

A Strategic Approach for Promoting Renewable Energy Technologies in Developing Countries

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Abstract : The supporting policies for renewable energy have been designed to deploy renewable energy technology targeting domestic market. The government encourages market creation through obligations such as FIT or RPS on an energy supplier. With these policy measures, the securing vast market needs to induce technology development. Furthermore, it is crucial that ensuring developing market can make the environment nurture the renewable energy industry. Overseas expansion to countries being in demand is essential under immature domestic market. Extending its business abroad can make the domestic company get the knowledge through learning-by-doing. Besides, operation in the countries to be rich in renewable resources such as weather conditions helps to develop proven track record required for verifying technologies. This paper figures out the factor to hamper the global market entry and build up the strategies to overcome difficulties. Survey conducted renewable energy company having overseas experiences at least once. Based on the survey we check the obstacle against exporting home goods and services. As a result, securing funds is salient fact to proceed to business. It is difficult that only private bank or investment agencies participate in the project under uncertainty which renewable energy development project bears inherently. These uncertainties need public fund such as ODA to encourage private sectors to start a business. Furthermore, international organizations such as IRENA or multilateral development banks as WBG play a role to guarantee the investment including risk insurance against uncertainty. It can also manage excavation business cooperating with developing countries and supplement inadequate government funding involved. With survey results strategies to obtain the order, the international organization places are categorized according to the type of getting a contract. This paper suggests 3 types approaching to the international organization project (going through international competitive bidding, using ODA and project financing) and specifies the role of government to support the domestic firms with running out of funds. Under renewable energy industry environment where hard to being created as a spontaneous market, government policy approach needs to motivate the actors to get into the business. It is one of the good strategies that countries with the low demand of renewable energies participate in the project international agencies order in the developing countries having abundant resources. This provides crucial guidance for the formulation of renewable energy development policy and planning with consideration of business opportunities and funding.

Keywords : exporting strategies, multilateral development banks, promoting in developing countries, renewable energy technologies

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