



Confederation of Indian Industry



Common Risk Mitigation Mechanism

Pool risks to de-risk investments

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CEEW – Among South Asia’s leading policy research institutions



Energy Access



Renewables



Power Sector



Industrial Sustainability & Competitiveness



Low-Carbon Pathways



Risks & Adaptation



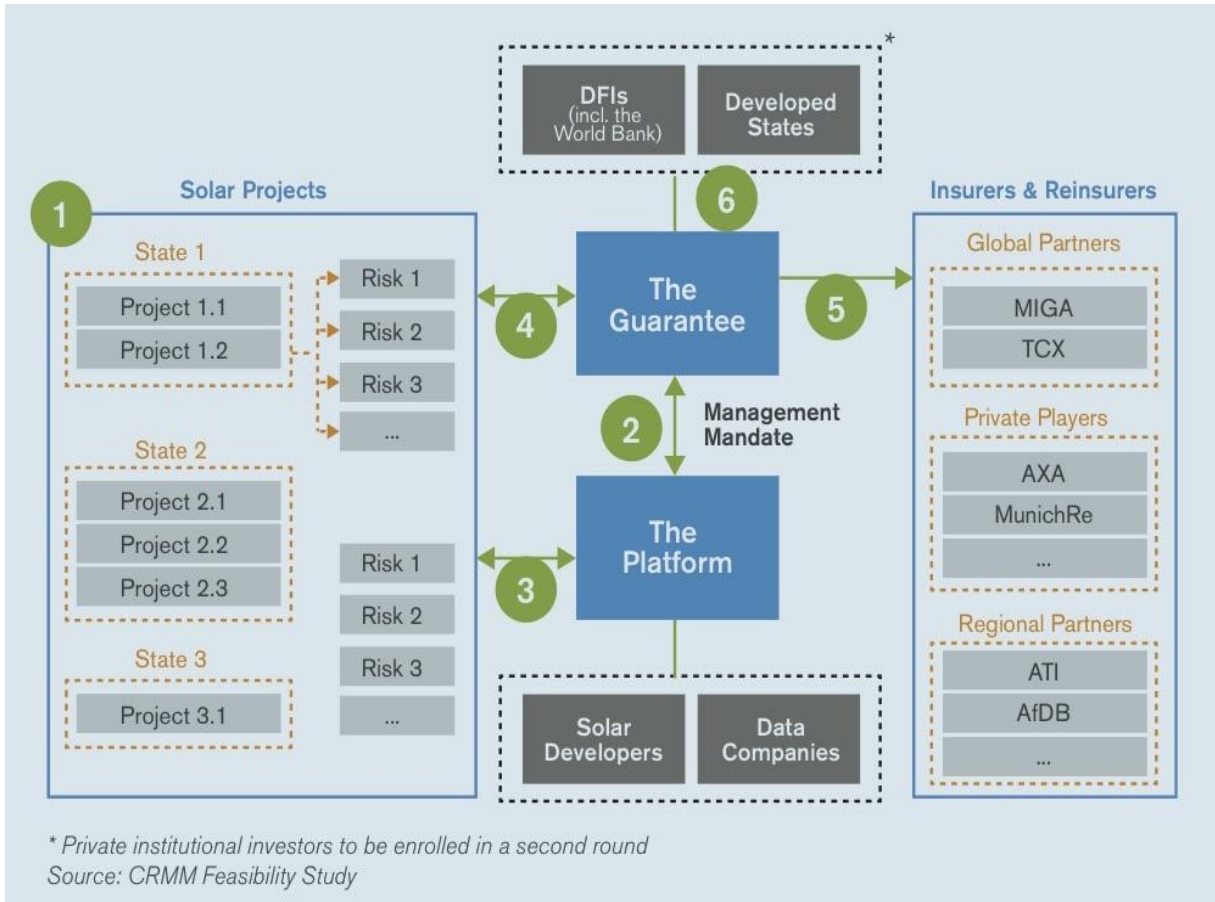
Technology, Finance, & Trade

Roadblocks to Investment



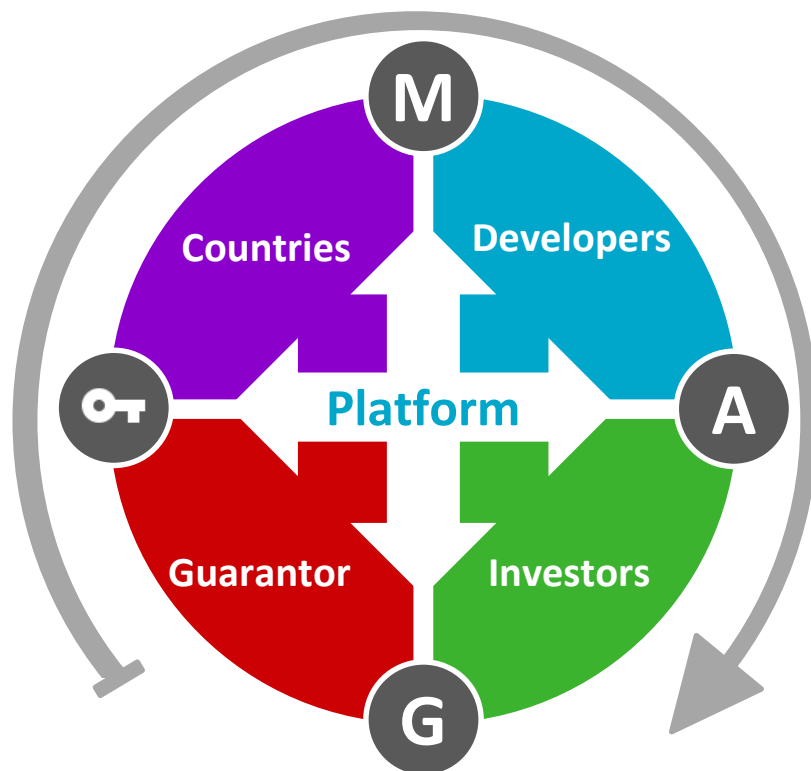
- There are no off-take risk mitigation instruments dedicated to RE
- The existing instruments burden both issuers and users with high transaction costs and complex application processes causing prohibitive delays
- Existing risk-mitigation instruments do not comprehensively address the specific roadblocks faced by private investors

Mechanics of De-risking



- The guarantee will cover portfolios of projects for 100% of the non-project related risks
- The platform will be used to manage the interface between the guaranteed portfolios and the reinsurers, creating the multi-stakeholder benefits
- Capitalisation of the guarantee will create the pipeline for claim clearance

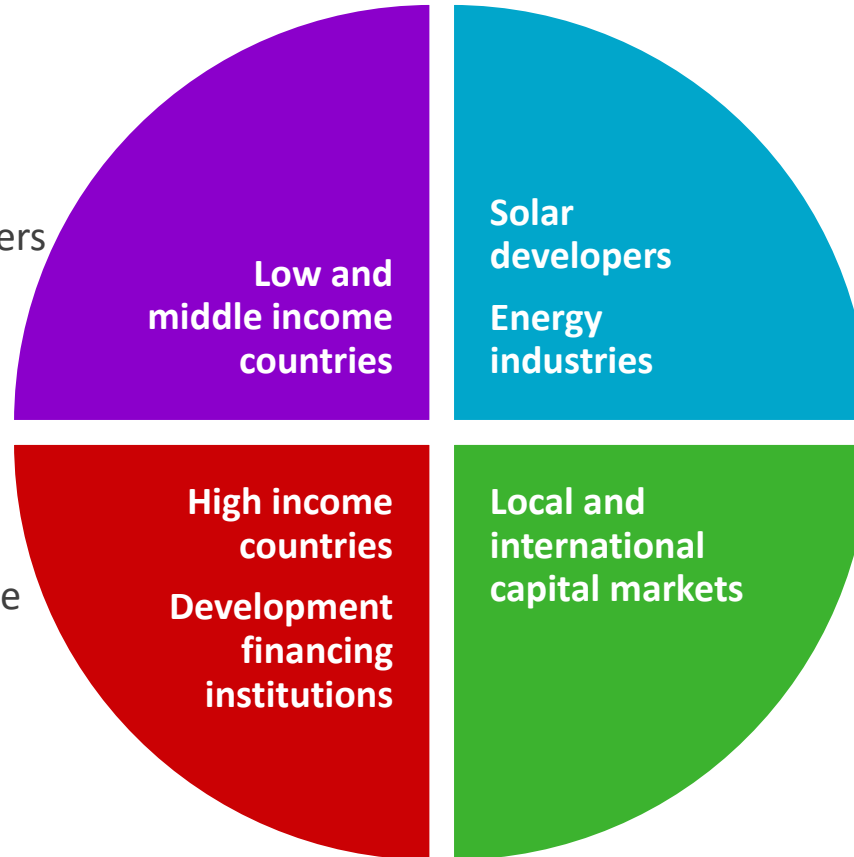
Creating a global marketplace



- **Key:** Providing equal information to all participants via a digital platform
- **M:** Access to consolidated, harmonized markets
- **A:** Creating standardised investment product
- **G:** Guaranteeing investment and creating creditworthy demand

Key Benefits

- Harmonisation
- Transparency
- Affordable Power
- Larger power supply
- Simplification of tenders
- Compliance with international commitments



- Transparency
- Standardisation
- Consolidated markets
- Reduction of uncertainty
- Simpler risk management
- refinancing

- Transparency
- High financial leverage
- SDG7 & Paris Agreement
- Access to new solar markets
- Risk mitigation
- Process simplification

- Transparency
- New asset class
- Cash flows certainty
- Simplification of investment

Necessary Conditions for Success

- Diversified number and nature of market participants to ensure a genuine 'competition effect'
- Claims managed effectively and provided the required amount of liquidity for PV projects and lenders
- CRMM guarantee recognised by the investor market to lower insurance cost
- Large-scale commitments secured from developers to create a strong pipeline
- Mechanism independent of political pressure
- High investment-grade credit rating

Scope of the Mechanism



- 15 GW in over 20 countries on a voluntary basis
- USD 15 billion of investment at current and forecasted rates
- Capitalisation of ~USD 1 billion to be leveraged
- Coverage limited to countries where participating insurers and re-insurers operate
- Geographical coverage to be expanded over time

Thank you

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