

# ***BRAINSTORMING***

## The Role of Invest India in Promoting FDI in Solar Energy: An Action Plan

Yongfu Ouyang  
Economic Affairs Officer  
UNCTAD

10 March 2016, New Delhi

# Challenges to promoting FDI in the solar energy sector

## Market:

- A nascent market for most developing countries
- Inadequate risk-return ratios

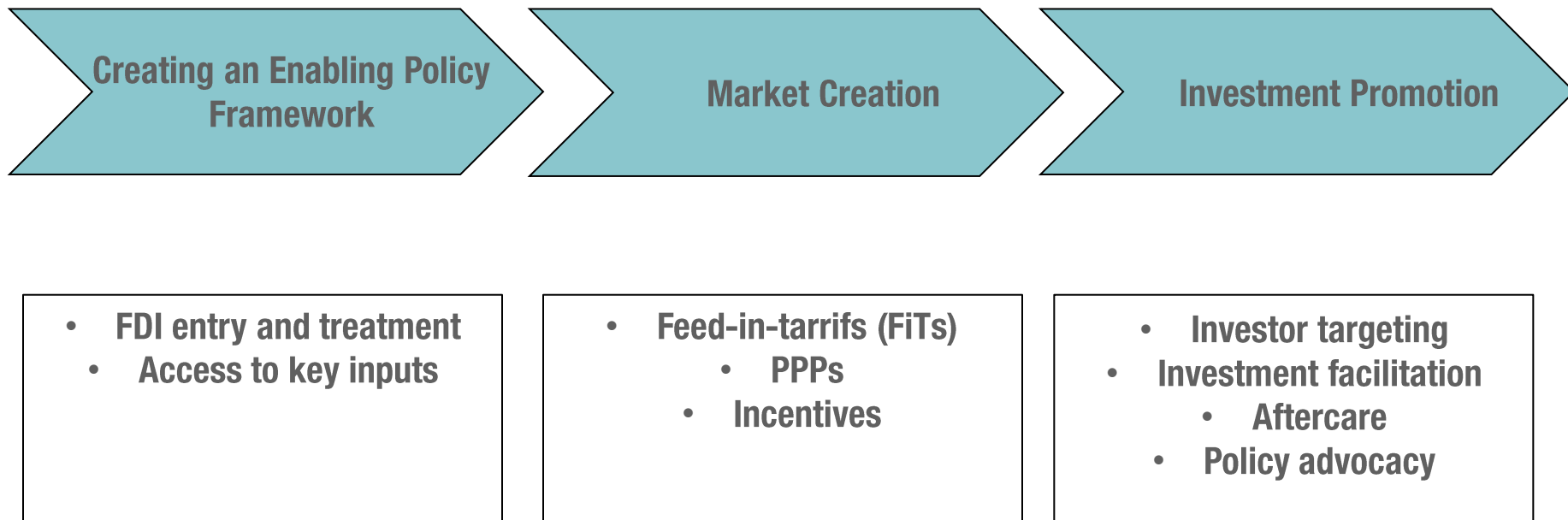
## Policy:

- Missing market creation mechanisms to kick off the market
- Lack of market access and over regulations

## Project:

- Low visibility
- Lack of packaging and promotion of bankable projects

# Government: a key player in kicking-off the market



# 10 Activities Proposed for Invest India for 2016

|                                  |                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>I. Institutional setting</b>  | <ul style="list-style-type: none"><li>• Set up a team or task force dedicated to the promotion of the solar energy sector</li><li>• Develop a network of institutional partners and local experts</li></ul>                                                                                                                                                                                |
| <b>II. Strategic positioning</b> | <ul style="list-style-type: none"><li>• Identify the target subsectors: opportunities can be across all the key solar energy subsectors for India, but Invest India may prefer to start with one or two subsectors</li></ul>                                                                                                                                                               |
| <b>III. Investor targeting</b>   | <ul style="list-style-type: none"><li>• Publish a brochure on the solar energy sector, covering the subsectors targeted by Invest India</li><li>• Develop and publish a pipeline of bankable projects, with basic information provided in a template project proposal</li><li>• Launch a marketing campaign in potential source markets and approach targeted/selected investors</li></ul> |

# 10 Activities Proposed for Invest India for 2016

*(continued)*

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IV. Investment facilitation &amp; aftercare</b> | <ul style="list-style-type: none"><li>• <b>Provide necessary market information in the decision-making stage (e.g. on business costs, incentives and market situation)</b></li><li>• <b>Map out the regulatory framework, and publish guidance on the establishment process</b></li><li>• <b>Provide post-establishment services and aftercare such as trouble-shooting and partnership facilitation</b></li></ul> |
| <b>V. Policy advocacy</b>                          | <ul style="list-style-type: none"><li>• <b>Identify problems and bottlenecks, and advocate policy remedies</b></li></ul>                                                                                                                                                                                                                                                                                           |

# Brainstorming Question

In your opinion, what are the 5 actions that Invest India should take in 2016 to promote FDI in solar energy projects?

- *Participants will be divided into 6 groups to brainstorm on this question, and recommend 5 activities in a table. Recommendations need be concrete and feasible.*
- *2 groups will be invited to present its recommendations (5 minutes for each group).*

# Recommendation Table

## 5 Steps/Activities to Promote FDI in Solar Energy Projects - A Two Year Plan for IPAs

|       | Activity | Timeline<br>(in Quarters) | Owner | Partners |
|-------|----------|---------------------------|-------|----------|
| No. 1 |          |                           |       |          |
| No. 2 |          |                           |       |          |
| No. 3 |          |                           |       |          |
| No. 4 |          |                           |       |          |
| No. 5 |          |                           |       |          |

Thank you!