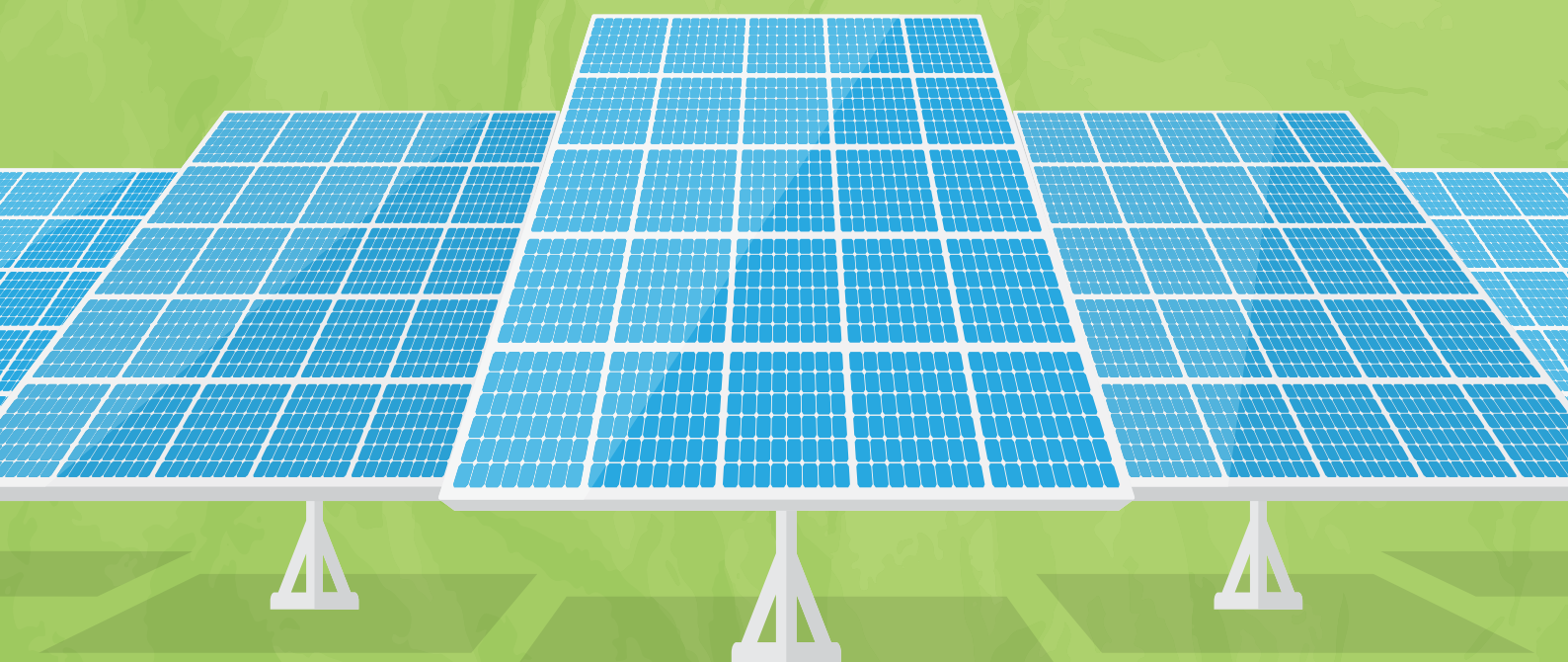


ABSTRACT



Investment in the renewable energy sector is crucial for the world to meet its climate goals. For this, there is a need for an institutional mechanism that helps channel global funds to developing and least developed countries (LDCs) at affordable interest rates. This report outlines the sources of finance and the challenges faced by developing countries when attracting funding. It makes the case for the creation of a Solar Finance Corporation, a bank that will be given the dual mandate of earning returns as well as providing financing at affordable rates to under-developed markets in developing countries and LDCs. India has met with some success in implementing solar energy projects. With the setting up of the International Solar Alliance (ISA), India has taken centre stage in the global renewable energy order and can play a leading role in setting up such a financing institution.