

EXPLANATORY MEMORANDUM ON THE FRAMEWORK AGREEMENT ON THE ESTABLISHMENT OF THE INTERNATIONAL SOLAR ALLIANCE (ISA)

Treaty Title: Framework Agreement on the establishment of the International Solar Alliance (ISA)

Command Paper No: 9672 .

SUBJECT MATTER

This explanatory memorandum concerns the government's plan to ratify the Framework Agreement on the establishment of the International Solar Alliance (ISA).

The International Solar Alliance is a UN treaty organisation sponsored by India to scale-up solar deployment. It was launched in November 2015 during the UNFCCC Climate CoP 21 in Paris, by PM Modi and President Macron of France.

ISA aims to raise \$1,000 billion for investments in solar energy access - primarily in solar rich, developing countries. India has encouraged the UK to join since its launch. In January 2018, following a cross-Whitehall write round, Ministers agreed that the UK should join ISA.

ISA membership is only open to countries located between the Tropics of Capricorn and Cancer. The UK qualifies due to the location of seven of its Overseas Territories, who have agreed to UK membership of ISA.

Finalisation of international agreements is a multi-stage process involving both 'signature' and 'ratification'. The UK signed the ISA Framework Agreement in April 2018 during the Commonwealth Summit. The UK is the 63rd country to have signed the ISA Framework Agreement. To complete the membership process the UK now needs to ratify the Treaty. If, owing to a busy parliamentary schedule, ratification is significantly delayed it could be politically embarrassing for the UK with consequences for the bilateral relationship with India, which has invested significant political capital into the alliance.

Membership of ISA does not place any new legal, domestic legislation or policy obligations on the UK. Initial UK support will be through existing programming and expertise. DFID will be the lead Department and its existing programmes will form the core of the UK's in kind contribution in collaboration with the FCO and BEIS.

MINISTERIAL RESPONSIBILITY

The Secretary of State for International Development has overall responsibility for the UK's relationship with ISA, as ISA is an international development organisation working in countries other than the UK.

The Secretary of State for Foreign and Commonwealth Affairs has overall Responsibility for the conclusion and implementation of treaty obligations and Responsibility for their application in Overseas Territories.

The Secretary of State for Business Energy and Industrial Strategy has responsibility for UK energy and climate policy, including climate negotiations related to ISA activities.

POLICY CONSIDERATIONS

UK membership of ISA supports four UK Policy objectives:

1. Climate Objectives

ISA aims to support the transition to low carbon energy that is essential to reduce the impacts of Climate Change. Accelerating the deployment of solar power is critical to making this transition happen. ISA aims to support the installation of 1,000 Giga watts of solar power (roughly 15 times the UK's electricity supply). Reducing CO₂ by approximately 3 Giga tonnes per year or roughly 10% of global CO₂ emissions from fossil fuels. ISA's approach to reducing emissions is consistent with the UK's in that it focuses on supporting the incentives, innovations and institutions necessary to mobilise private finance for solar investment.

In addition, ISA is the first significant climate initiative to be promoted by a developing (non-Annex 1) country. It also includes both developed and developing country members. As such it is important for the UK to support this new initiative that puts the emphasis on addressing the shared global problem of climate change collectively, rather than reinforcing historical divides between developed and developing countries.

2. Sustainable Development Goal 7 – Sustainable Energy Access

ISA aims to raise US \$1,000 billion of investment for development of solar energy by 2030. It will particularly focus on developing countries where energy access is lowest. If achieved this investment could provide basic energy access to 800 – 1,000 million people.

UK support for ISA will help deliver universal energy access. Providing a sustainable foundation for prosperity and poverty reduction in developing countries. UK membership of ISA sends a clear signal of the UK's commitment to delivering the SDGs, in particular SDG 7 on energy access.

3. Relationship with India

India's Prime Minister Modi has made ISA his flagship international initiative. He has used considerable political capital in international fora to make it a reality. ISA is the first International Treaty organisation that India has sponsored and hosted. As such it is a significant milestone, marking India's arrival on the international stage as a global power.

UK support for ISA sends a clear signal of support for India as a force for good in the world. It is also a practical demonstration of the evolution of the India – UK relationship, with India leading and the UK supporting.

4. Deployment of UK expertise

The UK has world class expertise to offer ISA. UK renewables finance, project development, innovation and renewable market development in developing countries are all areas where the UK has been requested to work with ISA.

The UK's partnership with ISA has the potential to create new commercial opportunities for UK renewable energy technology and project development companies, solar supply chain manufacturers and investors.

Implementation

Following ratification the UK will become a member country of ISA and eligible to take part in annual ISA Assembly meetings and vote on matters relating to ISA policy, procedures and programmes on a one vote per country member basis. DFID as the lead Department will consult with FCO and BEIS to agree UK lines before representing the UK at Assembly meetings.

Membership will also allow the UK to participate in ISA programmes. Initial UK ISA collaboration will be through existing UK government funded programmes and will support partnerships with UK organisations which wish to collaborate with ISA. ISA membership places no legal or policy requirements on the UK.

Financial

Ratification and membership of the ISA treaty places no financial obligations on the UK and does not commit the UK to any specific resource obligations, membership fees or mandatory contributions.

The UK may consider committing financial resources to ISA directly in future. Any future funding would be based on ISA's performance and would be entirely discretionary.

Reservations and Declarations

No reservations or declarations were made at the time of UK signature of the Protocol and none are proposed at ratification.

Consultations

DFID Officials have consulted with the FCO and BEIS as the concerned UK government departments and the relevant Overseas Territories on ISA membership. They have agreed with the decision for the UK to join ISA.

In addition, investors, project developers and equipment manufacturers have been consulted on ISA membership as well as implementers of UK solar projects and UK solar researchers. They agree that UK membership of ISA will provide opportunities to develop programmes and commercial partnerships in the medium term.

The ISA agreement will apply to Crown dependencies and the overseas territories of Anguilla, British Indian Ocean Territory, Cayman Islands, Montserrat, St Helena, Ascension and Tristan da Cunha, Turks and Caicos Islands and the Virgin Islands as they lie between the Tropics of Capricorn and Cancer.

Signed:



**The Rt. Hon. Penny Mordaunt MP
Secretary of State for International Development**

Date: 6th July 2018.

