

ISA to consider solar bank plan

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The idea of a World Solar Bank has gained traction as many ISA member countries may have difficulty raising finances on their own (MINT_PRINT)

ISA and **Brickworks Analytics** has prepared a feasibility study report for setting up the WSB and former NDB and ICICI Bank chief K.V. Kamath's help was sought for building a multilateral lending institution from the ground up. Kamath hasn't charged any fee for the proposed MDB and has helped frame the terms of reference of the **Brickworks** report.

"Among the growing cities in India, New Delhi, Bangalore and Ahmedabad/GIFT City would be the best suited locations to host the WSB," said the **Brickworks Analytics** report reviewed by Mint.

The international steering committee members comprising France, India, the UK, Netherlands, Cuba, Guyana, Fiji and Nauru are expected to discuss issues such as WSB's governance structure, resource mobilization and the country where it should be headquartered. The WSB plans to disburse around \$50 billion to ISA member countries over the next 10 years.

"GIFT City may be shown as the potential place if India is chosen to have the HQ," said one of the persons mentioned above requesting anonymity.

The idea of a WSB has gained traction as many ISA member countries may have difficulty raising finances on their own. This also comes against the backdrop of around 800 million people not having access to power.

"We plan to make presentations to all leading member and prospective member countries (which are now all 193 UN member countries) in the coming weeks, including Germany and Japan, explaining the need and logic of the WSB and how essential it is to usher in universal energy access and gender justice," ISA director general Upendra Tripathy said.

Setting up the WSB may require a total equity capital of \$10 billion, a committed capital of \$8 billion, and a paid-up capital of \$2 billion. This will help mobilize debt to the tune of around seven times the equity value.

"The setting up of the NDB by BRICS countries demonstrates that the WSB has a place in today's context and, importantly, that it can be done in a profitable manner. More so when the purpose of the institution is to look at green energy, which indeed is the future," Kamath said.

Setting up the WSB will add heft to India's credentials as a clean energy champion that was bolstered by co-founding the ISA, the first treaty-based international government organization headquartered here. Mint had first reported about the proposed bank on 25 June 2018.

An external spokesperson for **Brickworks Analytics** declined to comment, citing confidentiality. Queries emailed to a spokesperson for India's ministry of new and renewable energy late on Tuesday night remained unanswered.

India interested in becoming lead member by picking up a 30% stake via \$600 mn equity commitment

The steering committee of the International Solar Alliance (ISA) is set to meet shortly to clear the decks for the World Solar Bank (WSB), which is expected to be headquartered in India, said two people aware of the development. India may become its lead member by taking a 30% stake in it through a \$600 million equity commitment.

This would be the first multilateral development bank (MDB) headquartered in India and comes even as Beijing has taken the lead in creating the Asian Infrastructure Investment Bank and the New Development Bank (NDB).