

Joint Declaration of Intent

between

**The Federal Ministry for Economic Cooperation and Development
of the Federal Republic of Germany**

and

**The Ministry of New and Renewable Energy
of the Republic of India**

on

**Indo-German Development Cooperation
Regarding
Renewable Energy Partnership**

1. This Joint Declaration of Intent is signed on the occasion of the 6th Indo-German Intergovernmental Consultations in Berlin, Germany, on 2nd of May 2022.
2. The Ministry of New and Renewable Energy (MNRE) of the Republic of India and the Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany (BMZ) [hereinafter referred to as the respective “Sides”] share a long standing, trustful and successful development cooperation. Both Sides intend to continue their cooperation to support India’s development efforts, in coherence with India’s and Germany’s ambitious reform agenda and the internationally agreed Paris Climate Goals and Sustainable Development Goals. This Joint Declaration is one of the initial deliverables of the Indo-German Green and Sustainable Development Partnership that will be launched on 2nd of May 2022 in the context of the 6th Indo-German Intergovernmental Consultations.
3. Sustainable energy is a major focus of this bilateral cooperation. Both countries share ambitious policies to significantly extend the role of renewable energies in their national energy strategies. In this regard, the development of solar power generation plays a pivotal role. Against this background, already in the year 2015, both Sides had decided on the Indo-German Solar Energy Partnership, as laid down in the “Memorandum of Understanding on Indo-German Development Cooperation Regarding the Indo-German Solar Energy Partnership”, signed by representatives of the BMZ and the MNRE and endorsed by the Indian Prime Minister Shri Narendra Modi and by the German Federal Chancellor Angela Merkel on the occasion of the 3rd Indo-German Government Consultations in October 2015.
4. The Government of the Republic of India has been successful in significantly scaling up renewable energy capacity to 155 GW including the solar energy sector. Solar power capacity has increased 20 times in India during the last eight years. India has built a robust institutional framework to support the development of the renewable energy sector inter alia including renewable energy implementing agencies and policy mechanisms. India had pledged in its NDCs during CoP 21 in Paris that 40% of its power generation capacity will be from non-fossil sources by 2030. India achieved this target by November 2021 – nine years

ahead of its target date. Solar PV manufacturing has also commenced in the country and over the next few years 50 GW PV solar manufacturing capacity will be established in the country. Of the 500 GW non-fossil capacity to be established by 2030, close to 300 GW is expected to be met from solar power.

5. The Government of the Federal Republic of Germany also continues to implement its ambitious and internationally unprecedented “Energiewende” (energy transition) that has induced a strong growth of renewable energies in Germany. By the end of the year 2020, Germany had installed 125 GW of renewable energy capacities, and the share of solar, wind and biomass electricity in the total electricity production has reached 47%. Building on this, the targets have been increased recently, now being set at an ambitious 80% share of gross electricity generation by renewable energy sources by the year 2030.

6. In view of their contributions to the Paris Climate Goals and their Zero Carbon strategies in the medium term, a further significant increase of renewable generation including solar would be required in both countries. Aiming at a further expansion of their bilateral development cooperation in the field of reliable renewable energy, both Sides express their intention to continue to increase use of renewable energy through technical as well as financial cooperation within the framework of a second phase of the Indo-German Energy Partnership and extend its scope to include complementary renewable energies and complementary investments which in its entirety will facilitate the implementation of a broader energy transition. The successful Indo-German Solar Energy Partnership should therefore transition to an Indo-German Renewable Energy Partnership. Addressing the need for a reliable, round the clock renewable power supply the new partnership is aimed to provide additional renewable energies and innovative technical solutions to address India’s needs in the energy sector. It will mainly target the fast creation of additional and affordable generation capacities in line with people’s needs in a sustainable manner, with a special emphasis on the cautious use of scarce resources like land and water and other important aspects including quality, technological and regulatory innovations, efficient energy system integration and storage options, “power to X” options and connections with other sectors like mobility or agriculture. The partnership also proposes cooperation in circular economy and complementary capacity building measures.

7. In this regard, both Sides have jointly decided:

7.1. Indo-German Financial Cooperation can play a crucial role in financing the necessary measures of this Indo-German Renewable Energy Partnership. In this regard, the German Side expresses its willingness to consider providing concessional loans of about 1 billion Euros from the year 2020 until 2025 through KfW Development Bank. The exact commitments of the German Side will be finalized during the annual negotiations between the Department of Economic Affairs (DEA), Ministry of Finance, of the Republic of India and BMZ under Indo-German Bilateral Development Cooperation. With a clear view on the quick, efficient and effective use of German Financial Cooperation funds, the Renewable Energy Partnership will be flexible and open to promote a wide spectrum of renewable energy applications, ranging from small-scale off-grid solutions to large-scale solar parks, wind energy parks and offshore wind. The promotion of renewable energy connected solutions like storage, charging, hybrid power generation or transmission and distribution as well as other forms of renewable energies such as wind, on and offshore, will be eligible as well. It is expected that the funding for concrete power generation investment projects would directly allow for a capacity addition

of around 2.5 GW, depending on the further market developments, regulatory changes and the technological choice. Under Indo-German Financial Cooperation, the procurement of all goods and services to be financed by German funds for this Indo-German Renewable Energy Partnership will follow the procurement guidelines of KfW not be limited to German or Indian companies and products. Consultant services to prepare the individual investment projects under this Indo-German Renewable Energy Partnership may be financed from a special grant fund of the German Federal Government. Consultant services to implement the investment projects will be financed from the loans. As a proven and effective means to channel funds to the private sector, part of the funds may also be provided to the end-users through Indian partner banks, however, linked to a set of environmental, social and quality-oriented triggers and requirements; similar to those applied under the Indo-German Solar Energy Partnership, but with an increased level of ambition, wherever possible.

7.2. Indo-German Technical Cooperation will complement the above activities, similar to the structures and activities under the Indo-German Solar Energy Partnership. The technical assistance may include capacity building and consultancy in setting technical standards and codes, advising on the required administrative and legal framework, developing a framework for circular economy, carrying out pilot projects and building operational expertise, thus ensuring the long-term reliability of renewable energies. The management of grid integration as well as grid stability and the development of market and policy designs and respective business models will be supported through “Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH” and “Physikalisch-Technische Bundesanstalt (PTB)”. Furthermore, it could support the development of long-term road maps for renewable energy development in states or at the city or village level, provide hand-holding for the respective policy implementation, lay the ground for the development of new solutions to avoid land constraints (like agro-PV, vertical PV), support the further implementation of the rooftop solar and KUSUM schemes and the roll-out of small scale PV and off-grid solutions in rural areas. Since renewable and solar systems will have significant inter-linkages with public society at large, the development, incorporation and enforcement of quality, safety, and sustainability standards will be an essential component of this Partnership.

7.3. Private Sector Collaboration and Public-Private Partnerships will be essential in taking forward innovation and investments at scale in the solar and renewables industry in India and Germany. Therefore, both Sides will work towards conducive business environments for investments into the energy transition and the solar and renewables sector. Specific programmes, such as the German Public Private Partnership programme or the Chambers and Associations Partnership programmes as well as the Indian 'Make in India Mittelstand' (MIIM) programme, can contribute to build strong technological, industrial and business links between Germany and India. Also, the German development finance institution DEG, a subsidiary of KfW with the explicit mandate to promote private development investments, is well positioned to continue contributing to the strengthening of private engagement and innovation in the solar and renewables industry. The Indian side through its renewable energy implementing agencies and Indian Renewable Energy Development Agency (IREDA) is supporting development and private investment in renewable energy. National Institute of Solar Energy (NISE), the apex institution for research and development in the realm of solar technology along with the National Institute of Wind Energy and several premium academic and research institutions will continue to lead the innovation efforts.

7.4. The negotiations based on this Joint Declaration of Intent will take place between DEA and BMZ. The nodal points for the necessary consultations and actions should on the Indian Side be the Joint Secretary MNRE, as well as the Joint Secretary/ Adv (Bilateral Cooperation), DEA, and on the German Side the Head of Division (India, South Asia), BMZ. The nodal points should meet as and when required and for necessary monitoring and oversight.

8. This Joint Declaration of intent will come into effect on the day of signature.

Signed in Berlin on May 2, 2022 in duplicate in English language.

For the Federal Ministry for Economic
Cooperation and Development
of the Federal Republic of Germany

For the Ministry of External Affairs
of the Republic of India

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