

ACCESSIBLE FINANCE FOR RENEWABLE ENERGY PROJECTS IN DEVELOPING COUNTRIES

BACKGROUND

The International Renewable Energy Agency (IRENA) and the Abu Dhabi Fund for Development (ADFD) have collaborated on a joint Project Facility to support replicable, scalable and transformative renewable energy projects in developing countries. ADFD committed USD 350 million in concessional loans, over seven annual funding cycles, to renewable energy projects recommended by IRENA. Projects were selected for funding in January 2014 in the first cycle.

ADFD FUNDING

**USD 50
million**

available in each cycle.

**USD 5-15
million**

ADFD loans for each project covering up to 50% of the project costs.

**1-2% loan
rates**

20-year loan period including 5-year grace period.

HOW IT WORKS

Applicants are first asked for an Executive Project Summary, which must be submitted between mid-November and mid-February of each annual cycle. The applications are evaluated by an independent, international Panel of Experts that shortlist projects based on technical feasibility, economic/financial viability and socio-economic and environmental impacts.

The proponents of shortlisted projects are then asked to submit Full Project Proposals, including a full economic feasibility study, in May of each annual cycle. The Advisory Committee, appointed by IRENA members, assesses the projects to ensure alignment with national development priorities, geographic spread and diversity of technologies. ADFD makes the final selection of projects from IRENA's recommended list by December of each year. After this, ADFD signs bi-lateral agreements with government officials for the selected projects.

To be shortlisted, projects must be:

- Transformative
- Replicable/scalable
- Economically feasible

They must also:

- Have a positive development impact
- Improve energy access
- Address energy security
- Have government support



A 3.6 MW solar PV mini-grid and solar home kits project in Burkina Faso, selected in the third cycle.

CO-FINANCING

The ADFD sovereign loans cover up to 50% of the project costs with the remainder needing co-financing. Co-financing can come from any sources including government, development funds and the private sector. IRENA can share the application with other funds for co-financing, if requested. Applicants can also register on the [IRENA Sustainable Energy Marketplace](#) to explore co-financing opportunities.

ELIGIBILITY

Projects submitted for funding to the IRENA/ADFD Project Facility must meet the following requirements:

COUNTRY LEVEL CRITERIA

- Projects must be submitted by Members of IRENA, Signatories of the Statute, or States in Accession, which are developing countries on the OECD "DAC List of ODA Recipients".
- Projects must have the support and prioritisation of the host government and be able to obtain a sovereign government guarantee.

TECHNOLOGY

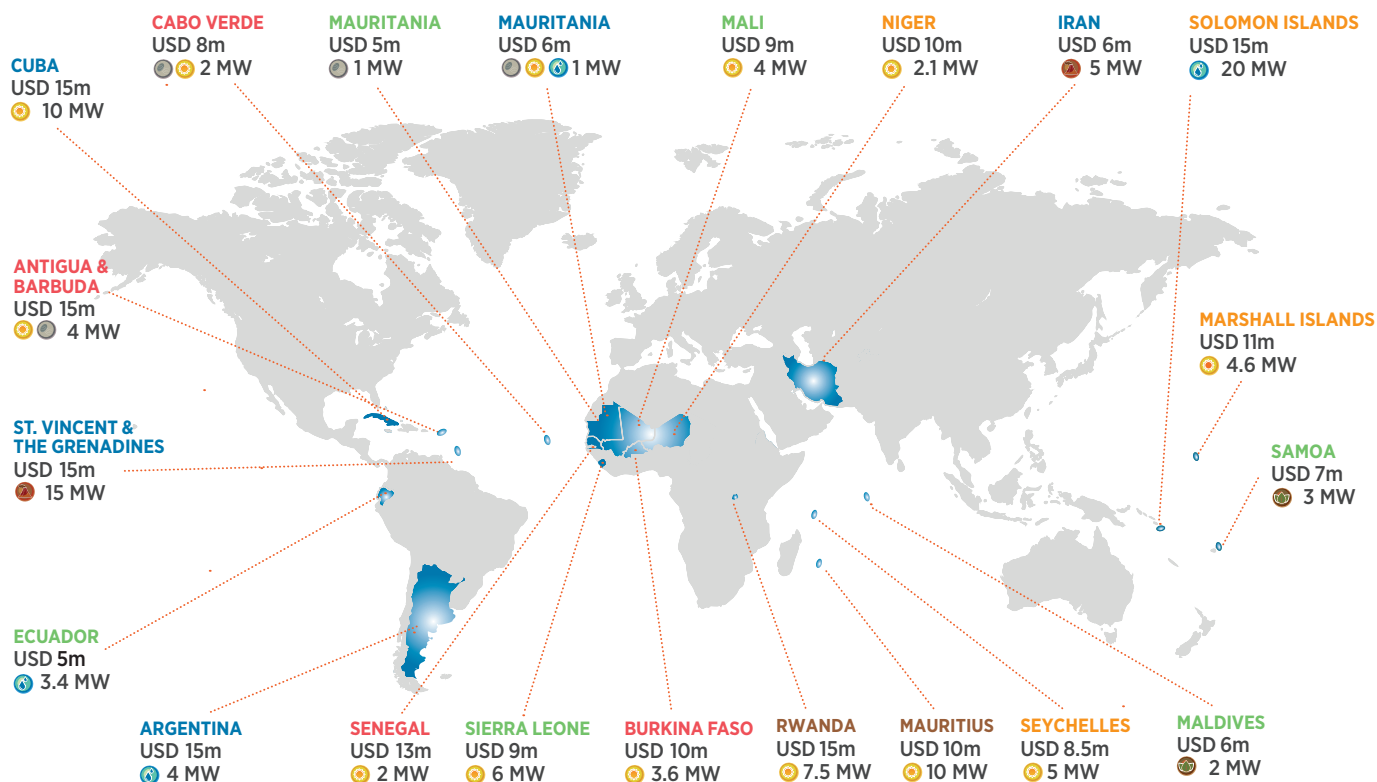
- Projects deploy renewable energy as defined in the Statute of IRENA, including bioenergy, geothermal energy, hydropower, ocean energy, solar energy, and wind energy.

PROJECT STAGE

- Projects must be at feasibility study and pre-implementation stage i.e. prior to tendering and procurement execution.

PROJECTS SELECTED FOR FUNDING

- Since January 2014, ADFD loans worth **USD 214 million** have been allocated to 21 renewable energy projects.
- IRENA/ADFD backing has helped to leverage over **USD 420 million** from other funding sources for remaining project costs.
- Around **120 MW** of renewable capacity is set to come online.
- Over **3.5 million people** will benefit from increased access to energy and improved livelihoods.



First cycle projects

Second cycle projects

Third cycle projects

Fourth cycle projects

Fifth cycle projects

Projects selected in the sixth cycle will be announced in January 2019



Bioenergy



Ocean



Geothermal



Solar



Hydropower



Wind

For further information on applying for funding, participating as an expert or for co-funding opportunities:

www.irena.org/adfd

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