



Ministry of Energy- Renewable Energy and Energy Efficiency Organization (SATBA) and UNDP Dialogue on Development of Renewable Energy Investment in Iran; International Tools and Models

Topic

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Venue

Allameh Amini Hall, University of Tehran, Tehran, Iran

Date

22 and 23 April 2025

Objective

The main objective of this initiative is to develop innovative national financing mechanisms aimed at fostering renewable energy capacity growth in Iran, while also assisting the government in attracting international investments to the sector.

1. Introduction

Iran faces a pressing need to develop its renewable energy sector due to the growing electricity demand and the increasing strain on its fuel supply for power generation. With expanding industrial and residential energy requirements, the country's reliance on fossil fuels is unsustainable, especially as aging infrastructure and sanctions impact its energy supply chain. To address this, Iran has been actively exploring renewable energy options, particularly in the solar, wind, and biomass sectors. The country has a significant renewable energy potential, including an estimated capacity of 30 GW for wind and over 42 GW for solar energy. The 7th 5-year National Development Plan, which is the most recent strategic document in Iran, set a national target of increasing renewable energy capacity to at least 12 GW by 2030 and the SATBA's target is to develop 30 GW of renewable power plants, supported by incentives such as feed-in tariffs, private sector investments, and international collaborations. Projects like the implementation of photovoltaic and wind farms in high-potential areas, along with growing interest in waste-to-energy initiatives, reflect Iran's promising shift toward diversifying its energy portfolio and reducing dependence on fossil fuels. This transition not only supports a resilient, sustainable, and just energy transition but also presents an opportunity for Iran to leverage emerging sectors, such as e-mobility, creating synergies between clean energy and sustainable development.

In September 2024, the collaboration between Iran's Renewable Energy and Energy Efficiency Organization (SATBA) and UNDP, defined through an Aide Memorie, marks a significant step toward accelerating renewable energy capacity development in Iran. This collaboration focuses on introducing innovative financial mechanisms aligned with global best practices to overcome investment barriers in the country's renewable energy sector. Samples of these financial mechanisms include renewable energy auctions in Brazil and Mexico, green bonds in India and Kenya, Public-Private Partnerships (PPPs) in South Africa, Tax Incentives and Subsidies in Turkey, Community-Owned Renewable Energy Models in Bangladesh, Blended Finance in Cuba and in Ethiopia, and Crowdfunding Platforms as in Indonesia and Philippines.

Recognizing the challenges posed by energy subsidies and limited access to financing, the Aide Memorie emphasizes joint efforts to mobilize international financial resources for renewable energy projects in Iran. By leveraging UNDP's global expertise and SATBA's national mandate, the initiative aims to attract private sector investment, strengthen the regulatory framework, and enhance the economic viability of renewable energy projects, fostering a more sustainable and resilient energy future for Iran.

2. Expected outcomes

In line with the objectives of the defined collaboration, UNDP and SATBA plan to organize an event to assess progress on the agreed agenda and address barriers to achieving the outlined targets. The event will feature a series of technical and policy-focused sessions, exploring national financial mechanisms inspired by international best practices, tailored to Iran's renewable energy ecosystem. It will also cover the development of cost/benefit analysis and feasibility studies for renewable energy initiatives and strategies for attracting international investment in Iran's renewable sector. The sessions will culminate in a high-level meeting between UNDP representatives, the Ministry of Energy of Iran, and SATBA leadership to outline future collaborations and advance renewable energy development in the country. The main outcomes of the event are expected to include:

- 1) **Strengthened Financial and Policy Frameworks:** Development of enhanced national financial mechanisms and policy recommendations aligned with global best practices, tailored to Iran's renewable energy ecosystem. These frameworks will aim to address key barriers, such as financing challenges, and create a more enabling environment for renewable energy investments.
- 2) **Building Bankable Renewable Projects:** In response to government demand, this initiative aims to build the capacity of Iran's private sector to develop bankable feasibility studies for renewable energy projects. Strengthening local expertise will help create a pipeline of investment-ready initiatives, attracting both domestic and international financing and boosting private sector participation in the renewable energy transition.
- 3) **Strategic Collaboration and Roadmap Development:** Strengthened collaboration among key stakeholders, including SATBA, the Ministry of Energy, UNDP, and international partners, leading to a concrete roadmap for future joint initiatives. This roadmap will include milestones and actionable steps to advance renewable energy capacity in Iran and foster long-term partnerships.

3. Event Agenda

Day	Time	Topic
Tuesday 22.04.2025	8:00-8:30	Registration
	8:30-9:30	Introductory Session <ul style="list-style-type: none"> Welcome Remarks by Head of University of Tehran, Head of SATBA, and Ms. Ayshanie Labe from UNDP CO Iran
	9:30-11:00	Session 1: Workshop on Global Best Practices for Renewable Energy Financing
	11:15-12:45	Session 2: Panel Discussion on Developing National Financial Mechanisms
	14:00-16:00	Session 3: Workshop on Feasibility Studies for Bankable Renewable Energy Projects
Wednesday 23.04.2025	9:00-11:00	Session 4: Workshops on Strategies for Attracting International Investments: <ul style="list-style-type: none"> Overview of international investor requirements and expectations. Iran's renewable energy potential and market opportunities. Innovative Financial Mechanisms and New Technologies (digitalization, data, and AI) Iran private sector capabilities to export RE services.
	11:30-13:00	Session 5: Panel Discussion on Policy and Regulatory Enablers for Renewable Energy:

Real-time translation will be arranged.