



## Statement of Intent

### UK collaboration with the International Solar Alliance

Climate Change demands action to safeguard the prosperity of future generations. The UK is committed to making progress towards a low carbon future where sustainable energy for all is a reality. The UK sees the International Solar Alliance as integral to making this reality happen. As an important new international institution ISA will accelerate the deployment of solar energy - helping to deliver the globally agreed climate mitigation targets declared in Paris.

The UK is proud to announce its membership of ISA and start collaboration in four areas drawing on the UK government's existing commitments of over £450m in solar programming and investment:

#### 1. Raising finance

ISA has set ambitious targets to help raise \$1,000 billion to accelerate deployment of renewable energy in ISA countries. The majority of this has to come from private investors. The UK is a global leader in green finance and has a proven track record of raising private finance for solar projects and developing innovative financial instruments e.g. risk guarantee instruments.

For example, the London Stock Exchange Group (LSEG) wishes to collaborate with ISA. Including, working with the World Bank to issue and list solar bonds for ISA projects. LSE would also like to work with ISA to group solar plants that are operating viably into funds that can then be listed on the London Stock Exchange and access deep and specialised investor pools. The structure of such funds would be similar to the renewable infrastructure funds that are currently listed in London (13 funds, with \$7 Billion market value) but could be substantially bigger in scale. LSE would also like to work with ISA partners, to develop a guarantee fund, to lower the risk, or to take first loss, in power purchase agreements and provide more certainty to investors. The UK is also home to a number of specialist solar funds such as Bluefield, Foresight, Octopus Investment and Next Energy, which own and manage substantial solar assets in the UK, and are looking to expand investments internationally. Further FTSE Russell measures companies globally with solar revenues from both energy generation and equipment manufacture that can be incorporated into green indexes. LSEG has listed 6 green bonds from India which have raised around \$2.5bn including the first ever international certified, listed green bond from India by Axis Bank in 2016 and the first Green Masala bond by an Indian Financial Institution, IREDA in 2017.

UK Development finance organisations including CDC Group plc, and the Private Infrastructure Development Group (PIDG) are also ready to collaborate with ISA to support its ambitious targets. These are organisations that have already developed over 20 solar projects worth more than £500m in 15 developing countries. In addition, the BEIS funded vehicles such as UK Climate Investments and the Renewable Energy Performance Platform (REPP) will also collaborate with ISA to identify viable projects for support.





## **2. Solar project development**

The UK is ready to work with a number of ISA countries to improve the investment environment and build in-country capacity to develop viable solar markets that can benefit from collaboration with ISA. For example in ISA countries such as Nigeria, Sierra Leone and Mozambique through the £44m Africa Clean Energy programme that focuses on developing markets for affordable solar home systems. This includes working with organisations like Power for All who are developing public and private capacity in ISA countries to deliver universal electricity access. DFID programmes can also help identify demand for solar equipment that can benefit from the economies of scale that ISA can achieve, for example in the procurement of solar pumps that are a focus for DFID solar programmes in Uganda, India and Bangladesh. In addition, a number of UK companies, such as SolarCentury and Lightsource BP, are now deploying their expertise in solar development, acquired during the growth of solar capacity in the UK, to international markets.

## **3. Solar Innovation, research and capacity building**

The UK has substantial solar research and energy storage expertise and is already collaborating with ISA partners, including India, to develop the next generation of solar innovation. For example, UK Research and Innovation and India's Department for Science and Technology have collaborated to research new forms of solar cells and together launched the Joint UK-India Clean Energy Centre, bringing together experts on solar technology, electricity networks and energy storage to develop integrated solutions. Innovate UK, UK Research and Innovation and DfID have also brought academic and business expertise together through the Energy Catalyst. The UK wishes to collaborate more closely with ISA to ensure this research continues to drive down the costs of solar power. In addition the £69m Transforming Energy Access (TEA) programme would like collaborate with ISA to scale up innovative technologies and business models to accelerate access to energy for poor households and enterprises, especially in Africa. This programme builds on DFID's successful partnerships with Shell Foundation, Carbon Trust and Innovate UK's Energy Catalyst who wish to collaborate with ISA to ensure the latest evidence and innovation is used to improve the impact of ISA programmes.

## **4. UK business engagement**

The UK solar business community, represented by the UK Solar Trade Association is already implementing multi-million solar projects around the world and includes manufacturers, technical specialists and financial experts that are keen to work with ISA, ISA countries and ISA partner institutions. They can help deliver the next generation of ISA solar projects using the latest technology and source the finance necessary for project implementation. In particular, companies such as BP, Suncredit and Camborne Capital are keen to share their expertise in the areas of solar project development, smart system control, mini-grid design, and energy storage. There is also a growing expertise in operations and maintenance of solar farms in the UK, with companies like British Solar Renewables, BayWa & PSH Operations.

The UK is committed to active membership of the Alliance and continued advocacy for ISA's aims and objectives. This will include working with multi-lateral

organisations where the UK is a major shareholder to support ISA programmes. For example, the Green Climate Fund, where the UK has already committed £720m. In addition, we will support the Asian Infrastructure Investment Bank, Asian Development Bank, Green Climate Fund, European Investment Bank, and World Bank proposals to work with ISA and meet their multi-billion dollar commitments for solar investment.

### Partnership and Leadership

This Statement of Intent sets out the extent of identified UK collaboration with ISA, but the UK is open to further collaboration with all ISA members and partner organisations that can help accelerate access to solar energy.

The UK would also like to recognise the leadership of India and France in establishing ISA. Their leadership has been instrumental in developing the vision for ISA and ensuring its successful establishment as an important new international institution. An institution that will be an essential part of the international architecture to deliver the ambitious, globally agreed climate and sustainable energy goals.

The cooperation between the Parties as outlined in this Statement of Intent does not constitute any legal undertaking. Any activity undertaken by the Parties hereunder shall follow their respective rules, regulations, policies and procedures. This Statement of Intent shall not be construed as an obligation of funds, nor does it constitute any legally binding commitment by either Party. Any such legally binding commitment, if and when intended by the Parties, shall be set out in a separate document. The Parties may publish this Statement of Intent in a form acceptable to each of them.

Signed in 2 (two) original copies, both of them in the English language:


**For and on behalf of the  
International Solar Alliance:**

  
Upendra Tripathy  
Interim Director General

**For and on behalf of the  
United Kingdom:**

  
Sir Dominic Asquith KCMG  
British High Commissioner to India

***In the august presence of:***

  
H.E. Y.K. Sinha  
Indian High Commissioner to the United Kingdom