



Commissioning a Study on Common Risk Mitigation Mechanism for Solar Power Generation Projects in Solar Resource Rich Countries Under Aegis of ISA.

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Argentina, Burkina-Faso, Chad, France, India, Ivory Coast, Mali, Namibia, Niger, Nigeria, Sénégal, Uganda and Yemen have jointly supported commissioning of a study to define and structure a Common Risk Mitigation Mechanism (CRMM) for solar power generation projects in solar rich countries today . This is a major step in the implementation of the Paris Declaration of the International Solar Alliance (ISA) adopted on 30 November 2015 and of the ISA Programme aimed at mobilising “Affordable finance at scale”. This instrument will dramatically lower the cost of finance for renewable energy and the overall price of electricity.

Today, the cost of capital represents a substantial amount of the final costs of renewable energy, in particular solar PV. The Council on Energy, Environment and Water calculates that in India it represents 70% of the total cost of solar power. The proposed CRMM will offer a simple and affordable tool that will create a secure environment for private institutional investment in solar assets. The instrument will help diversify and pool risks on mutualized public resources and unlock significant investments.

The study was entrusted by the Interim Secretariat to a task force chaired by Terrawatt Initiative (TWI), the World Bank Group, the Currency Exchange Fund (TCX), the Council on Energy, Environment and Water (CEEW) and also the Confederation of Indian Industries (CII). Public and private stakeholders and partners will be consulted to contribute to the initiative and to ensure collective buy-in and validation. Participating countries may each appoint a qualified representative who will liaise with the task force and convey information regarding countries’ specific expectations, experience and needs. They call all other countries lying fully or partially between the Tropics to join them and support this initiative to attract investments into the solar sector.

Background on ISA:

The International Solar Alliance is an initiative jointly launched by the Prime Minister of India and the President of France on 30 November 2015 at Paris, in the presence of the Secretary General of the UN, on the side lines of COP21. Under the ISA, solar rich countries lying fully or partially between the Tropics are invited to share and aggregate data regarding their needs and objectives; emulate successful practices; and set up common mechanisms and instruments, in order to address obstacles to deployment at scale of solar energy.

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