



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON ENERGY, WATER DEVELOPMENT AND TOURISM

ON THE

**FRAMEWORK AGREEMENT ON THE ESTABLISHMENT OF THE
INTERNATIONAL SOLAR ALLIANCE**

FOR THE

THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Published by the National Assembly of Zambia

LIST OF ACRONYMS

Eighth National Development Plan ó 8NDP

International Solar Alliance ó ISA

Rural Electricity Authority ó REA

Rural Electricity Master Plan ó REMP

Solar Powered Irrigation Systems ó SPIS

FOREWORD

Honourable Madam Speaker, the Committee on Energy, Water Development and Tourism has the honour to present its Report on the consideration of the Framework Agreement on the Establishment of the International Solar Alliance for the Third Session of the Thirteenth National Assembly. The functions of the Committee are set out under Standing Orders 197(d) and 198(f) of the National Assembly of Zambia Standing Orders, 2021. Specifically, Standing Order 198(f) provides that a Portfolio Committee shall consider International Agreements, Conventions and Treaties referred to it by the Speaker or a resolution of the House.

The Committee held ten meetings to consider submissions from stakeholders in order to acquaint itself with the ramifications of the Framework Agreement on the Establishment of the International Solar Alliance. The Committee sought both written and oral submissions from various stakeholders. The list of stakeholders is at Appendix II of the Report. The Report is organised in three parts. Part I provides a background and summary of the provisions of the Agreement, Part II presents the summary of submissions from stakeholders, while Part III constitutes the Committee's observations and recommendations.

The Committee is grateful to the stakeholders who tendered both written and oral submissions. It further wishes to thank you, Madam Speaker, for affording it the opportunity to scrutinise the Framework Agreement on the Establishment of the International Solar Alliance. The Committee's appreciation is further extended to the Clerk of the National Assembly for the support and guidance rendered throughout its deliberations.



Mr Romeo Kangombe, MP
CHAIRPERSON

March, 2024
LUSAKA

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1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Mr Romeo Kangombe, MP (Chairperson); Mr Chanda A B Katotobwe, MP (Vice-Chairperson); Mrs Mirriam C Chonya, MP; Mr Davis Chisopa, MP; Eng Raphael S Mabenga, MP; Mr Gregory Ngowani, MP; Mrs Kampamba S Mulenga, MP; Mr Michael J Z Katambo, MP; Mr Lameck Hamwaata, MP; and Dr Chitalu Chilufya, MP.

PART I

2.0 BACKGROUND TO THE INTERNATIONAL SOLAR ALLIANCE

The International Solar Alliance (ISA) was an intergovernmental organisation founded in 2015 by India and France to work for the efficient consumption and use of solar energy in order to reduce dependence on fossil fuels. During the 21st Session of the Conference of the Parties (COP 21) that was held on 30th November, 2015, world leaders recognised sustainable development, universal energy access and energy security as critical to the shared prosperity and future of our planet.

To this effect, the Honourable Prime Minister of India Mr Narendra Modi and French President Francois Hollande launched the ISA. The Alliance helped member countries develop low carbon growth trajectories with a particular focus on delivering impact in states categorised as Least Developed Countries (LDCs). Zambia, along with 117 other countries, had signed the ISA Framework Agreement, while ninety-seven had ratified the Agreement.

Domestically, Section 3(2) of *the Ratification of International Agreements Act, No. 34 of 2016*, stated that the Minister shall, in determining whether it was in the best interests of the State to ratify an international agreement, consider:

- (a) the object of the international agreement;
- (b) whether existing legislation adequately addressed the object of the international agreement;
- (c) the impact of implementing any measure specified in the international agreement; and
- (d) any legislative measures that may be required to give effect to the international agreement.

With this background, the Government of the Republic of Zambia proposed to ratify the Framework Agreement on the Establishment of the ISA.

3.0 OBJECTIVES OF THE INTERNATIONAL SOLAR ALLIANCE

The Committee was informed that the general objective of the Agreement was for parties to establish an ISA through, which they would collectively address key common challenges to the scaling up of solar energy in line with their needs.

4.0 SPECIFIC OBJECTIVES OF THE INTERNATIONAL SOLAR ALLIANCE

In order to fully realise its general objective, the ISA set out its specific objectives as follows:

- (a) identify and address significant challenges to scaling up solar energy applications;
- (b) accumulate financial investments of about US\$ 1 trillion by 2030;
- (c) synchronise action by promoting voluntary programmes on solar energy research and development, financing and technology;
- (d) promote financing for solar energy adoption by bringing down the cost of capital;
- (e) promote the adoption of solar energy in Member Countries; and
- (f) encourage the creation of a shared cyber platform for networking, collaboration, and idea-sharing.

5.0 SALIENT PROVISIONS OF THE AGREEMENT

The salient provisions of the Agreement were as set out hereunder.

Article 3 – Programme and Other Activities

This Article, among other things, provided a list of programmes, which consisted of a set of actions, projects and activities to be taken in a coordinated manner by members, with the assistance of the Secretariat. The programmes were in furtherance of the objective and guiding principles described in Article I and II.

Article 4 – Assembly

Article 4 established an Assembly on which each member was represented to make decisions concerning the implementation of the Agreement as well as coordinated actions to be undertaken in order to achieve its objective. The Assembly was to meet annually at ministerial level at the seat of the ISA, or whenever necessary under special circumstances. The Article further provided that the Assembly would make all necessary decisions regarding the functioning of the ISA, including selection of the Director General and approval of the operational budget.

Article 5 – Secretariat

This Article provided for the establishment of a Secretariat to assist the ISA in their collective work and, *inter alia*:

- (a) assist the National Focal Points in preparing the programmes, proposals and recommendations submitted to the Assembly;
- (b) provide guidance and support to members in the implementation of each programme, including for the raising of funds;
- (c) act on behalf of the Assembly or a group of members participating in a particular programme when requested; and
- (d) set and operate all means of communication, instruments and cross-cutting activities required for the functioning of the ISA and its programmes as approved by the Assembly.

Article 6 – Budget and Financial Resources

This Article provided, among other things, for operational costs of the Secretariat and Assembly, and all costs related to support functions and cross-cutting activities to be covered by:

- (a) voluntary contributions by its members, partner-countries, the United Nations (UN) and its agencies, and other countries;
- (b) voluntary contributions from the private sector; and
- (c) revenue to be generated from specific activities approved by the Assembly.

The Article further provided that the Government of India would contribute US\$ 27 million to the ISA for creating corpus, building infrastructure and recurring expenditure over a 5-year duration from 2016-17 to 2020-21. In addition, financial resources required for the implementation of a specific programme other than administrative costs falling under the general budget, would be assessed and mobilised by countries participating in that programme with the support and assistance of the Secretariat.

Article 7 – Member and Partner Country Status

Article 7 provided that membership was open to those solar resource-rich states, which lay fully or partially between the Tropic of Cancer and the Tropic of Capricorn and were members of the UN. Such states would become members of the ISA by having signed the Agreement and having deposited an instrument of ratification, acceptance or approval.

Article 10 – Status, Privileges and Immunities of the International Solar Alliance

Article 10 provided, among other things, that the ISA Secretariat would possess juridical personality under the Host Country Agreement, the capacity to contract, acquire and dispose of movable and immovable properties and institute legal proceedings. Further, the ISA Secretariat would enjoy privileges such as applicable tax concessions and immunities as were necessary at its Headquarters for the independent discharge of its functions and programmes approved by the Assembly.

Article 11 – Amendments and Withdrawal

This Article provided that any member could propose amendments to the Framework Agreement after the expiry of one year from the commencement of the Framework Agreement. It further provided that any member could withdraw from the Framework Agreement by giving a notice of three months to the Depository.

PART II

6.0 SUMMARY OF STAKEHOLDER SUBMISSIONS

The Committee learnt that the ISA aimed to provide a dedicated platform for cooperation among solar resource-rich countries and the global community. Its purpose was to ensure that the global community, including bilateral and multilateral organisations, corporations, industries, and other stakeholders, made a positive contribution to the achievement of the common goal of increasing the use of solar energy. This was in a bid to meet the energy needs of prospective Alliance-member-countries in a safe, convenient, affordable, equitable, and sustainable manner.

With anticipated growth in solar installed capacity of 1,555 megawatts by 2026, according to the Zambia Energy Integrated Resource Plan, the Committee was informed that it was important for Zambia to join a community of nations that were jointly working to benefit from a pool of opportunities that focused on resource mobilisation, technological research as well as development of the global solar resource. As such, the ISA was seen to provide an

opportunity for Zambia to manage and develop its solar resources, while utilising the advantages enshrined in the Framework Agreement.

Most stakeholders who appeared before the Committee were of the view that Zambia should ratify the ISA Framework Agreement, even though being party to the Agreement would come at a cost to the National Treasury. Zambia's solar sector was seen as a low-hanging fruit as the country was endowed with abundant solar resource energy, which if well organised and managed, would contribute to sustainable energy sources for the country.

The submissions from stakeholders are summarised hereunder.

6.1 Situational Analysis of the Energy Sector in Zambia

The Committee was informed that as at 2022, Zambia had 3,493 megawatts of installed generation capacity. Of this capacity, 86 per cent of the national generation capacity was hydro-based, 9 per cent was from coal and the balance of 5 per cent comprised thermal, heavy fuel oil and solar photovoltaic (PV) generation. The predominance of hydro-based electricity placed the country at risk of climate-induced droughts, causing variable availability of the hydro resources in the country's two river basins, namely: the Zambezi and Kafue.

It was further submitted that climate change, pollution, resource depletion, and environmental concerns were pushing a transition towards more sustainable energy sources. The Ministry of Energy through ZESCO Limited had started taking steps to cut emissions and adapt to the effects of climate change in its 10-year rolling strategic plan for 2022-2031. The strategic plan aimed at increasing electricity generated by renewable energy sources from 3 per cent to 10 per cent by 2030.

The Government's focus under the Rural Electrification Programme was to expand the national grid and develop renewable energy and mini-grids in rural areas in order to enhance reliability, sustainability and security of electricity supply. This was expected to increase the electrification of rural areas and attain social development outcomes with a target of 50 per cent rural electricity access by 2030, as espoused in the Rural Electricity Master Plan (REMP). The Committee was further informed that the Eighth National Development Plan (8NDP) envisaged an increase in national installed capacity to 4,057 megawatts by 2026 from 3,307 megawatts in 2021. The percentage of renewable energy in the national installed capacity, excluding hydropower generation, was expected to increase to 10 per cent from 3 per cent by 2030.

6.2 Frameworks Supportive of the Ratification of the International Solar Alliance

Institutional Framework

The Committee was informed that the Rural Electrification Authority (REA) was created in 2003 by an Act of Parliament as a special purpose vehicle to increase access to electricity in rural areas. It was, therefore, an appropriate institution to handle solar development even for rural areas where hydroelectricity was a challenge to access.

Policies

Stakeholders submitted that the Government had policies in place that supported the development of solar energy. Among the policies were:

- (a) the National Energy Policy that aimed at facilitating the development and deployment of renewable and alternative energy such as solar energy;
- (b) the National Industrial Policy that aimed at promoting industrialisation in Zambia; and
- (c) the National Trade Policy that aimed at creating opportunities for the country to integrate into the world economy.

Legal Framework

The Committee was informed that the Government had statutes in place that supported the development of solar energy such as:

- (a) the *Energy Regulation Act, No. 12 of 2019*, which established the Energy Regulation Board (ERB), as a body corporate whose primary role was to license entities that intended to produce energy;
- (b) the *Electricity Act, No. 11 of 2019*, which provided for the regulation of generation, transmission, distribution and supply of electricity; and
- (c) the *Rural Electrification Act, No. 5 of 2023*, which gave the mandate to provide electricity and solar in rural areas.

Strategies

The Committee learnt that there were several strategies in place for developing the renewable energy subsector, which included the:

- (a) **Renewable Energy Feed-in Tariff (REFiT) Strategy:** a Government power sector initiative aimed at accelerating private investments in small and medium-sized renewable energy projects of up to 20 megawatts for increased access to clean energy services to supplement other Government power generation investment programmes;
- (b) **Renewable Energy Strategy and Action Plan:** this provided a road map under which a country was expected to implement various identified market interventions that would transform the market and catalyse the accelerated diffusion of renewable energy technologies such as innovation in solar energy; and
- (c) **National Investment Strategy:** promoted both local and international investment in the country, including investments involving solar energy.

6.3 Merits of the Ratification of the International Solar Alliance Framework Agreement

The Committee was informed that there were a number of benefits of ratifying the ISA Framework Agreement. The stakeholders highlighted the benefits set out below.

- (a) **Technology Transfer:** Zambia would have access to advanced solar technologies developed by other Member Countries as a form of technology transfer.
- (b) **Policy Support and Advocacy:** The ISA aimed at promoting policy advocacy to create a supportive environment for solar energy adoption. This could encourage Zambia to develop and implement policies that promoted the growth of its solar

sector, creating a conducive regulatory framework for solar projects and also encouraging research and development.

- (c) **Source of Financial Resources for Solar Growth and Development:** There was potential for arranging long-term and low-cost finance from multilateral agencies, bilateral agencies and other financial institutions for member countries. The ISA would work on developing innovative financing mechanisms to make solar projects financially viable.
- (d) **Promotion of Research and Development:** Participation in joint projects and research initiatives would lead to the development of new technologies and solutions tailored to the country's specific needs.
- (e) **Job Creation:** The ISA would promote job creation and economic development through the expansion of the solar energy sector. The establishment of solar projects and industries would generate employment opportunities and stimulate economic growth.
- (f) **Promotion of Clean and Sustainable Energy:** The ISA would promote the use of solar energy as a clean and renewable source, which would contribute to global efforts in mitigating climate change. Solar energy would also contribute towards addressing energy challenges such as limited access to electricity.
- (g) **Opportunity for Capacity Building Programmes:** The agreement would lead to the development of capacity building programmes that included the sharing of knowledge, skills and best practices related to solar energy technologies. This could help Zambia enhance its expertise in implementing solar projects and managing solar infrastructure effectively.
- (h) **Creation of Opportunities for Collaboration:** Ratifying the ISA signified a commitment to international cooperation in the renewable energy sector. It would also enhance diplomatic relations and create opportunities for collaboration with other member countries.
- (i) **Upgraded Irrigation Systems for Agriculture:** One particularly vital initiative within the ISA Framework Agreement was the up-scaling of Solar Powered Irrigation Systems (SPIS). This clean technology-powered pumping system used for irrigation offered immense potential for Zambia. The SPIS ensured reliable irrigation, promoted crop diversification, and allowed for better agricultural planning in the face of changing climate patterns, ultimately leading to increased yields and improved livelihoods for rural communities.
- (j) **Energy Security:** Ratifying the ISA Framework Agreement would allow for the diversification of the energy mix by incorporating solar energy to enhance the country's energy security, reduce vulnerability to supply disruptions and regulate price fluctuations associated with traditional fossil fuel.

6.4 Demerits of the Ratification of the International Solar Alliance Framework Agreement

Stakeholders identified the disadvantages of ratifying the International Solar Alliance Framework Agreement listed hereunder.

- (a) **Financial Commitment:** Mobilising resources to contribute towards the US\$1 trillion target could be a financial burden for Zambia. Further, differences in economic strength and financial stability among participating nations could possibly result in disparities in funding contributions, unequal partnerships and failure to derive the intended benefits.
- (b) **Limited Technical Expertise:** Many of the ISA Member Countries lacked the necessary technical expertise to develop and deploy solar energy projects and this could hinder the implementation of the ISA's plans.
- (c) **Political Challenges:** The ISA was a multinational organisation, therefore, it was important for it to get the support of all Member Countries. However, there was a possibility that political disagreements between Member Countries could affect the ISA's ability to achieve its goals.
- (d) **Trade Barriers:** Some countries had trade barriers that made it difficult to import solar energy products. This could increase the cost of solar energy projects in the ISA Member Countries.
- (e) **Reporting Obligations:** As an ISA member, Zambia would be required to submit periodic progress reports, which was a costly undertaking and required capacity building.

7.0 CONCERNS RAISED BY STAKEHOLDERS

In supporting the Framework Agreement, stakeholders raised concerns as outlined below.

- (a) While Zambia could gain from collaborative efforts to overcome obstacles in deploying solar energy, it would be important to understand the ISA's underlying motives, given the global rush for critical minerals during this energy transition. This was because there was a high possibility that developed countries could leverage the alliance to access resources from mineral-rich nations.
- (b) Stakeholders noted that the location of ISA's headquarters in India and the contributions from Indian solar companies to the ISA's fund suggested the need to assess potential personal interests and benefits to Indian industries.
- (c) Stakeholders observed that Article 2, which outlined the principles of the Agreement, lacked clarity on ensuring equitable participation among Member Countries, particularly given the significant influence of India and France, which were two of the world's major energy consumers.
- (d) Stakeholders noted that the Government of India had pledged a contribution of US\$27 million to the ISA. However, this substantial investment by the Indian

Government into the ISA raised concerns about the potential benefits and advantages this may confer upon India relative to other Member States.

- (e) Stakeholders observed that Article 6 allowed for voluntary contributions from Member States. Additionally, Sub-Article 4 specifically stated that only countries participating in specific programmes would have a say, with the support of the Secretariat, in the decision-making processes related to those programmes. This raised concerns about the inclusivity of the decision-making process, potentially sidelining Member States not engaged in these programmes.
- (f) Stakeholders noted that the Government of the Republic of India was designated as the Depositary of the Framework Agreement. However, the system was highly centralised and would limit Zambia's effective engagement with ISA as it was subject to administrative processes, which were highly controlled by another Government.
- (g) Stakeholders noted that Sub Article 3 named a Member State and some other entities that had made contributions to the ISA. However, it was noted that it would be more appropriate if the Framework Agreement did not specify funding or donations made by Member States or entities in the Articles and instead included that information in reports.
- (h) Stakeholders observed that the Secretariat was subordinate to ISA Member States. Therefore, it was irregular for the Secretariat to approve partnerships that members wished to have on particular programmes.

PART III

8.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

The Committee makes observations and recommendations set out hereunder.

- (a) Whilst fully supporting the International Solar Alliance Framework Agreement, the Committee expresses concern at the absence of a comprehensive strategy for renewable energy.

In this regard, the Committee recommends that the Government, through the Ministry of Energy, should, as a matter of urgency, put in place a clear national strategy and legal framework for solar energy before Zambia domesticates the ISA Framework Agreement.

- (b) The Committee observes that the ISA Framework Agreement neglects to outline specific and actionable benefits that will accrue to Zambia, and countries like it, if it is to ratify the treaty. It also lacks clear, objective and transparent policy guidelines for targeted agenda setting.

In this regard, the Committee recommends that the Government should seek clarity on the Agreement's specific benefits, objectives and policies for the identification of challenges and the allocation of resources amongst Member States.

- (c) The Committee notes that the ISA Secretariat is established to oversee the operational aspects of the Alliance and will be led by a Director General appointed by the Assembly for a renewable four-year term. However, the Committee expresses concern at the absence of a clear criterion for appointing the Director General and fears that it may lead to India maintaining the directorship even after eight years.

The Committee recommends that the Government seeks clarity on whether the position of Director General will rotate among Member Countries or individuals from Member Countries of the ISA to prevent a concentration of directors from a single nation.

- (d) The Committee notes that although Zambia is a part of the International Renewable Energy Agency (IRENA), little benefit has been derived from it so far.

The Committee recommends that Zambia and other African countries should be accorded an opportunity to propose projects aimed at reducing dependence on hydro-generated power to be funded by the ISA budget. The Committee further recommends that the Government should consider embarking on a thorough review of the treaties, conventions and agreements that Zambia has ratified in the past in order to ascertain whether the country is truly benefiting as envisioned.

- (e) The Committee observes that developed countries often benefit disproportionately from international agreements, while African countries which have contributed the least towards the effects of climate change often benefit the least.

In this regard, the Committee recommends that the Government should consider Zambia's national interest as it ratifies this Agreement to guard against opening up its markets to players who may want to offload solar units at the cost of the local manufacturing efforts. The Committee further recommends that the Government must thoroughly interrogate agreements in order to appreciate all their ramifications before ratifying them.

- (f) The Committee observes that Zambia lacks the administrative and technical capacity in the solar energy sector to enable it to fully implement the stipulations of the ISA Framework Agreement. The Committee further observes that most internationally funded projects come with project structuring capacity requirements, which Zambia has lacked in the past.

The Committee, therefore, strongly recommends that all Government institutions and departments that will play a role in the implementation of the ISA should receive specialised training in the field of solar energy technologies in order for Zambia to make the most of opportunities available through the Alliance.

- (g) The Committee notes the limited participation of Zambian nationals in international and regional bodies and alliances. As a result, Zambia has had a diminished voice on matters that have a direct impact on its citizens.

In this regard, the Committee recommends that the Government must lobby for appropriately qualified Zambians to form part of the ISA secretariat to give Zambia visibility in the organisation. Further, the Committee recommends that the Government

must identify professional and expertly qualified Zambians whose names will be presented to regional and international bodies as candidates for available positions.

- (h) The Committee notes that there is a need for Zambia to understand how the Alliance has benefited other countries that have already ratified the Agreement.

In this regard, the Committee recommends that the Government should advocate for a mid-term review report in order to assess how countries with similar circumstances to Zambia have benefitted from this Alliance since its inception in 2015.

9.0 CONCLUSION

The Committee is of the considered view that solar energy can boost the share of renewable energy in Zambia's energy mix, increase energy efficiency by offsetting the use of inefficient power generation technologies, reduce the dependence on hydropower and bring electricity to remote parts of the region. Therefore, ratifying the ISA Framework Agreement will allow Zambia to establish networks and develop synergies with ISA Member States and partners to help achieve Zambia's ambitions in the energy sector in a sustainable and targeted manner.

The Committee views the ISA Framework Agreement as a pathway towards addressing critical energy access challenges. However, a thorough analysis of financial commitments, implementation challenges, and political dynamics remains crucial before making a final decision. Engaging in open dialogue, conducting a comprehensive national impact assessment of the Agreement and carefully weighing the costs and benefits are crucial steps before Zambia domesticates this Agreement.

In view of the foregoing, the Committee recommends that the ISA Framework Agreement be ratified.

We have the honour to be, Madam, the Committee on Energy, Water Development and Tourism mandated to consider the Framework Agreement on the Establishment of the International Solar Alliance.



Mr Romeo Kangombe, MP
CHAIRPERSON

March, 2024
LUSAKA

APPENDIX I - NATIONAL ASSEMBLY OFFICIALS

Mr Stephen Chiwota, Director ó Financial Committees
Mrs Angela Banda, Deputy Director ó Financial Committees
Ms Chitalu Mulenga, Senior Committee Clerk (FC2)
Mr Leon J N Haangala, Committee Clerk
Ms Inutu Mwiya, Administrative Assistant
Mr Daniel Lupiya, Committee Assistant
Mr Muyembi Kantumoya, Parliamentary Messenger
Mr Stanley Kalala, Intern

APPENDIX II - LIST OF WITNESSES

Africa GreenCo
Centre for Trade and Policy Development
Civil Society for Poverty Reduction
Copperbelt Energy Corporation
Energy Regulation Board
Industrial Development Committee
Ministry of Commerce Trade and Industry
Ministry of Energy
Ministry of Finance and National Planning
Ministry of Foreign Affairs and International Cooperation
Ministry of Justice
Muhanya Solar Limited
Presidential Delivery Unit
Rural Electrification Authority
University of Zambia
Zambia Renewable Energy Association
ZESCO Limited