PROGRAMME ‘SCALING SOLAR MINI GRIDS’
(Launched during the 52nd Annual Meeting of the African Development Bank Group,
24 May 2017 Gandhinagar, Gujarat)

Objective and Aim of the Programme

In pursuit of the objectives set by the 30 November 2015 Paris Declaration on the ISA and the ISA Framework Agreement and of the core endeavour of the alliance to pool and harmonize resources for the installation of solar electricity generation capacity in ISA island States and rural and remote areas of other ISA member States located partially or wholly between the Tropics;

Recognizing that ISA island States and identified areas in member States with no grid or limited grid connectivity, have abundant potential to harness solar energy and can take advantage of available solutions to promote universal energy access by 2025 and reduce electricity costs and tariffs through introduction and promotion of mini-grids for harnessing solar power in a time bound manner;

Acknowledging that integrating solar energy into insular or unconnected electricity grids has numerous challenges, such as high electricity tariffs, economic viability, size of the markets, development of local skillsets and trained man power, availability of low cost capital, effective interconnection to grids in rural, remote and urban areas and management of variable renewable power generation and its impact on the stability of small-scale electricity systems;

Recognizing that ISA member States, including ISA island States, have set ambitious renewable energy targets to combat challenges of climate change and are committed to adoption of solar energy;

Affirming that all ISA member States can cooperate and benefit from such cooperation in ensuring energy access to fight energy poverty, generate employment, attract investment, and promote solar applications to enhance income levels and livelihood needs of the farmers and the poor.

We hereby declare that all participating ISA member States shall endeavour to:

1. Design and adopt successful models for large scale deployment of commercial solar projects in ISA member States, including island States, through adoption of decentralised and distributed applications through establishment of mini grids, micro grids and nano grids.

2. Adopt common methodologies, policies and procedures for need assessment and review of feasibility reports of power requirements in domestic, agricultural and commercial applications through mini grids, micro and nano grids.

3. Enable the Interim Secretariat and the National Focal Points to involve the corporate sector to identify appropriate designs, to undertake due diligence studies on the energy consumption pattern in member States, including island States and to invest in suitable projects. The Interim Secretariat shall bring together ISA member States, private players and financial partners to facilitate this process by aggregating demand through a transparent process or by tendering globally or State wise or continent wise to promote universal energy access through mini grids.

4. Identify and develop standards, certifications and field inspection procedures including preparation of detailed project reports based on international best practices to ensure overall quality of systems.

5. Identify suitable investors and financial institutions with optimal payment options, preparation of tender procedures and tender documents using best procurement practices.

6. Call for expression of interest to identify market operators with the capacity to construct and operate solar power based electricity generating systems that can be integrated into insular or unconnected electricity grids. Also, to identify empowered players for involvement in the design, financing, construction and operation of the generating systems and provide description of the proposed solutions with an approximate preliminary assessment of costs along with emphasis on technical, regulatory and economic conditions.

A ‘Mini Grid’ is defined as a system having a renewable energy based electricity generator (with capacity of 10KW and above), and supplying electricity to a target set of consumers (residents for household usage, commercial, productive, industrial and institutional setups etc.) through a Public Distribution Network (PDN). A ‘Micro Grid’ system is similar to a mini grid but having a RE based generation capacity of below 10KW. Micro and mini grids generally operate in isolation to the electricity networks of the DISCOM grid (stand-alone), but can also interconnect with the grid to exchange power. If connected to grid they are termed as grid connected mini/micro grid.

For the implementation of the Programme, the Interim Secretariat in consultation with and taking inputs from the National Focal Points and Country Representatives shall take the following actions in a time bound manner:

(a) The Interim Secretariat shall facilitate member States and all other key stakeholders including the corporate sector to come together and mutually evolve an ecosystem to promote mini, micro and nano grids based on best practices and requirements of the member States, in order to:

(i) increase the ability of stakeholders and their accessibility to finance solar projects for installation of solar electricity generation capacity in ISA member States, with special emphasis on island States and remote rural areas of ISA member States;

(ii) facilitate capacity building of local financial institutions to finance solar mini, micro and nano grid projects and investments on affordable terms;

(iii) persuade financial partners and other financing institutions to develop risk mitigation measures and instruments for the targeted projects, local financial institutions, consumers and corporates involved;

(iv) enhance local institutional capacity to design, implement and monitor solar mini, micro and nano grids;

(v) promote formulation of mini grid policies that protect investments and returns when the main grid comes into the off-grid areas, as well as to ensure fiscal and financial support to keep power tariff affordable for the consumers;

(vi) facilitate strengthening of the legal and regulatory ecosystems in ISA member States with the objective to assist flow of capital from corporate sector, while protecting the interests of the consumer;

(vii) increase awareness and knowledge of solar energy technologies amongst the key stakeholders;

(viii) develop the skills of local solar market players with the use of well researched market intelligence in order to expand the business of the solar market;

(ix) build a skilled and trained work force in the solar sector by conducting various training programs including training of trainers, vocational training etc.

(x) facilitate the establishment of more than 5 mini grids in each of these ISA island States and rural remote areas of ISA member States by way of mobilizing investments from corporate sector and assistance under Overseas Development Assistance of member States and partner countries.

(b) The Interim Secretariat of ISA shall take the initial steps towards the full design and implementation of this Programme at the earliest. To this end, a Country Representative responsible for this Programme shall be clearly identified by each ISA member State within a period of three months. After this period is over, a member State, through a joint declaration may express its desire to be a member of the Programme. This shall ensure speed, scale and skill in the program. The designated Country Representatives shall communicate through an appropriate digital platform and shall meet as often as required in order to achieve the above-mentioned objectives, in coordination with the National Focal Points in member States. They shall assess the financial means and institutional mechanisms required to further implement the objectives. They shall report by the end of the year 2017 and propose a new set of objectives for the following year. Their reports shall be forwarded to the Interim Secretariat of ISA for coordination and analysis purposes. The ISA Interim Secretariat shall also ensure coherence of all ISA programmes and carry out annual review of implementation of the Programme through an appropriate agency. Based on these, the Interim Secretariat shall also submit a report, to the Assembly, highlighting the challenges it faces and the solutions the Interim Secretariat proposes.

(c) This Programme proposal shall be formally endorsed by prospective ISA member States willing to join, through a joint declaration. All decisions regarding the implementation of the Programme shall be taken by the prospective ISA member States participating in the Programme. These decisions shall be carried out, with the guidance and assistance of the Interim Secretariat, National Focal Points and Country Representatives designated by each prospective ISA member State participating in this Programme.

This Programme shall be fully designed and implemented through open consultations by digital circulation amongst all National Focal Points and other stakeholders and shall be based on information shared by prospective ISA member States.

The Programme will formulate a set of actions, projects and activities which shall be undertaken in a coordinated manner by the Focal Points from ISA prospective member States. The Interim Secretariat shall ensure coherence and coordination, ensure aggregation of demands to reduce cost, and involve the corporate sector and other stakeholders, in a proactive manner to carry out due diligence study and demand discovery, in furtherance of the objective and guiding principles described in the ISA Framework Agreement and to ensure skill, scale and speed in programme implementation. The Programme shall prioritise its projects for small island States and rural remote areas of other ISA member States that need urgent and immediate attention to fight the challenges of climate change.

We propose that the process be continued under our collective leadership until the objective of bringing affordable and reliable solar applications for scaling solar mini grids within the reach of all ISA island States and rural and remote areas of other ISA member States, is reached.