# 24
# Financing PV Growth

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This chapter presents an overview of the financing of photovoltaic PV growth. Solar energy is free, but the equipment to collect it and convert it to electricity is not. PV systems are highly capital intensive, hence the method and cost of financing will affect the economic viability and the affordability of PV systems to the end users (see Reference [1]).

## 24.1 HISTORICAL DEVELOPMENT OF PV FINANCING

Programs for the financing of photovoltaics began in the late 1980s. The practice of financing photovoltaics has evolved slowly and has not been entirely successful to date:

*1987*: The Indian Renewable Energy Development Agency (IREDA) was founded; today, it is still the only major national institution that is dedicated solely to the financing of renewable energy.

*1989*: The World Bank established The Solar Initiative as a way of drawing attention to the environmental and developmental benefits of solar energy (see Reference [2]).

*1990*: The Solar Electric Light Fund (SELF) began pioneering projects in India, Sri Lanka, Nepal, China, Indonesia, Solomon Islands, Brazil, Zimbabwe, Senegal, Uganda, and South Africa, demonstrating the viability of Solar home systems (SHS) in the developing countries and setting the stage for many PV programs around the world.

*1992*: The Sustainable Development conference was held in Rio, leading to additional funding of the Global Environment Facility (GEF).

*1994*: The world's first PV loan program by a bank was established by KM Udupa, chairman of Malaprabha Grameena Bank, the rural lending affiliate of Syndicate Bank, in Hyderabad, India.

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