners  
Asian and Pacific Centre for Transfer of Technology (APCTT), International Labour Organization (ILO) and United Nations Economic and Social Commission for Asia and Pacific (UNESCAP).  

**Joint Declaration with Climate Parliament (CP)** |

<table>
<thead>
<tr>
<th></th>
<th>1710-1720</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.</td>
<td>ISA webpage (intsolaralliance.org)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1720-1725</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.</td>
<td>Consider approving draft FAQs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1725-1730</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.</td>
<td>India’s Solar Award Proposals to ISA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1730-1740</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.</td>
<td>Engagements of Interns in the Interim Secretariat of ISA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1740-1745</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.</td>
<td>ISA’s Corpus Enhancement Scheme</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1745-1755</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Any other agenda item with the permission of Chair</td>
</tr>
</tbody>
</table>

Concluding Remarks.
Annexure-3
Interim Secretariat  
International Solar Alliance (ISA) 

Explanation notes on the Agenda Items for the Seventh meeting of the Interim Administrative Cell of ISA (ISA Cell) 

1. Agenda item No. 1 (Unveiling of financial instruments by the Hon’ble Minister of Power, Coal, New and Renewable Energy and Mines formulated by IREDA for India which can be replicated by Financial Institutions in ISA prospective member countries) 

The cost of finance for deploying solar technologies is still considerably high and stands in the way of deployment of mature solar technologies. Recognizing this, under the aegis of the International Solar Alliance, a programme was launched on 22 April 2016 in New York City on "Affordable finance at Scale". It aims at reducing the cost of finance for solar projects and mobilize more than one trillion USD of investment in photovoltaic assets in solar rich countries by 2030, or earlier. Countries have been invited to join this programme. 

IREDA has formulated two instruments in connection with the programme: 

a. **Credit Enhancement Scheme** for Raising Bonds towards Renewable Energy Projects formulated by IREDA is a method to improve credit worthiness. The mechanism is to provide “Credit Enhancement” of bonds to be issued in the domestic market by a Renewable Energy project SPV / Holding company. Instrument helps the project to secure a) reduced interest costs; and b) longer tenor. The desired level of rating is AA/AAA for raising RE project bonds & to be eligible for investment by long term funds like insurance and pension funds. Due to inherent risks of a Renewable Energy projects, standalone non-recourse project bonds of SPVs will not be able to obtain satisfactory credit rating, thereby restraining the ability of a project to access bond market. Credit Enhancement schemes can enhance the credit rating of the bonds, thereby improving the marketability and liquidity. 

b. **First loss protection mechanism** is a credit enhancement tool of renewable power off-take agreement and this shall typically absorb part of the default or non-payment risk associated with power off-take arrangements for the benefit of creditors. By mitigating these risks, a first loss facility would augment the availability and lower the cost of capital for clean energy projects. A ‘first loss’ guarantee would cover part of the first tranche of losses—for example, 80% of losses up to a value of 10% of the portfolio as a whole. 

2. Agenda item No. 2 (Action Taken Report) 
The progress on the decisions taken in the last (sixth) meeting will be presented by the Interim Sect. of ISA for the information of ISA Cell.
3. **Agenda item No. 3 (Developments on joint declaration between ISA and World Bank)**

On the occasion of the visit of the World Bank President to India, the Interim Administrative Cell of the International Solar Alliance (ISA Cell) and the World Bank declared their intention to promote solar energy globally.

The Declaration was signed & exchanged by Shri Upendra Tripathy, Ex Officio Interim DG & Secretary, MNRE and Mr Onno Ruhl, India Country Director, World Bank in the presence of Shri Arun Jaitley Union Finance Minister, Shri Piyush Goyal, Minister of State (IC) for Power, Coal and New & Renewable Energy, and Dr Jim Yong Kim, President, World Bank on 30th June 2016.

The Joint Declaration by the ISA cell and the World Bank will help in accelerating mobilization of finance for solar energy, and the Bank will have a major role in mobilizing more than US $1000 billion in investments that will be needed by 2030, to meet ISA’s goals for the massive deployment of affordable solar energy.

In order to discuss further Steps for implementation of Joint Declaration of ISA Cell with the World Bank, a video interaction was held with the World Bank on 21 July 2016. World Bank was represented by Mr Gevorg Sargsyan, Global Lead on Clean Energy, World Bank, Washington DC and Mr Simon Stolp, Lead Energy Specialist, Energy and Extractives Global Practice, World Bank, India. In interaction the following emerged:-

i. MNRE requested the World Bank to help prepare the roadmap/action plan for ISA to help mobilize global support and financing of more than US $1000 billion in investments that will be needed by 2030 for ISA activities. The roadmap/action plan may also include a mapping of ISA vis a vis other entities operating in the solar space. The World Bank will finalize specifics of the work during Mr Gevorg Sargsyan’s (Global Lead on Clean Energy, World Bank) upcoming visit to India in mid-September

ii. The World Bank agreed to explore how to leverage the World Bank Group’s solar engagement in other countries to promote the cause of ISA.

iii. The World Bank offered to support ISA to host the next ISA meeting in Marrakesh during the upcoming COP 22 meeting scheduled for the week of November 2016. Given the procedures of COP, MNRE may need to urgently secure a slot for this meeting with COP organizers. World Bank stands ready to support with the organization of the event.

iv. The World Bank will explore the ESMAP (Energy Sector Management Assistance Program) trust fund to be used for achieving some of the above mandates.

v. The proposal to create a Fund for the promotion of solar may be explored with assistance from Green Climate Fund (GCF), World Bank and ODA donor countries of USD 100 million each.

For the information of ISA Cell.

4. **Agenda item No. 4 (Developments on joint declaration between ISA and UN/UNDP)**

On the occasion of the Side event on International Solar Alliance at the UN Headquarters in New York on on 22nd April 2016, the Interim Administrative Cell of
International Solar Alliance (ISA Cell) and the United Nations Development Programme (UNDP) declared their intention to promote solar energy globally.

The joint declaration was exchanged in the presence of Shri Piyush Goyal, Union Minister of State (IC) for Power, Coal and New and Renewable Energy; Ministers and Ministerial representatives from around 25 ISA countries. Shri Upendra Tripathy, Ex Officio Interim DG & Secretary, MNRE exchanged the declaration with UN representative. On this occasion, Mr Yuri Afanasiev, UN India coordinator was also present.

On 4 July 2016, Secretary MNRE chaired a meeting to discuss the further steps for implementation of the activities envisaged in the Joint Declarations of ISA Cell with UNDP. In meeting the following was agreed:-

UNDP
i. Prepare a baseline assessment report that would inter-alia include:-
   - Solar projects implemented/under implementation with assistance from UNDP in 121 prospective ISA member countries during last 3 years and currently ongoing;
   - Demand for solar projects for different applications in prospective ISA member countries;
   - A portfolio of pilot projects for different solar applications in around 20 prospective ISA member countries. This may include countries where UNDP is implementing the projects/or has implemented the projects, or in any other prospective ISA member country where no projects have been implemented so far or a mix thereof;
   - Assessment of capacity building requirement for undertaking solar pilot projects, such as training of policy makers, engineers, technicians etc; and
   - Financial resources that UNDP can mobilize as technical assistance for implementation of pilot projects.

ii. Examine the prospects of integrating UN existing network for audio-visual interaction system with that of NIC’s Webinar system;

iii. Develop a proposal for creating a link for ISA in the existing UNDP data base of best practices for different solar applications & a plan for collection of 1000 best practice video on solar applications;

iv. Detailed report for setting up an UN-ISA centre for research on solar applications in ISA Secretariat;

v. Develop a repository of solar energy initiatives taken up by civil society players;

vi. Support ISA interim Secretariat in developing standardized training modules for solar technicians and also training of trainers from prospective ISA member countries; and

vii. UNDP will give a link to ISA webpage (www.intsolaralliance.org) in UNDP/UN Agency webpages.

viii. Engagement of interns in the Interim Sect. of ISA by UN

For the information of ISA Cell.

5. Agenda item No. 5 (Presentation on the project proposal of MNRE with UNDP on ISA)

UNDP is working on a Project document for partnering with India, MNRE for ISA, including the above points stated at point No.4 i to viii.

For the information of ISA Cell.
6. Agenda item No. 6 (Status of joint programmes with USA/UK/EU)

USA/UK/EU have shown interest in developing a joint programme under the aegis of ISA. The draft concept note has been received from US side for launching the third Program “Off-Grid Solar Knowledge Portal”. The proposed initiative intended to build an off-grid solar knowledge portal (the portal) to enable the sharing of solar energy development experiences, and analysis on short- and longer-term issues in the solar energy access and off-grid field. However, this proposal is yet to be concretised/finalized. Joint Programme with UK and EU has not been firmed up yet.

For the information of ISA Cell.

7. Agenda item No. 7 (Publication of ISA quarterly journal by the Shakti Foundation and CEEW)

It is proposed to launch the ISA quarterly journal that can report on the progress made by ISA in each quarter and demonstrate its mission and add value. The proposed journal would fill the need for improved information and regular communications from and about the ISA and improve ISA’s brand-value and visibility in the public domain. The ISA Journal will be distributed largely electronically plus around 200 printed copies. In case of any special meetings, the ISA Newsletter could be printed more in number for distribution. The compilation of the contents of the journal could be done by an organization which has focus on sustainable energy and demonstrated considerable interest in ISA activities - with the approval of ISA Secretariat as it would be the official newsletter from the interim Secretariat of ISA.

In this context, Shakti Sustainable Energy Foundation has been requested to task the Council on Energy, Environment and Water (CEEW) for the publication of the ISA quarterly journal. There is no financial implication for ISA.

The first journal could be launched on October, 6 2016 by Hon’ble Prime Minister of India.

For the information and approval of ISA Cell.

8. Agenda item No. 8 (Participation by ISA in Events)

a. Renewable Energy India Expo, 7-9 September 2016, Noida –
   i. Renewable Energy India Expo, to be organized by UBM India, intends to accelerate the growth of India’s Renewable Energy sector and contribute to the country’s sustainable economic development.
   ii. The show aims to upscale and mainstream the applications of renewable energy resources, showcase innovations, and enrich deliberations by providing the industry with an international exhibition and conference platform.
   iii. Attendees to the event get three days of power packed inter industry business opportunities within the Solar, Wind, Bio-mass/fuel, Small Hydro, Geothermal and Energy Efficiency sectors.
b. **Switch Global Expo-2016 - International Energy Conference: Opportunities, Challenges and Way Forward, 06 October 2016, Vadodara**


ii. The Conference will be held on the sidelines of the Switch Global Expo, a showcase of electrical and power products and innovations, which is expected to be attended by over 4000 international visitors between 6 - 9 October 2016.

iii. This one-day International Energy Conference will provide a platform to energy Ministers from Africa and other countries as well as key policy actors and industry captains to share their perspective on the power scenario globally and will entail focused discussions on the roadmap for transitioning conventional energy into cleaner sources and the measures being adopted by countries to accelerate renewable energy deployment.

c. **Special Session on ISA in the TERI WSDS Event-Oct 6-7, New Delhi**

The World Sustainable Development Summit (WSDS) 2016, themed, 'Beyond 2015: People, Planet & Progress', will be among the first international platforms to discuss the new agenda post the adoption of the Sustainable Development Goals and the signing of the Paris Agreement. A special session on ISA is tentatively held during this event.

For the information and approval of ISA Cell.

9. **Agenda item No. 9 (ISA - India Reinvest – 2017:- ISA- Kenya, ISA – Indonesia, ISA – Peru)**

ISA - RE-INVESTs are envisioned with participation from all prospective ISA member countries from the continent and outside.

CII, FICCI and Terrawatt Initiative together are developing a transparent strategy, including an action plan with clear roadmap of activities for holding ISA RE-INVEST in India in Feb 2017.

ISA Cell may consider developing the strategies from the above said organizations for holding the subsequent Re-Invest in Indonesia, Kenya and Peru, if the host country agrees on the same.

Mr. Santosh D Vaidya, JS, MNRE will present the experience and the model of Delhi International Renewable Energy Conference (DIREC). Government of India hosted Delhi International Renewable Energy Conference (DIREC) 2010, the fourth in the series of global Ministerial-level Conference on Renewable Energy from 27th to 29th October, 2010. The conference followed from the initiative taken at the 2002 World Summit on Sustainable Development in Johannesburg and also builds up on the initiatives taken in various IREC's held in Bonn (Renewables 2004), Beijing (BIREC 2005) and Washington (WIREC 2008) to highlight the significance of renewable energy.

For the information and approval of ISA Cell.
10. **Agenda item No. 10 (Initiation of Credit Enhancement Mechanisms)**

Credit Enhancement is being used as an instrument which helps the project secure longer tenor and reduced interest costs. Due to inherent risks of a Renewable Energy projects, standalone non-recourse project bonds will not be able to obtain satisfactory credit rating, thereby restraining the ability of a project to access bond market. Credit Enhancement schemes can enhance the credit rating of the bonds, thereby improving the marketability and liquidity. It is proposed to explore Credit Enhancement Mechanisms for implementation in about 30 prospective member countries, wherein the World Bank and the UNDP have their presence.

Under the ‘Affordable finance at Scale’ the second programme of ISA, YES bank will present successful case studies on the Credit Enhancement Mechanisms.

For the information of ISA Cell.

11. **Agenda item No. 11 (Innovative financial instruments for Solar Energy)**

Climate Policy Initiative (CPI) is a well-known non-profit, analytical group with offices in New Delhi, Jakarta, London, Rio de Janerio, San Francisco and Venice working in the realms of climate and energy policies with a particular focus on finance. CPI has successfully implemented the Global Innovation Lab for Climate Finance in partnership with support of the governments of US, UK, Germany, France, Denmark, Netherlands, Norway and Japan in 2014.

Based on the above successful experience, The India Innovation Lab for Green Finance, launched in November 2015, established as a public-private initiative that identifies, develops, and accelerates innovative solutions to finance green infrastructure for renewable energy (including utility scale, distributed, and off-grid), energy efficiency, urbanization, and other channels for green growth. It is a unique initiative that aims to provide concrete solutions to the unique financing challenges to investment in green infrastructure in India. By addressing investors’ needs, it can unlock new investment for clean growth in India. This lab chose four ideas with the most potential to drive investment to move forward to the next phase of the India Lab for further development.

The India Innovation Lab for Green Finance will present an action oriented proposal.

For the information of ISA Cell.

12. **Agenda item No. 12 (Future cooperation with financial partners)**

In pursuance of Paris Declaration, future cooperation being worked out with the following institutions:

Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), Inter-American Development Bank (IDB), Green Climate Fund (GCF), and New Development Bank (NDB) - A request letter for future partnership with the draft Joint Declaration has been sent. Keeping in mind the strong
alliance of the mandate of these institutions with the mandate envisioned for ISA, it would be in order to explore a collaboration of ISA cell with these institutions aimed at supporting ISA in mobilising finance for development and deployment of affordable solar energy.

For the information of ISA Cell.

13. Agenda item No. 13 (Future cooperation with institutional partners)

Institutional Partners

Asian and Pacific Centre for Transfer of Technology (APCTT), International Labour Organization (ILO) and United Nations Economic and Social Commission for Asia and Pacific (UNESCAP), and Climate Parliament (CP) – future cooperation request will be sent to them.

For the information of ISA Cell.

14. Agenda item No. 14 (ISA webpage)

The website of the International Solar Alliance (ISA) is a work in progress. Currently, the ISA website has several heads which can be opened and viewed. Some of these heads include the ISA’s mission, Paris Declaration on the launch of the ISA, a list of prospective country members and details of the ISA steering committee and the Interim Administrative Cell reports and meetings. Other heads on the website are objectives, activities, focus areas, governance, projects and reports of the ISA.

Since the website is a work in progress, efforts are being made to make it user friendly and attractive to everyone. Furthermore, additional content on progress of ISA is being included.

For the information of ISA Cell.

15. Agenda item No. 15 (Draft FAQs)

Keeping in mind the necessity of uploading the Frequently Asked Questions (FAQs) in the webpage of ISA, the same has been developed. This will benefit relevant stakeholders and the public at large.

For the information of ISA Cell.

16. Agenda item No. 16 (Solar awards programme)

(a) The Govt. of India has a proposal to constitute a Solar Awards programme to recognize, promote and incentivize advances made in the solar energy sector under the aegis of ISA. The scheme is proposed to be named as the Atal Solar Awards programme. An amount of Rs. 50,000,000 (US $747,167 @Rs. 66.9) is proposed to be
awarded to a member country / member countries of the ISA that take a distinct lead in meeting and achieving the objectives of the ISA with regard to development and application of solar energy.

(b) In order to encourage countries and send a positive signal, designing an International Solar Award programme under the aegis of ISA will be a significant step. Any other ISA member country can also volunteer to fund the award in future. However, if a particular member country accepts the responsibility of funding the award, the same member country shall have the authority to suggest a different title for the award as well.

There will be no financial implication for ISA.

The above two proposals (a & b) are placed before the ISA cell for approval.

17. **Agenda item No. 17 (Engagements of Interns in the Interim Secretariat of ISA)**

The engagements of interns may well be considered as it could be an opportunity for interns for honing their skills in ISA. Interns can be given a specific assignment from an area in which ISA implements its various programmes such as solar applications for agriculture use, financial instruments for energy access. Duration of Internship will be from 3 to 6 months. All internships are as per UN norms.

18. **Agenda item No. 18 (ISA Corpus Enhancement Scheme)**

Details will be provided in the meeting. For the information and discussion of the ISA Cell.

*****
Credit Enhancement Scheme for raising Bonds towards Renewable Energy Projects (Solar / Wind)
Salient Features of “Credit Enhancement Scheme”

Title
“IREDA - Credit Enhancement Scheme” for raising Bonds by project developers / promoters against commissioned and operationally viable Renewable Energy Projects. It is a non-fund partial credit guarantee instrument.

Objective
i. To enhance the credit rating of the bonds, thereby improving the marketability and liquidity.
ii. To attract investment of low cost and long tenure of funds in RE through credit enhancement of project bonds issued by project sponsors.
iii. It will help the project developers to raise funds at a cheaper stable rate from the bond market and in turn help in development of bond market for RE projects in India.

Credit Enhancement - Structure

<table>
<thead>
<tr>
<th>Ratings Scale</th>
<th>Co-Guarantor/ Backstop Guarantor</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Insurance Companies</td>
</tr>
<tr>
<td></td>
<td>Pension Fund</td>
</tr>
<tr>
<td></td>
<td>Commercial Banks</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>RE Project</td>
<td>IREDA</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>Partial Credit Guarantee</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Issue Programme</td>
<td></td>
</tr>
</tbody>
</table>

Benefits

RE Projects
• Reduction in Debt Cost
• Longer Repayment Period
• Reduction of uncertainty in interest rates (floating rate loan to fixed rate bonds)
• Freeing up exposure limits with Banks/Fls for new projects

Investors
• Long term bonds for investment of funds with longer maturity
• Good avenue to invest in mandated sector
• Bonds would be Guaranteed

Existing Lenders
• Freeing up of capital & exposure limits for taking fresh exposures fetching better returns.
• Can invest in credit enhanced bonds
Eligibility Criteria

I. The RE project should have at least 1 year operational history after COD, as on the date of request for extension of Guarantee for Credit Enhancement.
ii. Commercially viable Grid connected Renewable Energy projects (Solar/ Wind), the projects should have minimum average DSCR of 1.2.
iii. The minimum issue size of the proposed bonds should not be less than Rs. 100 Cr. to be eligible under the scheme.
iv. The minimum stand-alone credit rating (external) of the RE project / proposed Bond structure to be credit enhanced should be at least "BBB", such rating should currently be valid.
v. The promoters of the project should not be on the defaulters list of Reserve Bank of India (RBI) or Credit Information Bureau (India) Limited (CIBIL) and no criminal proceeding should be pending against the promoters.
vi. The borrower i.e. SPV/holding Company and its subsidiary should not be in default list of IREDA/Banks/FIs as on date of application.
vii. The amount raised by way of credit enhancement of bonds shall be used only to repay the existing debt partially or fully.
viii. All other eligibility conditions as per financing norms of IREDA.

Technologies: Grid connected Renewable Energy Projects (Solar/ Wind).

Extent of Credit Enhancement

I. IREDA can extend guarantee upto 25% of the proposed issue size of the bonds and in any case it should not be more than 20% of total capitalized Project Cost, as per latest audited balance sheet.
ii. The project for which the bond proceeds are proposed to be utilized should not have D/E ratio of more than 3:1.
iii. The above limits shall be subjected to IREDA's exposure norms.

Nature of Credit Enhancement

IREDA will provide credit enhancement by way of unconditional and irrevocable partial credit guarantee to enhance the credit rating of the proposed bonds.
Fee Structure

The Guarantee / Credit enhancement fee to be charged by IREDA shall be based on the external rating of the project, bond yields, market conditions, Risk analysis, bond tenure etc. The guarantee fee to be charged by IREDA shall be in the range of 1.80% - 2.90% p.a. of its exposure.

- Apart from above Guarantee fee, applicant shall be liable to pay processing fee of 0.10% of the IREDA’s exposure of Guarantee and the same shall be payable to IREDA at the time of documentation for issue of guarantee.

- Pricing matrix for credit enhancement to be followed by IREDA

<table>
<thead>
<tr>
<th>Rating of the Bonds without IREDA's Guarantee</th>
<th>Guarantee fee (p.a.) to be charged on IREDA's exposure, based on the Average Maturity of the Bonds (in years)</th>
<th>Up to 10 years</th>
<th>&gt;10 - 15 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>1.80%</td>
<td>1.80%</td>
<td>1.80%</td>
</tr>
<tr>
<td>AA-</td>
<td>1.85%</td>
<td>1.85%</td>
<td>1.85%</td>
</tr>
<tr>
<td>A+</td>
<td>1.90%</td>
<td>1.90%</td>
<td>1.90%</td>
</tr>
<tr>
<td>A</td>
<td>1.95%</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>A-</td>
<td>2.00%</td>
<td>2.10%</td>
<td>2.10%</td>
</tr>
<tr>
<td>BBB+</td>
<td>2.20%</td>
<td>2.40%</td>
<td>2.40%</td>
</tr>
<tr>
<td>BBB</td>
<td>2.65%</td>
<td>2.90%</td>
<td>2.90%</td>
</tr>
</tbody>
</table>

- Tenure
  The period of Guarantee would be linked with the period for which bonds are issued, the maximum tenure of the project bonds may be upto 15 years.

- Security
  i. Investors to the project bond will have pari-passu charge, on the assets of the project bond issuer, with other senior lenders in the project, if any. IREDA will have a charge, which may be subordinated to the project bond Investors and other senior debt lenders. However, IREDA will have pari-passu charge to the extent of invoked guarantee
  ii. First pari passu charge on TRA.
  iii. Other security conditions as per existing Financing Norms of IREDA.

- Co-guarantee / consortium Guarantee
  IREDA may follow suit with the terms and conditions including the fee and security structure as per the terms and conditions of Co-Guarantor/Consortium Guarantor

The full scheme document can be accessed at IREDA’s Website (www.ireda.gov.in).

Indian Renewable Energy Development Agency Ltd.
(A Govt. of India Enterprise)
A Mini Ratna PSU under Ministry of New and Renewable Energy
www.ireda.gov.in
Annexure-4b
IREDA Loan Scheme for “Access to Energy Projects” with “First Loss Mechanism” Under KfW Line of Credit
**Scheme Objective**

The main objective of the Scheme is to increase the supply and use of sustainable clean energy services in rural areas through improved access to financing for project developers. This is to contribute to a technically and economically efficient as well as socially and ecologically sustainable energy supply (overall objective of the Indo-German Cooperation in the Indian energy sector).

**Salient Features of the Loan Scheme**

1. **Minimum Loan Requirement**
   The minimum loan eligibility from IREDA will be Rs. 50 Lakh unless specifically exempted under any scheme/program.

2. **Promoter Contribution and Quantum of Loan**
   Financing norms relating to quantum of loan and minimum promoter contribution, in brief, for different type of eligible projects are given below:

   Minimum Promoter Contribution, Quantum of loan & Maximum Debt Equity Ratio:

   a) Quantum of loan from IREDA shall be up to 70% of the total Project cost.
   b) The minimum promoter contribution shall be 30% of the project cost and the maximum Debt Equity Ratio (DER) shall not be more than 3:1.

3. **Sectors Eligible for the Assistance**
   All the techno-commercially viable projects in RE.

**NOTE:**

1. Project should be implemented in areas where electricity provided through national grid is less than 2 hours (on an average) during peak hours (5 pm to 11 pm).
2. Project shall follow international best practices with respect to environmental and social aspects.
3. In Hybrid Models, the installed conventional energy capacity shall not exceed install renewable capacity.
4. Bio-mass gasifiers are not eligible to be covered under this scheme.
5. Projects under ESCO modes are eligible under the scheme.
4. Repayment Period & Interest Rates
4.1 The repayment periods shall be maximum of 7 years, depending on the project cash flows & DSCR of the project and it shall be after the implementation & grace period.
4.2 Applicable interest rate will be as follows:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Loan Tenure</th>
<th>Rate of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&lt; 2 Years</td>
<td>9.75</td>
</tr>
<tr>
<td>2</td>
<td>2 – 4 Years</td>
<td>10.75</td>
</tr>
<tr>
<td>3</td>
<td>Longer than 4 Years</td>
<td>11.50</td>
</tr>
</tbody>
</table>

Note: In case the actual loan tenure exceeds the approved loan tenure the applicable interest rate will be revised accordingly for entire loan.

5. Special Benefits
- 5% of the loan amount as milestone based incentive – The amount will be adjusted against the outstanding loan on timely commissioning of the project and repayment of 20% of the loan amount.
- 10% of the loan amount as Debt Service Reserve Money (DSRM) – The amount will be adjusted against the final installments of the loan on prompt repayment.

6. General Conditions
Other general eligibility conditions for loans shall be as per IREDA's Financing Guidelines.
Annexure-5
Seventh meeting of the Interim Administrative Cell of ISA (ISA Cell)
7th September, 2016

Interim Secretariat, ISA
### ISA - Major events so far

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 November 2015</td>
<td>ISA launched in Paris, France and Paris Declaration on ISA announced</td>
</tr>
<tr>
<td>1 December 2015</td>
<td>1st International Steering Committee (ISC) meeting of ISA in Paris, France</td>
</tr>
<tr>
<td>18 January 2016</td>
<td>2nd ISC meeting held in Abu Dhabi, UAE</td>
</tr>
<tr>
<td>25 January 2016</td>
<td>Foundation stone of the International Solar Alliance (ISA) Headquarters laid at NISE, Gwalpahari, Gurgaon, National Capital Region of Delhi</td>
</tr>
<tr>
<td>29 January 2016</td>
<td>Notification of the Interim Administrative Cell of ISA (ISA Cell) issued</td>
</tr>
<tr>
<td>10 February 2016</td>
<td>1st ISA Cell meeting in New Delhi</td>
</tr>
<tr>
<td>17 February 2016</td>
<td>2nd ISA Cell meeting in New Delhi</td>
</tr>
<tr>
<td>11 March 2016</td>
<td>3rd ISA Cell meeting in New Delhi</td>
</tr>
<tr>
<td>18 March 2016</td>
<td>4th ISA Cell meeting in New Delhi</td>
</tr>
<tr>
<td>6 April 2016</td>
<td>Meeting with Resident Diplomatic Missions of ISA Countries in New Delhi</td>
</tr>
<tr>
<td>21 April 2016</td>
<td>3rd ISC meeting in New York, USA</td>
</tr>
<tr>
<td>22 April 2016</td>
<td>Ministerial Side event on ISA in UN Headquarters, New York, USA</td>
</tr>
<tr>
<td>11 May 2016</td>
<td>5th ISA Cell meeting in New Delhi</td>
</tr>
<tr>
<td>14 June 2016</td>
<td>6th ISA Cell meeting in New Delhi</td>
</tr>
</tbody>
</table>
UN/UNDP as Strategic Partner of ISA (April 22, 2016)
• Secretary MNRE chaired a meeting on 4 July 2016.
• Steps for implementation of ISA activities delineated.

New Initiatives under ISA
• USA/UK/EU is interested in joint programmes.
• Joint Programme with UK and EU – to be firmed.

RE-INVESTs
• CII, FICCI and Terrawatt will come together for holding ISA RE-INVEST (February 2017) : Role to be discussed.
• Proposal received from Terrawatt Initiative.
• Model for holding ISA RE-invest to be discussed.
Trainings for professional from ISA countries

- Interim Secretariat is in consultation with NISE and other relevant institutions for finalizing the proposal.

ISA Cell Structure

- Order No. 1/1/2015-ISA issued to re-designate
  - ISA Cell as Interim Secretariat (inaugurated on 25th January, 2016 and
  - Chairman ISA Cell as Interim Director General of ISA.
- Inviting nominations for interim Director General / Director General – *under process*
<table>
<thead>
<tr>
<th>SI No.</th>
<th>Item</th>
</tr>
</thead>
</table>
| 1.     | Unveiling of financial instruments by the **Hon’ble Minister of Power, Coal, New and Renewable Energy and Mines** - formulated by IREDA for India which can be replicated by Financial Institutions in ISA prospective member countries
<p>|        | Remarks by <strong>Ex Officio Interim DG &amp; Secretary, MNRE</strong> |
| 2.     | Action Taken Report on proceedings of last meeting held on 14\textsuperscript{th} June 2016 <em>(Presentation by ISA Cell)</em> |
| 3.     | Developments on Joint Declaration between ISA and World Bank on 30th June, 2016, as informed during 6\textsuperscript{th} meeting. <em>(Presentation by World Bank, India)</em> |
| 4.     | Developments on Joint Declaration with UN/UNDP <em>(Presentation by UNDP)</em> |
| 5.     | Presentation on the project proposal of MNRE with UNDP on ISA <em>(Presentation by UNDP)</em> |
| 6.     | Status of joint programmes with USA/UK/EU |</p>
<table>
<thead>
<tr>
<th>SI No.</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Publication of ISA quarterly journal by the Shakti Foundation and CEEW <em>(Presentation by CEEW)</em></td>
</tr>
<tr>
<td>8.</td>
<td>Participation by ISA in Events</td>
</tr>
<tr>
<td></td>
<td>i. Renewable Energy India Expo, 7-9 September 2016, Noida,</td>
</tr>
<tr>
<td></td>
<td>ii. Switch Global Expo-2016 - International Energy Conference: Opportunities, Challenges and Way Forward, 06 October 2016, Vadodara</td>
</tr>
<tr>
<td>9.</td>
<td>ISA - India Reinvest – 2017:- ISA- Kenya, ISA – Indonesia, ISA – Peru <em>(Presentation by Mr S.S Madan on DIREC Model)</em></td>
</tr>
<tr>
<td>10.</td>
<td>Initiation of Credit Enhancement Mechanisms for prospective ISA member countries. <em>(Presentation by Yes Bank)</em></td>
</tr>
<tr>
<td>11.</td>
<td>Innovative financial instruments for Solar Energy <em>(Presentation by the India Innovation Lab for Green Finance)</em></td>
</tr>
<tr>
<td>SI No.</td>
<td>Item</td>
</tr>
<tr>
<td>--------</td>
<td>------</td>
</tr>
</tbody>
</table>
| 12.    | Future cooperation with financial partners  
        Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), Inter-American Development Bank (IDB), Green Climate Fund (GCF) and New Development Bank (NDB) |
| 13.    | Future cooperation with institutional partners  
        Asian and Pacific Centre for Transfer of Technology (APCTT), International Labour Organization (ILO) and United Nations Economic and Social Commission for Asia and Pacific (UNESCAP)  
        **Joint Declaration with Climate Parliament (CP)** |
| 14.    | ISA webpage (intsolaralliance.org) |
| 15.    | Consider approving draft FAQs. |
| 16.    | Solar awards programme |
| 17.    | Engagements of Interns in the Interim Secretariat of ISA |
| 18.    | ISA Corpus Enhancement Scheme |
|        | Any other agenda item with permission of Chairman |
Thank You
Annexure-6
United Nations as Strategic Partner of International Solar Alliance

Role of the UN System
Joint Declaration

UN as Strategic Partner of ISA

April 22, 2016: Joint declaration at New York.

Areas of focus are:

1. Development of synergy with ongoing UN programmes in ISA member countries
2. Creation of complimentary linkages with partners in the field of solar energy
3. Strategic cooperation in programmatic and technical expertise
4. Support knowledge management systems
5. Strengthening the ISA institutional structure, linkage with UN centers
6. Any other work areas and themes jointly discussed and decided by ISA and the UNDP
Update

1. Support Development of Roadmap to ISA and Action plan

- **International Panel of Experts** identified from Africa, Asia, Europe, North America, South America and India participated; Multilateral Development Banks, the World Bank, African Development Bank, Asian Development Bank and Inter-American Development Bank participated.

- One to one meetings/video/skype were held with some of them prior to this meeting and more consultations will be held.

- Consultations via video conferencing was conducted on **2 Sept 2016**.

- Next steps: first draft will be sent to ISA within next 2 weeks [3rd week of Sept 2016]. The draft will be finalized after incorporating comments.
Discussion points during the meeting

i. ISA’s Value proposition
   • to member countries, investors, bi/multilateral agencies, investors, R&D and communities
   • What is ISA’s niche vis-à-vis IEA, IRENA, REN 21, REEEP, GGGI and others?

ii. Financial instruments for solar in ISA member countries
   • Can demand supply aggregations, standardization to reduce costs, improve quality, increase access to affordable finance?
   • Who will invest? How will ISA de-risk solar financing?

iii. ISA’s Business model
   • How to ensure long term financial sustainability of ISA?
3. Request for UN operational support

i. Support to establish and operationalize ISA Secretariat [3 years]

ii. Technical, legal and programmatic assistance from UN [1 million USD]

iii. Support programme implementation in member countries

iv. Corpus management (fiduciary responsibility)

v. Putting in place a knowledge management system
4. Knowledge management

Evaluated trending knowledge management platforms
- Teamworks, Slack, Path Gather, Yammer, FB@Work, Jive, Asana, Convo and Social Cast

<table>
<thead>
<tr>
<th>Quick Comparison</th>
<th>Yammer</th>
<th>FB@Work</th>
<th>Jive</th>
<th>Slack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requires business email</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Audio Visual Chat integrated</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Live Video Stream / Video Conference</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Document Storage / Library</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Closed / Open / Semi Open Communities</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Learning Curve &amp; Training</td>
<td>Slow &amp; Required</td>
<td>Little / None</td>
<td>Slow / Required</td>
<td>Slow / Required</td>
</tr>
<tr>
<td>White Board Document Space</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Cost</td>
<td>Paid (200/pu/pm)*</td>
<td>Free</td>
<td>Paid (1061/pu/pm)*</td>
<td>Paid (830/pu/pm)*</td>
</tr>
</tbody>
</table>

Global User Statistics
- Teamworks - 2 Million
- Facebook - 1.71 Billion
- Slack - 3 Million

Pricing (2000 users annual in INR)
- Facebook – Free
- Slack – INR 1 Crore 92 Lakhs (USD 286 thousand)
- Yammer – INR 48 Lakhs (USD 72 thousand)
- Jive – INR 2 Crore 55 Lakhs (USD 381 thousand)

Trend Setters
- Oxfam is using FB@Work
- 1 out of 7 people on earth use FB
- FB@Work has 6K engineers working to improve it every day
- FB@Work is well known and intuitive

* per user / per month / in INR
5. UN Agencies on Board

- UNIDO
- UNEP
- ESCAP: Economic and Social Commission for Asia and the Pacific
- UN Women
- ILO: International Labour Organization
Thank You
International Solar Alliance Quarterly Newsletter

Kanika Chawla
Senior Programme Lead
Council on Energy, Environment and Water

7th ISA Interim Administrative Cell Meeting
New Delhi, 7 September 2016

ISA Quarterly – What, Why, and How?

• **What is the ISA Newsletter?**
  • Quarterly publication- reporting ISA News on structure, work programmes, meetings, etc. And Member Country News on solar deployment, targets, R&D, financing mechanisms, etc.

• **Why is the ISA Newsletter needed?**
  • Improved periodic communication with member countries, prospective members, industry, civil society, other partner organisation, and all other interested parties
  • Reporting progress of existing working programmes
  • Building consensus among existing members and attracting new member countries
  • Improve ISA’s brand value and visibility in the public domain

• **Who is the Target Audience?**
  • Primary audience- ISA member countries and prospective member countries, but the newsletters will be publicly available on the ISA website

• **How will it be distributed?**
  • Electronically- on the ISA website and email outreach. Can also be distributed in print at select ISA events such as ISA Assembly meetings, RE Invest, etc.
**ISA Quarterly – Proposed content**

- **Note from the DG/ Chair of the ISA International Steering Committee**
- **ISA News**
  - News on ISA vision, mission, structure, new members, secretariat
  - News on ISA Work Programmes
  - News on ISA activities such as new partners, MoUs, etc.
- **Member Country News**
  - Word from new member countries
  - Report on solar advances made by member countries
- **Features**
  - ISA events—upcoming and concluded
  - Member country spotlight
- **Quarterly Showcase**
  - Research, interviews, or commentary on a topical solar sector development
ISA Quarterly – What is needed?

• Note from the DG/ Chair of the ISA ISC – Input from the DG/ISA ISC Chair

• ISA News
  • News on ISA vision, mission, structure, new members, secretariat – Input from the Secretariat
  • News on ISA Work Programmes – Input from the Secretariat and Work Programme Coordinators
  • News on ISA activities such as new partners, MoUs, etc. – Input from the Secretariat

• Member Country News
  • Word from new member countries – Input from Country National Focal Points
  • Report on solar advances made by member countries – Input from Country NFPs

• Features
  • ISA events– upcoming and concluded – Input from the Secretariat
  • Member country spotlight – Input from the Country NFPs

• Quarterly Showcase
  • Research, interviews, or commentary on a topical solar sector development

• Editorial Approval for the Newsletter
THANK YOU

http://ceew.in/renewables

http://ceew.in/solar
Annexure-8
RE-INVEST EVENTS IN ISA-MEMBERS

DIREC 2010 MODEL

Government of India
Ministry of New and Renewable Energy
• IREC : High level Conference series of REN21 on Renewable Energy Policy
  – IRECs are hosted every two years
  – REN21 supports the host in planning and organising
• Host Govts. to secure travel support to enable delegates from developing countries to attend
• Naming IREC: First word of City or host country pre-fixed
• 6 IRECs held so far as under:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>Location</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2004</td>
<td>Bonn, Germany</td>
<td>Bonn Renewables</td>
</tr>
<tr>
<td>2</td>
<td>2005</td>
<td>Beijing, China</td>
<td>BIREC</td>
</tr>
<tr>
<td>3</td>
<td>2008</td>
<td>Washington, USA</td>
<td>WIREC</td>
</tr>
<tr>
<td>4</td>
<td>2010</td>
<td>New Delhi, India</td>
<td>DIREC</td>
</tr>
<tr>
<td>5</td>
<td>2013</td>
<td>Abu Dhabi, UAE</td>
<td>ADIREC</td>
</tr>
<tr>
<td>6</td>
<td>2015</td>
<td>Cape Town, South Africa</td>
<td>SAIREC</td>
</tr>
</tbody>
</table>
**KEY HIGHLIGHTS OF DIREC 2010**

- Energy Ministers of more than 50 countries and high level official delegations from about 70 countries.
- 235 speakers on wind, solar, geothermal, biomass and Biofuels
- 13,700 attendees at Conference Sessions from India and abroad
- 20 DIREC Sessions, 11 Parallel Workshops and 29 Side Events
- 660 exhibitors and 21,127 visitors; 15 pavilions hosted by governments.
Proposed Themes for Mega Events through ISA

- Up-scaling Renewables for Energy Security
- New Technologies and Infrastructure
- Policy Initiatives for Rapid Solar Expansion
- Climate Change & Solar Energy
- Socio Economic Development Perspective & Green Energy based on Solar
- Cost effective finance for Renewable Energy, including Green Finance
- Energy Access and MDGs
- Innovative Business Models for Solar Projects
PROPOSED STRUCTURE OF MEGA EVENT

- Plenary Session on the chosen Theme
- Ministerial Discussion
- CEO Roundtable
- Parallel Workshops: B2B, B2G
- Technical Visits
- Side Events hosted by governments, multilateral organizations, NGOs on a specific topic—1 ½ to 2 hours.
ROLE OF ISA SECRETARIAT

• Assist developing Conference & Exhibition program
• Promote Event in ISA countries through various channels.
• Share database of target companies for contact program
• Coordinate with ISA Focal Points.
• Formulate & execute Strategy to attract investments in host Country.
• Facilitate preparing knowledge content for event.
• Assist formulation of strategy and coordinate in Road shows.
• Organise Investor Roundtables.
• Facilitate signing Project & Finance Commitments for Host Country
• Event Report preparation.
ROLE OF HOST COUNTRY

- Engage Professional Conference Organizer for Management, Logistics & Expo Space Sale

- Set up Conference Secretariat for:
  - Event planning with timelines and milestones.
  - Developing promotion material.
  - Securing local permissions from Authorities.
  - Maintaining Event Website.
  - Online registration & data etc.

- Event Promotion
  - Interaction with Exhibition Companies, Industry, Industry & Commerce Associations / Trade Promotion Councils
  - Bilateral visits and business delegations
ROLE OF HOST COUNTRY

Appoint Country Nodal Officers for:

- Coordination with foreign Missions of the visiting Ministerial delegations / VIPs;
- Reception/ Send off at Airport; Escorting for G2G/ G2B meetings

- Finalise
  - Themes & Topics
  - Sessions & Session Coordinators
  - Speakers, Moderators, Panellists

- Prepare list of Projects for Investment
- Develop Information Desk for the Investors.
- Execute Media Plan & Advertising
- Send Invitations - VIPs, Speakers, High level dignitaries, Government officers
- Follow-up and securing confirmations
SOURCES FOR REVENUE GENERATION

- Partner country contribution
- Exhibition Space sale
- Delegate Registration Fee
- Sponsorships for various activities
- Parallel Workshops on pay basis
- Government grants to bridge gap between revenue and expenditure
**Benefits for Host Country**

- Project Host Country as an investment destination for Renewable Energy.
- Showcase the policies and work done by host country for promoting renewables.
- Knowledge Exchange on International endeavour for adoption of clean and green energy.
- Provide an opportunity to Renewables Manufacturers and Developers of Host Country to seek Business avenues.
- Demonstrate renewable energy research, technology innovation, and deployment of Host Country.
- Help ISA countries accelerate their own RE development plans.
DIREC MODEL
FOR RE-INVEST EVENTS BY ISA-MEMBERS

THANK YOU

Presentation by RE-INVEST Secretariat
Annexure-9
7th Interim Administrative Cell Meeting of International Solar Alliance (ISA)

“Credit Enhancement Mechanisms”

Presented By:
Pawan Kumar Agrawal
President, Corporate Finance
YES Bank

Pawan.agrawal@yesbank.in

New Delhi, 07th September, 2016
YES Bank- A Remarkable Growth Story

**Key Awards and Recognitions**

<table>
<thead>
<tr>
<th>Award</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Asian Banker Award</td>
<td>Singapore - 2015</td>
</tr>
<tr>
<td>Strongest Bank in India by Balance Sheet</td>
<td></td>
</tr>
<tr>
<td>First and Only Indian Bank included in Dow Jones Sustainability Index</td>
<td>New York - 2015</td>
</tr>
<tr>
<td>Best Private Sector Bank (Asset Class) 2014</td>
<td></td>
</tr>
<tr>
<td>Best Private Sector Bank (Priority Sector Lending) 2012</td>
<td></td>
</tr>
<tr>
<td>Dan &amp; Bradstreet - Polaris Software Banking Awards</td>
<td></td>
</tr>
<tr>
<td>United Nations Global Compact</td>
<td></td>
</tr>
<tr>
<td>Only Indian Bank to be an active Signatory Since 2009</td>
<td></td>
</tr>
</tbody>
</table>

**Significant achievements during last 11 years since inception as a Greenfield bank**

- **Balance Sheet size of INR 1,772.3 Bn (US$ 26.67Bn)**
  (grown faster than any other Indian bank during the corresponding period in their lifecycle)

- **Market Capitalization of INR 581.01 Bn (US$ 8.7 Bn)**
  (Delivered stock return of more than 1300% since its public listing in July 2005 thereby creating value for investors)

- **Existing relationships with all major corporates in India**
  (Relationship based, rather than transaction based approach to banking)

- **Knowledge Sector Focused Bank**
  (Focus on key growth sectors of Indian economy
  Dedicated knowledge teams for each respective knowledge sector)

- **Complete suite of Financial Products**
  (“One bank” approach providing all banking solutions under one roof)

- **Ranked # 1 by numerous reputed publications for fastest growth / best credit quality**
  (Continued focus on sustainable, profitable growth)

- **Excellent Human Capital**
  (“Professionals Bank of India” led by arguably the best management team in the country)

- **Backed by Pedigree Investors**
  (Key institutional investors include LIC, Franklin Templeton, Fidelity, Bajaj Allianz, Coronation, Birla Sunlife, Vanguard, Fullerton, among others)

*As on June 30, 2016
**As on date*
1. Credit Enhancement- Meaning and Types

2. Need for Credit Enhancement

3. Types of Credit Enhancement-
   - Internal Credit Enhancement
   - External Credit Enhancement

4. Some Existing Credit Enhancement Structures

5. Recommendations

6. How can ISA facilitate credit enhancement for member countries?

7. Country Specific Examples
   - World Bank: Nigeria –Power Sector Guarantees Project (PSGP) -2014
   - IIFCL India (2012)
Meaning:-

- Process to improve credit worthiness of a company/debt proposal.
- Reassures lender of timely debt servicing.
- Increases overall credit rating.

Types of Credit Enhancements

**Internal Credit Enhancement**

- Project Structures (DSRA, DSCR etc)
- Over collateralization
- Tranching

**External Credit Enhancement**

- Insurance Guarantees (MIGA)
- Third Party Guarantees (USAID, ADB)
Encourage/facilitate lenders/investors to invest in innovational markets/products.

Enable lenders to offer more attractive financing products with:
- Cheaper interest rates.
- Longer tenors.
- Enable investment in otherwise low credit high risk projects.

Enable investors with minimum rating criteria to invest in long term renewable energy bonds.

Structure debt to meet diverse investor specific needs, compliment securitized instruments (ABS etc).

Improves marketability of bonds/instruments amongst regulatory constrained pension/insurance funds.
Internal Credit Enhancement Types:

(1) Project structures:
- Reserves (DSRA etc.) created to support future project losses.
- Minimum DSCR stipulated before cash takeout.

(2) Over Collateralization
- Realizable value of assets greater than principal owed.
- In event of default, excess asset cover provides cushion for lender to make payments.

(3) Tranching-
- Debt is layered in different tranches basis priority of payments.
- Payment order for priority runs from senior-most to junior-most debt.
- Accordingly senior-most debt accorded highest rating.
- Can be useful in markets with diverse investor sets, extreme investor sets.
External Credit Enhancement Types:-

(1) Insurance Guarantees-
- Insurance company reimburses in case project losses occur.
- Insurance provider require at least investment-grade quality.
- Accordingly one/more levels of credit enhancement required.
- Project rating contingent on the claim paying rating of insurance company.

(2) Third Party Guarantees
- Undertaking to reimburse up to a maximum stated amount.
- Advance principal/interest commitments when necessary, buy back defaulted loans etc.
- Project rating contingent on the creditworthiness of the guarantor.
- Providers - Multilaterals, Development Financial Institutions, Sovereign funds
World Bank’s Multilateral Investment Guarantee Agency (MIGA)-

- Insures cross border investments in MIGA developing member country by other MIGA industrialized member countries
  - 156 developing members including India, China, Russia, UAE, South Africa etc
  - 25 Industrialized members including France, Germany, US, UK, Australia etc.

- Payment failure from Sovereign/sub-sovereign government or a qualified state-owned enterprise (SOE)

- Safeguards against losses under unconditional financial payment obligation.

- Also insures investment made by national of host country provided;
  - host government approves investment
  - funds originate from outside host country

- Corporates/FI’s also eligible if principal business in host country or business owned by nationals in member countries.

- Investments by state-owned corporations/NPO’s also eligible if they operate on a commercial basis.
USAID’s Development Credit Authority (DCA)

- DCA uses partial credit guarantees to stimulate local financing in new sector/regions.
- Encourages private lenders for finance extension to underserved borrowers.
- Mobilizes funds towards sectors initially perceived as risky.
- Types - Loan Guarantee, Loan Portfolio Guarantee, Bond Guarantee etc.

Indian Infrastructure Finance Corporation Limited (IIFCL)-

- Backdrop - Infrastructure market in India predominantly financed by the banking sector.
- First-of-a-kind USD 128 MM facility was developed by IIFCL & domestic finance institutions.
- Provided first loss guarantees on rupee-denominated bonds issued by Indian infrastructure companies.
- Improved credit rating and opened up market for institutional investors (pension/insurance funds) with stringent rating requirements.
- Conclusion - Facilitate development of Indian infrastructure bond market.
Recommendations-

- Reduced upfront fee payments and annual guarantee commissions.
- Expediting time lags upon guarantee invocation.
- Permit refinancing on the asset guaranteed.
- Softening guarantee provision criteria's.

Policy Level Recommendations-

- Standardization of industry documents (Off-take agreements etc)
- Stability/Clarity in Tax and Regulatory Polices
How can ISA facilitate credit enhancement for member countries?

- ISA may consider partnering with World Bank, IFC (BCF), ADB etc (existing enhancement products)

- Leverage ISA sector knowledge of successful projects/best global practices across the globe

- Multilaterals/DFI’s to earmark funds to a specific guarantee scheme under ISA umbrella for solar projects.

- Sovereigns may also participate with certain guarantee amount under the scheme.

**Benefits-**

- Sovereign governments can leverage guarantee agency’s credit appraisal expertise.
- Government guarantee helps untie funds for further underwriting, similar structure replication.
- Catalyze investments which wouldn’t otherwise materialize owing to high sector perceived risks
World Bank: Nigeria – PSGP -2014

- Backdrop- Nigeria’s economic growth increased but access to electricity was still an impediment
- Power Sector Guarantees Project (PSGP), launched in Nigeria by the World Bank, IFC and MIGA.
- PSGP - package of loans/guarantees including World Bank’s Partial Risk Guarantees.
- Beneficiaries included 2 Greenfield gas fired power projects receiving credit enhancement and commercial debt mobilization guarantee.
- Partial risk guarantee covered clearly identifiable risks pertaining to subsidies and tariffs.
- Conclusion- Helped mainstream energy projects into Nigeria’s growing economy.

IIFCL India (2012)

- Hindustan Power (USD 58 MM) and Renew Power (USD 68MM)
- Rating increased to AA+.
- YES Bank and IDFC sole underwriters for Hindustan Power and Renew Power respectively
Thank You
Annexure-10
Innovative Financial Instruments for Solar Energy
## India Innovation Lab for Green Finance

### P50 Risk Solutions
- A facility to reduce the cost and increase the amount of long-term debt for renewable energy projects by transferring resource risk from banks to insurers
- Potential to free up equity capital and thereby bring additional ~$500mn of debt

### FX Hedging Facility
- Lowers currency hedging cost by targeting a particular tranche of currency risk – allows allocation of risks to suitable parties
- Can reduce cost of currency hedging by ~30% and has the potential to leverage public capital by 38 times.

### Loans4SME
- A peer-to-peer lending platform to help small and medium enterprises operating in renewable energy and energy efficiency raise debt finance
- Potential to mobilize $2.2bn of debt to the SME sector by 2022.

### Rooftop Solar Private Sector Financing Facility
- A financing facility to provide long debt financing at a reasonable rate to rooftop solar developers through aggregation of loan pools and securitization
- Can reduce the debt cost by 0.5-3% points and increase the tenor of debt by 3-5 years.
Rooftop Solar Private Sector Financing Facility

This facility has two phases: aggregation and securitization

Aggregation phase: Building a warehouse line of credit that provides loans to creditworthy rooftop solar projects.

Securitization phase: Refinancing the warehouse line of credit by issuing asset-backed security bonds primarily to institutional investors.

Addition of credit enhancement products: Addition of credit enhancement products can reduce cost of funding and thereby cost of lending

Barriers Addressed

- Provides a stable source of long-term funding in the initial period
- Increases availability of capital
- Reduces transaction cost
- Reduces overall credit risk
- Demonstrates viability of the rooftop solar sector
In addition to the India Lab, CPI is working with policymakers and the finance sector to develop finance instruments, including:

1. Off-taker risk is a significant risk for both domestic and foreign investors. We’ve designed a government-sponsored payment security mechanism that will mitigate the investor perception of risk around off-taker default, especially from DISCOMs. According to our estimate, the size of the mechanism would be less than 10% of capital cost of the solar power deployed.

2. Currency risk is considered to be the biggest risk for foreign investors. We’ve designed a government-sponsored currency hedging facility that can pass the expected currency devaluation costs to developers and still achieve a ~10% reduction in the delivered cost of renewable energy.
Financial Instruments at the Global Level

Endorsed by the G7 and raised over US $500 million for Global Lab instruments and significant progress toward pilots

Climate Investor One (*CDFF)
- GBP 50 million from UK govt. and EUR 50 million from Dutch govt.
- USD 450 million in strong interest

Small Scale Energy Financing Facility
- Global Lab Finalist, Steven Baillie, International Financial Corporation
- Expected to mobilize $261mn of capital

Developing Harmonized Metrics For Payg Solar Industry
- FIRE Champion Anna Lerner, Energy & ICT Specialist, The World Bank Group
- Key Metric – Potential scale of intervention: $5bn in 2020

Global Renewable Independent Power Supplier (Grips)
- FIRE Champion Alexander Voigt, CEO, Grips Energy AG
- Key Metric – Market potential: >150 GW with 5% p.a. growth
About Climate Policy Initiative

Climate Policy Initiative (CPI) works to improve the most important energy and land use policies around the world, with a particular focus on finance. We support decision makers through in-depth analysis on what works and what does not.

Dr. Gireesh Shrimali, Director gireesh.shrimali@cpidelhi.org
- Fellow, Stanford University
- Professor, Middlebury Institute of International Studies
- Professor, Indian School of Business, Hyderabad
- Over 20 years of experience in clean and information technologies
- PhD, Electrical Engineering, Stanford University
- BTech, Electrical Engineering, IIT-Delhi

- Labanya Prakash, Consultant, labanya.prakash@cpidelhi.org
- Vivek Sen, Consultant, vivek.sen@cpidelhi.org
- Charith Konda, Consultant, charith.konda@cpidelhi.org
- Rituraj Borah, Senior Associate, rituraj.borah@cpidelhi.org