

Guidelines for Ideas

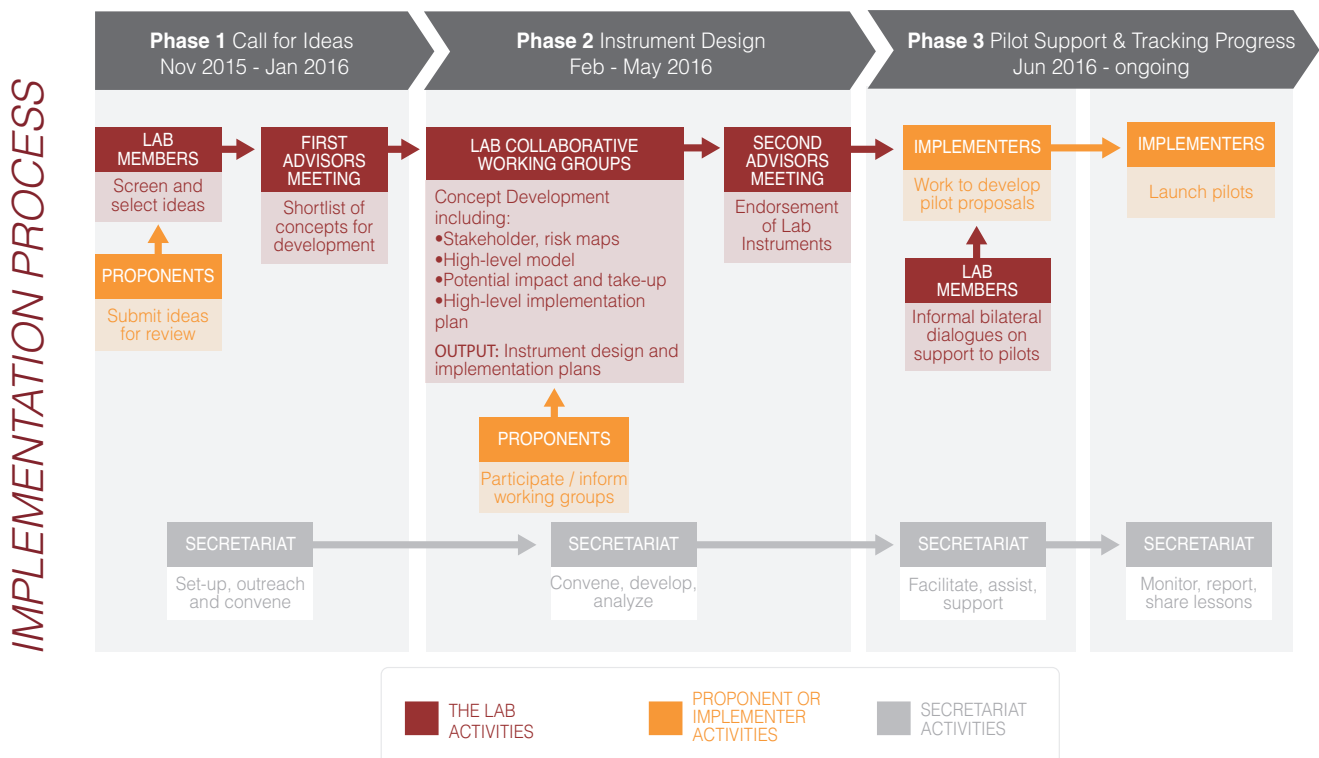


The India Innovation Lab for Green Finance is a platform for identifying and designing implementation-ready financial solutions to leverage public investment and channel private investment in green infrastructure.

In submitting an idea to the India Lab for consideration, Idea Proponents are signaling a commitment of time and resources to the process of developing promising ideas to implementation-ready projects over a 12-month period. Idea Proponents also accept the Principles for Engagement, outlined in this document. Please refer to Table 2: Submission Guidelines for guidance in how to complete the submission form.

The India Lab expects Idea Proponents of selected ideas to work closely with the India Lab Secretariat to help inform the deeper analysis throughout the India Lab cycle. Idea Proponents, in turn, will benefit from the in-depth analytical support provided by the India Lab, including guidance from a wide range of high-level public and private experts, as well as improved access to raising capital.

The Call for Ideas opens on November 23, 2015 and the deadline for receiving submissions is 11:59 PM (IST), Friday January 17, 2016. Please email completed submissions to info@greenfinancelab.in.



WHAT HAPPENS TO AN IDEA ONCE IT'S SUBMITTED?

Ideas submitted to the India Lab will be assessed by the Secretariat and Lab Members. Proposals will first be screened against a set of criteria by the India Lab Secretariat to compile a shortlist of ideas. The screening criteria are outlined below, in correlation to the submission template.

Once ideas pass the screening criteria, the list will be further refined by the India Lab Members based on a set of overarching criteria, on whether they are transformative, innovative, catalytic, and actionable:

- **Transformative:** The idea can be replicated at scale to have a transformative impact on India's green growth.
- **Innovative:** A justification as to why the idea is innovative; this includes a description of barriers to private green infrastructure finance that the idea will overcome directly and indirectly, and evidence as to why barriers may exist and how they may be overcome.

- **Catalytic:** The potential of the idea to catalyze or engage private green infrastructure finance at scale, identified through market growth opportunity and/or investment potential.
- **Actionable:** The Idea Proponent should indicate the type of organization that could be an implementer (e.g. bank, private company, industry association), and the timeframe to implementation along with a set of milestones to achieve it. Any implementation challenges or risks should be identified. Idea Proponents should also indicate if they wish to implement a pilot.

At least four ideas will be selected based on these criteria for additional in-depth analysis and development (Phase 2). Proponents will be notified in February 2016 as to whether their idea has been selected.

In Phase 3, selected instruments will be endorsed by the India Lab, and taken forward for piloting by implementing entities, with support from the India Lab Secretariat and Lab Members.

Table 1: Screening Criteria

SCREENING CRITERIA	
Overview and Description	Does the idea directly relate to green growth solutions? Are the types of implementing organizations identified?
Transformative	Size of target markets Potential to create green growth if implemented at scale Can the idea be replicated in other sectors, countries etc.?
Innovative	Innovation around barriers and compared to existing approaches Is it a new idea or approach to addressing a gap or barrier? Is it an existing idea to address a gap/barrier in a new context?
Catalytic	Potential to mobilize finance Is there significant leverage of private finance identified?
Actionable	Policy and legislative requirements; risks in implementation, and milestones Does the idea require new, unplanned, policy or legislation to be enacted? Are milestones outlined?

Table 2: Submission Guidelines

		QUESTION	GUIDANCE
OVERVIEW	Idea title		
	Idea objective		Describe in one sentence the objective of the idea. Be specific as possible. The objective of the idea is what the idea can achieve directly, once implemented.
	Current stage of development		<p><i>Specify the current status of the idea:</i></p> <p>Early concept is where the basic components of the idea have been developed.</p> <p>Late concept is where the idea has been developed and received interest from investors, funders, and partners.</p> <p>Pilot is where the idea and proponents are already in the process of preparing a business case for implementing a pilot of the idea. The purpose of the submission is to refine the idea design and/or to scale up or replicate the idea.</p> <p>Existing instrument/program is where the idea has already been implemented and is underway. The purpose of the submission is to then scale up or replicate the idea in other green infrastructure focus areas.</p>
	Type of idea		<p><i>Specify which type of idea would be implemented to attract private finance:</i></p> <p>Fund concept is any type of fund, investment vehicle, aggregator or finance facility that attracts finance from public or private investors to invest in green infrastructure.</p> <p>Enterprise is any type of company or institution established to provide a service or product for green infrastructure solutions, e.g. a company with its own governance structure and implementation team.</p> <p>Platform is any collaborative group of institutions or market actors with the intent of knowledge-sharing and reaching common goals e.g. associations, membership platforms, industry groups.</p> <p>Tool/Service is any type of product that enables or enhances investment decision-making in green infrastructure solutions e.g. audits, certifications, standards, ratings.</p>
	Type of instrument		<p><i>Specify which types of instrument(s) are used in the idea to mobilize private finance:</i></p> <p>Technical assistance is capacity building or training to fill skills and knowledge gaps.</p> <p>Grants are direct cash or subsidies. They can be non-returnable grants or returnable depending on the success of the project e.g. contingent grants.</p> <p>Insurance is any product purchased to cover potential or real losses (includes political risk).</p> <p>Guarantees are provided to offer coverage of payment obligations in case of partial or full default (limited to credit risk).</p> <p>Revenue supports are instruments to support revenue streams and price certainty in projects e.g. tariff subsidies, tax credits, incentives.</p> <p>Subordinate investments are finance used to take junior or first loss debt or equity positions.</p> <p>Commercial investment is finance used side-by-side with private finance.</p> <p>Data tools are any instrument using new or improved data techniques to implement an idea.</p> <p>Network is where institutional or political support can be provided to implement an idea.</p>

		QUESTION	GUIDANCE
DESCRIPTION	Type of private finance targeted		<p><i>Specify which type of investors the idea would target:</i></p> <p>Crowdfunding, households, retail are where finance is attracted from individual household investors due to the idea.</p> <p>Consumers are where private finance is attracted in exchange for renewable energy products or services due to the idea.</p> <p>SMEs are where small and medium size companies invest in or purchase green infrastructure solutions due to the idea.</p> <p>Corporations are where mid-cap to large scale corporation finance or invest in green infrastructure solutions due to the idea.</p> <p>Venture capital/private equity is where equity capital is attracted from investors typically to receive higher returns for high risk due to the idea.</p> <p>Commercial banks are where debt finance is attracted from banks due to the idea.</p> <p>Institutional investors are where equity, debt, or alternative investments are attracted from pension funds, insurance companies, or other institutional investors due to the idea.</p>
	Focus area		<i>Specify:</i> Renewable energy (utility-scale, distributed, off-grid), energy efficiency, urbanization, other.
	Describe the problem the idea seeks to solve.		Provide quantitative or qualitative evidence where possible.
	Who are the other actors involved?		List the types of institutions that need to be involved to make the idea work. For example: a development finance institution, an insurance company, smallholders, commercial banks, etc.; institutional investors, who invest for commercial returns; catalytic investors, who will accept a lower (but still attractive) return in order to cover costs and catalyse the market.
	Describe how the idea works.		Describe, in as much detail as possible, how the idea works. What is the step-by-step process through which the idea achieves its purpose?

	QUESTION	GUIDANCE
TRANSFORMATIVE	If implemented at scale, what is the potential to affect India's green growth goals?	For example, for renewable energy (e.g., utility scale or rooftop), what capacity deployment (in GW) can this solution affect, and how would it compare to India's targets (2022 or 2030)? Provide quantitative estimates if available with references. An estimated range is also acceptable.
	If implemented at scale, what is the potential for the socio-economic, development, and environmental impacts?	Provide a qualitative/quantitative assessment of both positive and negative impacts of the instrument on local economic, social, and environmental contexts. Provide an estimate using evidence and data on development and environmental impacts, for example energy access, emissions, etc. A range, or an "unsure" is also acceptable.
	Can the idea be replicated in other countries, sectors etc.?	What is the potential of replication, scale, and geography? If possible, provide examples of impact.
INNOVATIVE	What are the existing/anticipated barriers to private finance in the focus area the idea operates in?	Barriers may be financial such as no access to equity/debt or high costs of capital; institutional such as rules or mandates restricting finance flows; technological such as lack of track record for new technologies or lack of enabling infrastructure to deploy solutions; or knowledge or capacity based due to skills gaps. For example, in the case of some commercial banks, there is a lack of knowledge on the subject of clean energy technology and financing. Where possible use evidence and data.
	Describe how the idea overcomes these barriers and how it differs or improves on existing approaches.	For example, ability to fill gaps/market failures, whether it is a new instrument addressing a gap that has not yet been addressed, or an existing instrument addressing a gap in an improved manner or addressing a gap in a new context in India. Where possible use evidence and data.
CATALYTIC	What is the market size (or private finance) that could be mobilized, both as a pilot and at scale?	What is the potential of the idea to catalyze or engage private finance at scale? Provide quantitative estimates of market forecasts and/or investment potential if available. If a pilot exists, provide an estimate in USD of private finance mobilized through the pilot. A range is also acceptable.
	What is the achievable/target leverage for public finance?	How much public finance could be leveraged? Provide quantitative estimates of market forecasts and/or investment potential if available. If a pilot exists, provide an estimate in USD of private finance mobilized through the pilot. A range is also acceptable.
ACTIONABLE	What is the feasibility (regulatory, institutional, market, etc.) of implementing the idea?	Can the instrument be implemented in India's regulatory, institutional, and market environment? Is a clear roadmap towards implementation identified?
	Does the idea require new legislation to be operational? (Please comment on feasibility/ timeframes.)	Specify if the idea requires new policy or legislation to be enacted or if the idea will rely on new policies currently under development and under what timeframe they may be enacted.
	What are the risks in implementing the idea?	Outline the challenges in implementing the idea. Refer to remaining barriers other than legislation/policy that may hinder the achievement of the idea's objective or implementation risks, and who bears them.
	Is there an entity already interested in implementing the idea? If so, name them.	Is the implementing entity identified? If so, provide names/ contacts.

PRINCIPLES OF ENGAGEMENT AND INTELLECTUAL PROPERTY

In submitting an idea to the India Lab, the Principles of Engagement as outlined below are understood and agreed to. The purpose of these principles is to clarify expectations related to (1) the use of information and ideas submitted to the India Lab by Proponents, Lab Members, and external experts and which is provided for the purpose of developing selected ideas and instrument pilots, and (2) the future use of instruments developed by the India Lab's analytical providers in conjunction with Lab Members, Proponents, and external experts. Information includes all information provided to the India Lab whether conveyed through written comments, in soft or hard copy documents, or verbally at meetings.

The work of the India Lab and participation in it is based on the following understanding:

- The India Lab is a non-proprietary, knowledge sharing initiative. By submitting information and ideas to the India Lab, proponents, members and external experts agree that the ideas, information, and associated analysis may be used freely, developed, published, and modified by the India Lab and by third parties.
- Information and ideas submitted to the India Lab are not commercially confidential or commercially sensitive.
- The India Lab will publish information on its website, about instrument analysis and decisions taken, transparently and in a timely way. In particular:
 - » A current list of Lab Members will be maintained.
 - » Agendas and summaries of Lab Meetings and all decisions will be made available.
 - » The results of Lab analysis will be published upon completion of Phase 2 and Phase 3.
- All Lab Members, Working Group members, and analytical providers, will serve in expert, objective capacities. The India Lab analysis will be objective and neutral between instruments.
- It is not incumbent on analytical providers to accept all or any views shared as part of ongoing analysis. Decisions taken by the Project Management Group, Lab Principals and their Advisors regarding Lab processes, including voting procedures to progress instruments to more advanced analytical phases, are final.
- These Principles for Engagement will be made available on www.greenfinancelab.in.