
Fifth Assembly of International Solar Alliance
18 October 2022
New Delhi, Republic of India

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Agenda Item 25

Update on Resource Mobilization for the ISA

Summary

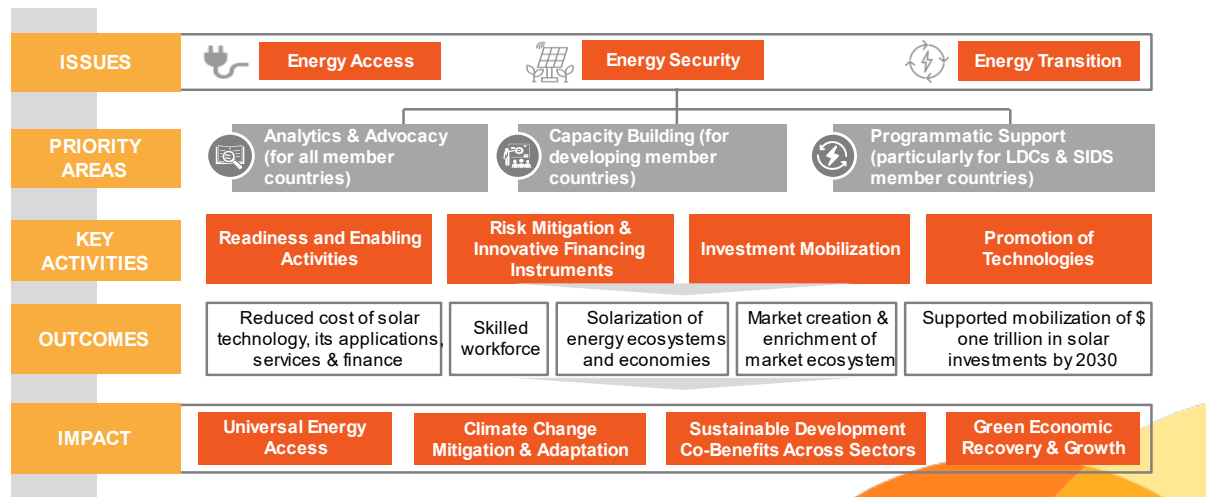
The document presents the update on the resource mobilization efforts undertaken to secure funding for implementation of priorities identified under ISA's Strategic Plan for the five years period.

Update on Resource Mobilization for the ISA

1. Introduction

The ISA Secretariat has prepared a Theory of Change to guide resource mobilization for the organization. The ISA's ToC is built on the provisions of the Framework Agreement of the ISA. In preparing the ToC, the Secretariat has attempted a comprehensive analysis of the global context and mapping of relevant global organizations. The ToC explains how ISA plans to accomplish SDGs 7 and 13 by concentrating on three critical energy concerns, namely Energy Access, Energy Security and Energy Transition.

Theory of Change– A Strategic Framework for Global Solarization



Guidance from ISA Assembly for resource mobilization

The second and the third Assembly of the ISA have underlined the urgent need to ensure the ISA's financial sustainability by encouraging Member Countries, Partner Organizations, UN Agencies, and other organizations to make voluntary contributions. The Third Assembly also established a Sub-Committee on Resource Mobilization, consisting of the President and the Co-President, and Vice-Presidents, to guide the ISA Secretariat for securing funding for the ISA, and mobilizing financial resources for programme implementation & projects.

2. Background

In line with the mandate of the ISA Framework Agreement, the ISA has developed a Strategic Plan for the next five years for supporting mobilization of investments of more than USD 1 Trillion in ISA member countries by 2030. The ISA's Strategic Plan aims to address three critical issues of Energy Access, Energy Security, and Energy transition through multi-faceted support to ISA member countries. The Strategic Plan envisages programmatic support with a focus on LDC/SIDS Member countries, Capacity Building support to all developing member countries, and Analytics & Advocacy support to all member countries. The plan aims to support member countries in developing a vibrant solar energy ecosystem and creating a viable & bankable solar energy project pipeline

through key activities encompassing readiness & enabling activities, risk mitigation & innovative financing instruments, investment mobilization, and promotion of technologies.

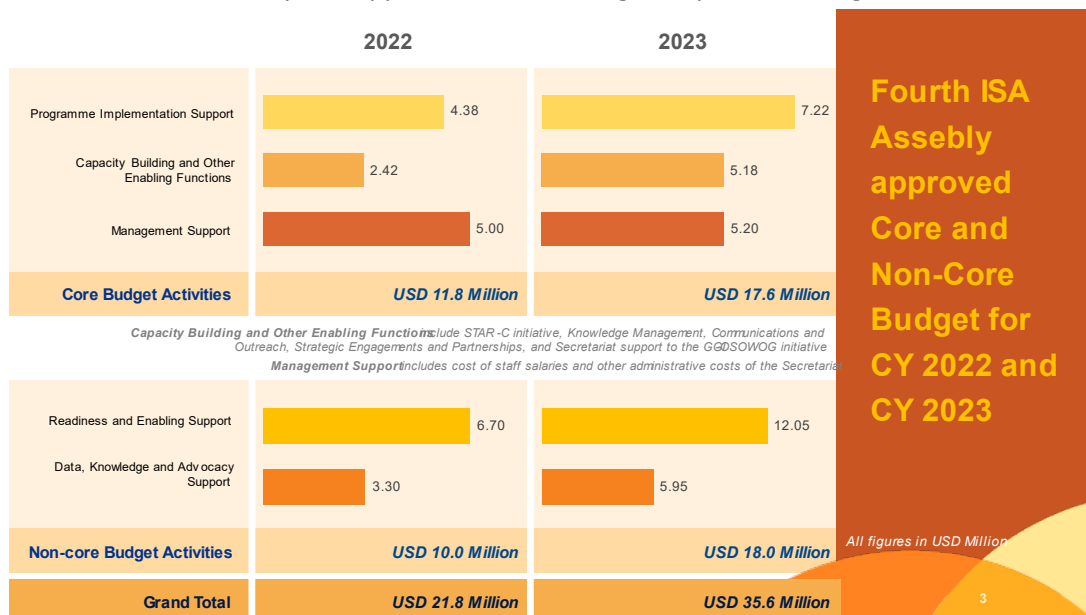


2.1 Implementation of ISA’s Strategic Plan

For implementation of the Strategic Plan, there are two streams of fund-raising efforts undertaken by the ISA secretariat under the guidance of the President of the ISA Assembly. An update on operationalisation of the Blended Finance Risk Mitigation Facility is presented in the Working Document to the Fifth Assembly for review and guidance. This working document focuses on efforts made in mobilizing resources for the USD 300 million funds for supporting the implementation of three priorities identified for the Strategic Plan period.

2.2 Implementation of ISA’s workplan

The fourth ISA Assembly also approved the following workplan and budget for the CY 2022 and 2023:



Pursuant to the above guidance and the urgent need to mobilize funding for the ISA, the Secretariat has been making efforts to mobilize financial resources for the corpus and general funds.

The Financial Regulations of the ISA, Regulation 7.1, establishes a General Fund for the purpose of accounting for the ISA’s administrative costs and its activities as envisaged in Article VI of the Framework Agreement. The Financial Regulation 1.2 also defines Corpus Fund as the permanent fund whose interest income can be utilized for the budget of the organisation.

For mobilizing funds, the Director-General has also established a Global Task Force with three co-chairs, one each from the philanthropy sector, the private sector, and member countries, to strengthen the ISA Secretariat's efforts for fund-raising. The Secretariat had also procured services of a strategic advisory firm with proven experience in fund-raising to support such efforts.

3. Need for financial resources

The ISA’s strategic plan aims to a) facilitate mobilization of USD 1000 billion in solar investments; b) enable 1000 GW of new capacity; c) helping 1000 million people with enhanced access to electricity; and d) consequently reducing 1000 million tons of carbon emissions. To pursue these goals ISA estimates an expenditure of around USD 300 million till CY 2026 . This is mentioned in the work plan approved by the General Assembly.

3. Projected Expenditure

Particulars	2022 Budgeted	2023 Budgeted	2024 Projected	2025 Projected	2026 Projected	Total (USD million)
ISA’s Overall Budget	21.8	35.6	52.4	77.0	113.3	300

4. Update on resource mobilization efforts

The ISA has no Membership fee. Article VI of the Framework Agreement of the ISA states that the operating costs of the Secretariat and Assembly, and all costs related to support functions and cross-cutting activities, form the budget of the ISA, and is inter-alia covered by voluntary contributions by its Members, UN & its agencies, and other countries. The expenditure of the ISA has been met so far by the general grant received and interest accrued on the general grant. It can be also potentially met from the interest earned on the Corpus Fund.

The ISA Secretariat has made strong outreach to member countries and global foundations to seek resources. The Secretariat has submitted specific proposals to potential donors. A multi-donor trust fund framework is also being developed to receive, manage, and deploy non-core funding resources. The basic elements of the design and governance of the MDTF were approved by the fourth ISA Assembly.

4.1 Financial Support from the Host Country: India

The Government of India has already released USD 27 million to the ISA. India has also signed a Headquarters Agreement with ISA. In addition to the Government of India support various Public Sector Enterprises of Government of India and foreign companies have contributed to the corpus fund of ISA. The ISA corpus as on 30th November 2021 is about USD 44.62 million. Thus, considering the state of development of ISA and its current financial positions, Government of India is considering

extending further financial support to the ISA. The contribution being considered is approx. USD 40 million over a period of the next three years. The Presidency of the ISA Assembly, Govt of India, also convened a meeting on 14th Feb 2022 of ISA member countries, including current and potential providers of funding to ISA, to explore how members contributions particularly towards funds, can be enhanced, and discuss other ways of funding the ISA, including membership fees.

4.2 Corpus Fund

Article VI (2) of the Framework Agreement of the ISA provides for a Corpus Fund for the organisation. The revenues generated from the Fund are to meet the budget of the ISA. The Host country has contributed USD 16 Million for the Corpus Fund of the ISA. The Government of India has proactively encouraged various member countries, India's Public Sector Undertaking (PSUs) and private sector entities to contribute to Corpus Fund. The corpus has increased to USD 44.42 million including the cumulative interest earned on the corpus funds. It is expected that an annual investment income of approx. USD 1.5 million will be generated from the Corpus Fund on a recurring basis. The investment income will contribute to meeting a part of the core budgetary expense of the ISA.

It is also noted that the second Assembly of ISA approved Financial Regulation 5, which provides that the revenue accrued annually from the Corpus Fund, shall only be spent once the Host country ceases to finance ISA's annual recurring expenditure. Till such period, the revenue generated from the corpus fund shall be treated as part of Corpus fund only.

4.3 Grant Funding from Member countries

The details of funds received, committed or likely from member countries are given in the table below. The ISA secretariat has also received positive feedback from the Govt of Denmark¹, France², Germany³ and the Netherlands to provide funding to strengthen the ISA secretariat for implementation of priorities identified in Strategic Plan.

Table: Grant funding from Member countries

S.No.	Name	Amount	Status of funding commitment by Member country and receipt of funds
1.	Republic of India	Approx. 40 million USD for core budget activities	Funding likely – internal approval process is underway
2.	Republic of France	1 million euros (for STAR-C)	Funds received
3.	United Kingdom	GBP 1 million for GGI-OSOWOG initiative implementation	Funding committed * - communication received
4.	United States of America	USD 960,000 for programmatic support	Funding committed * - communication received

¹ [India–Denmark Joint Statement during the Visit of Prime Minister to Denmark \(mea.gov.in\)](https://mea.gov.in/india-denmark-joint-statement-during-the-visit-of-prime-minister-to-denmark)

² [India–France Joint Statement during the Visit of Prime Minister to France \(mea.gov.in\)](https://mea.gov.in/india-france-joint-statement-during-the-visit-of-prime-minister-to-france)

³ [Joint Statement: 6th India-Germany Inter-Governmental Consultations \(mea.gov.in\)](https://mea.gov.in/joint-statement-6th-india-germany-inter-governmental-consultations)

5.	Sweden	50,000 USD for programmatic support (capacity building and STAR-C)	Funds received
6.	Japan	36,000 USD for programmatic support for mini grids	Funds received
	Total	Approx. 43 million USD	

4.4 Grant funding from Global Foundations

The ISA has forged strategic partnerships with key international organizations and philanthropies including Children’s Investment Fund Foundation (CIFF), Rockefeller Foundation, Global Alliance for Energy and Planet, Bloomberg Philanthropies and others for specific projects, programmes and activities. The update also provides the details of the funds received, committed or likely in this regard after the 4th General Assembly.

Table: Grant funding from Global Foundations

S.No.	Name	Amount (USD million)	Status of funding commitment by Foundation and receipt of funds
1.	Global Energy Alliance for People and Planet (with contributions from Rockefeller Foundation; Bezos Earth Fund; and IKEA Foundation)	25 for three to four years for the three priorities of the Strategic Plan	Funding committed * - communication received
2.	Children’s Investment Fund Foundation (CIFF)	8 for four years for supporting the three priorities of the Strategic Plan	Funding committed * - communication received
3.	Bloomberg Philanthropies	6.00 for three years for analytics, advocacy, and programmatic support	Funding committed * - communication received
4.	Sequoia Climate Fund	0.5 for one year for capacity building and programmatic support.	Funding received
5.	The John D. and Catherine T. MacArthur Foundation	0.4 for two years for programmatic support.	Funding Received for CY 2022 (USD 0.2 million)
	Total	40	

****a communication from the respective donor has been received by the ISA Secretariat for said amount.***

The Internal Accounts Procedure 107.1 on Dedicated Trust Funds and Accounts provide that Director General shall establish policies to ensure that programme or administrative support costs will be charged on a cost recovery basis in respect of activities carried out under a trust fund or special

account in conformity with Regulation 7.3 of the Financial Regulations. In line with this provision, for non-core funding received from global foundations, the ISA secretariat charges approx. 10% overall management fee to meet the costs of running the Secretariat. The management fee is in line with the management support fee charged by UN agencies for management and deployment of non-core funding received by them.

4.5 In-kind contributions

In-kind contributions have also been received from the European Commission, the World Bank, Asian Development Bank, UNDP, UNEP, and Shakti Foundation for implementation of various projects and activities in ISA member countries.

5. Next steps

With the guidance of President, Co-President, and Vice-Presidents of the ISA Assembly, it is expected that the Secretariat would be able to secure a total funding of USD 100 million by the end of CY 2022. These funds would be sufficient to cover the approved budget for the CY 2022 and CY 2023 and potentially part of the budget for the CY 2024 but more core funding support from member countries is required to meet the increasing deficit in the core funding in the coming years of the ISA's Strategic Plan period till 2026.
