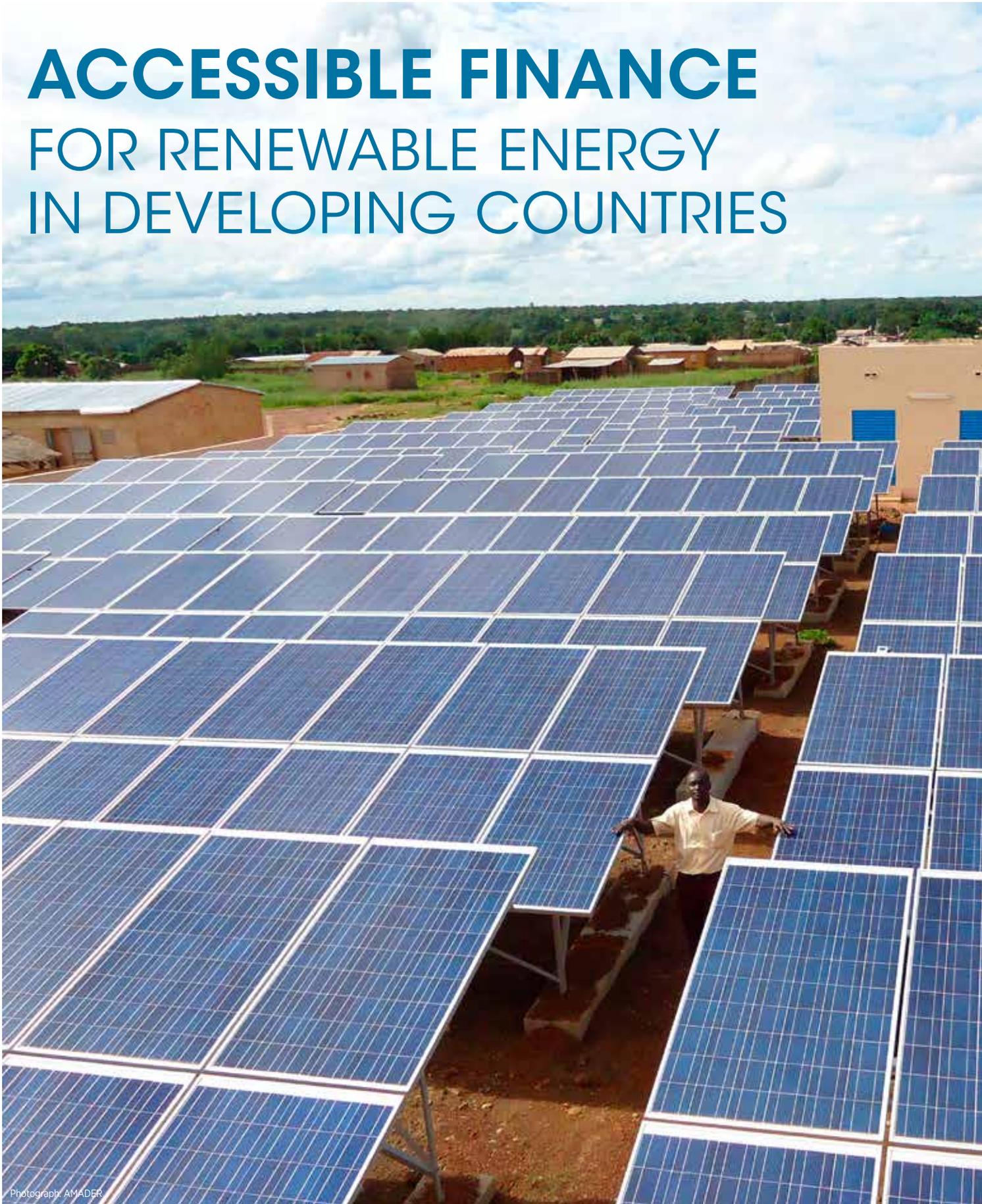
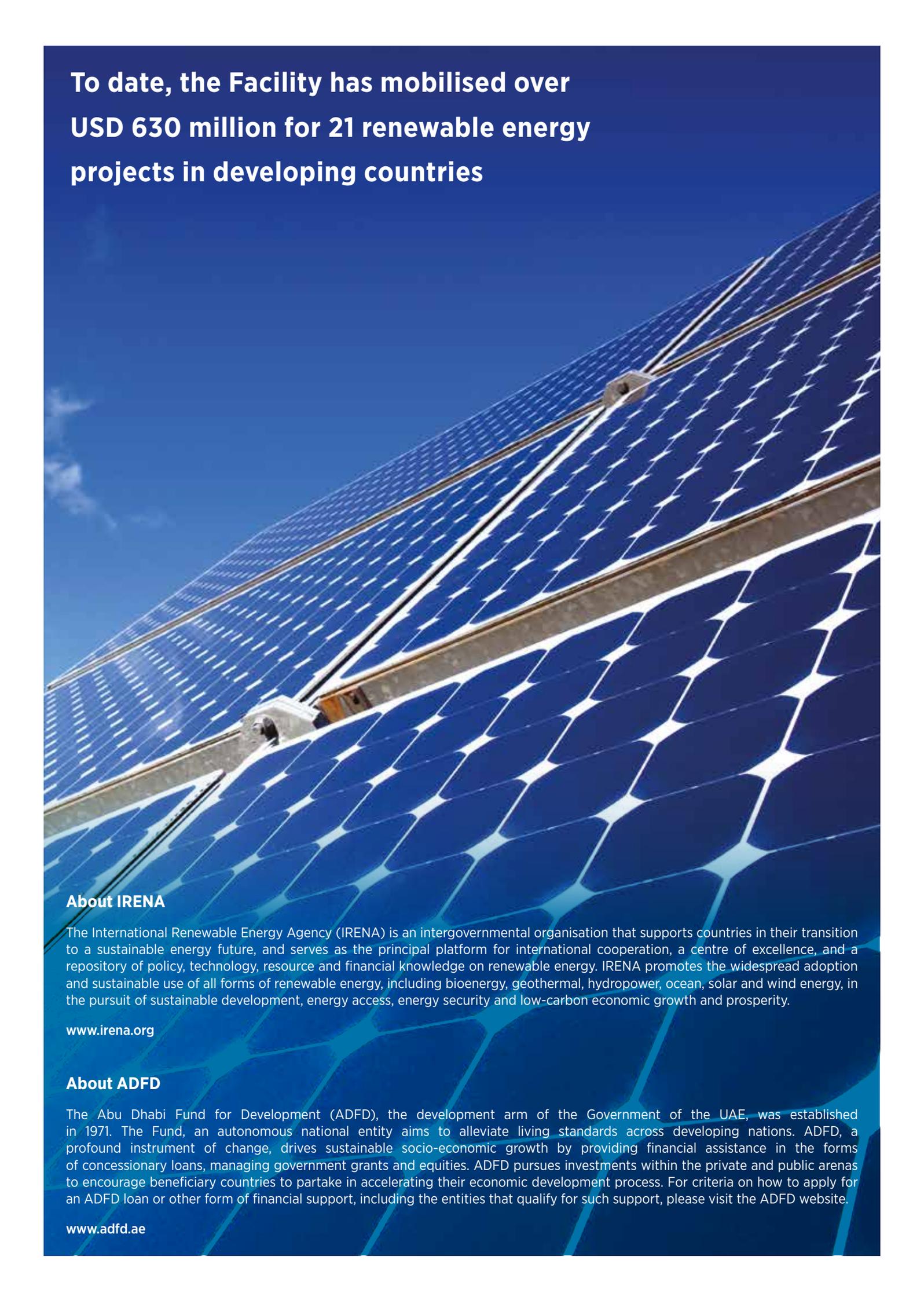


# ACCESSIBLE FINANCE FOR RENEWABLE ENERGY IN DEVELOPING COUNTRIES





**To date, the Facility has mobilised over  
USD 630 million for 21 renewable energy  
projects in developing countries**

### **About IRENA**

The International Renewable Energy Agency (IRENA) is an intergovernmental organisation that supports countries in their transition to a sustainable energy future, and serves as the principal platform for international cooperation, a centre of excellence, and a repository of policy, technology, resource and financial knowledge on renewable energy. IRENA promotes the widespread adoption and sustainable use of all forms of renewable energy, including bioenergy, geothermal, hydropower, ocean, solar and wind energy, in the pursuit of sustainable development, energy access, energy security and low-carbon economic growth and prosperity.

[www.irena.org](http://www.irena.org)

### **About ADFD**

The Abu Dhabi Fund for Development (ADFD), the development arm of the Government of the UAE, was established in 1971. The Fund, an autonomous national entity aims to alleviate living standards across developing nations. ADFD, a profound instrument of change, drives sustainable socio-economic growth by providing financial assistance in the forms of concessionary loans, managing government grants and equities. ADFD pursues investments within the private and public arenas to encourage beneficiary countries to partake in accelerating their economic development process. For criteria on how to apply for an ADFD loan or other form of financial support, including the entities that qualify for such support, please visit the ADFD website.

[www.adfd.ae](http://www.adfd.ae)

# THE IRENA/ADFD PROJECT FACILITY

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 potentially 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.

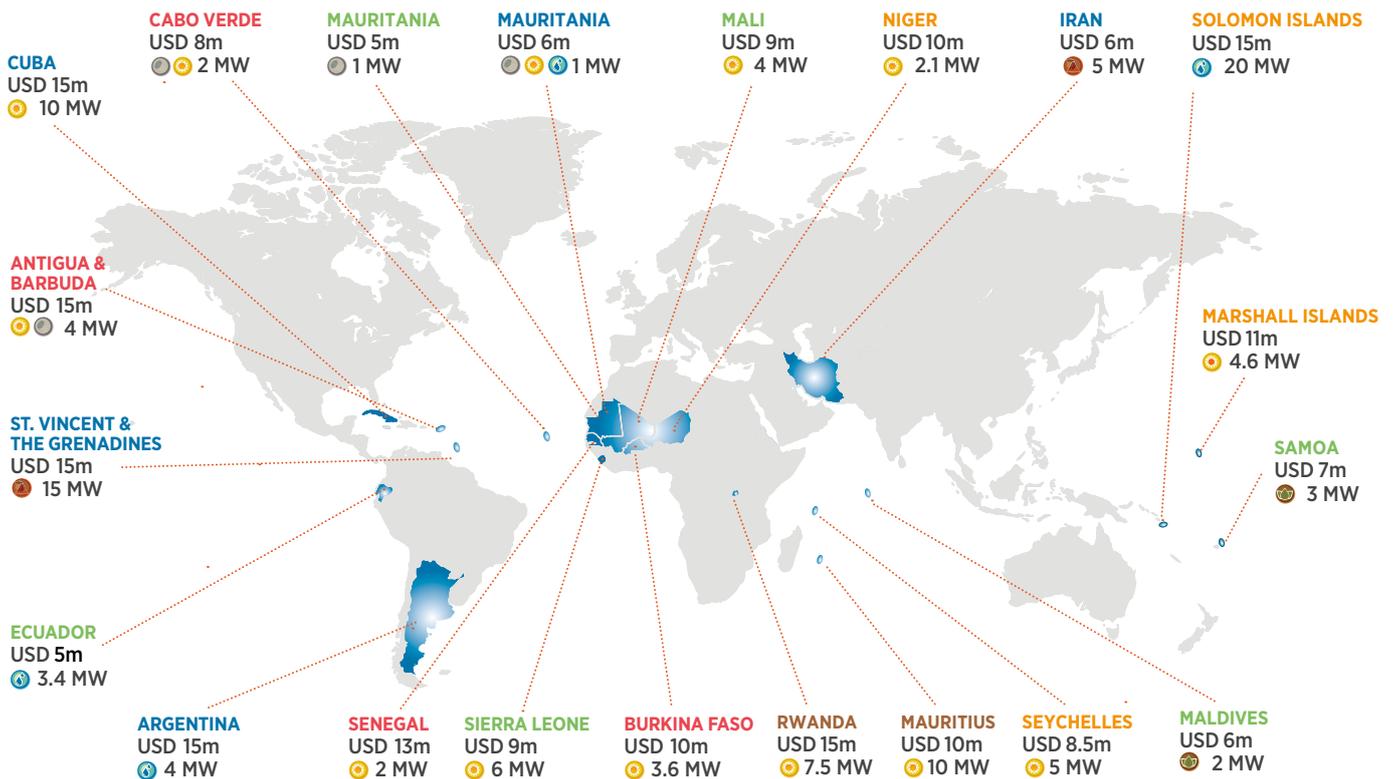
## RESULTS

Since 2014, the Facility has implemented five funding cycles, resulting in the allocation of **USD 214 million** in ADFD loans to 21 projects. An additional **USD 420 million** in co-financing has been attracted to these projects from other funding sources, including governments, the private sector and other development funds.

Almost **120 megawatts** (MW) of new renewable energy capacity will be brought online as a result of the first five cycles, through a wide range of technologies. These include: grid-connected solar photovoltaic (PV), decentralized solar PV rooftop kits, solar home systems, hybrid wind and solar mini-grids, hydropower, geothermal and waste-to-energy.

The projects support national priorities to advance sustainable development through the deployment of renewable energy. More than **3.5 million people** will benefit through greater access and affordability of energy, job creation, environmental and health benefits and improved livelihoods.

## PROJECTS SELECTED



First cycle projects	Bioenergy	Ocean
Second cycle projects	Geothermal	Solar
Third cycle projects	Hydropower	Wind
Fourth cycle projects		
Fifth cycle projects		

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

More than **3.5 million** people benefiting  
 Over **50,000 jobs** being created  
**120 MW** renewable capacity



Solar home systems in Rwanda will provide 500,000 families with sustainable, affordable electricity.  
Photograph: Ignite Power



A solar PV rooftop project in Mauritius will make electricity affordable for over 30,000 people in low-income communities.  
Photograph: Central Electricity Board, Mauritius



A 5 MW solar PV farm will be integrated into an existing wind farm in the Seychelles, reducing reliance on imported fossil fuels.  
Photograph: Seychelles Public Utilities Corporation

## ADFD FUNDING

**USD 50 million**  
per cycle

**USD 5-15 million**  
in ADFD loans for each project, covering up to 50% of project costs

**1-2% loan rates,**  
20-year loan period including 5-year grace period

## ELIGIBILITY

Projects submitted for funding should be in a developing country and must involve renewable energy technologies. Applications can be submitted from government ministries, semi-governmental institutions or private organisations but must have the full support of the national government.

### 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 be supported and prioritised by government and be able to obtain a sovereign government guarantee in the country of implementation.

### 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, procurement and execution.

## HOW IT WORKS

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 benefits. The Advisory Committee, appointed by IRENA members, then 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. After this, ADFD signs bi-lateral agreements with government officials for 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



Community engagement for a 20 MW hydropower plant in the Solomon Islands.

Photograph: Solomon Islands Government

## EVALUATION CRITERIA

Applications	Evaluation by Experts (% weights)				Advisory Committee selection and recommendation
	Technical feasibility (40%)	Economic/ financial viability (30%)	Socio-economic & environmental impacts (30%)	Overall project characteristics	
<b>EXECUTIVE PROJECT SUMMARY</b> – applicants submit between November and mid-February each year	<ul style="list-style-type: none"> <li>Objectives</li> <li>Design</li> <li>Management</li> </ul>	<ul style="list-style-type: none"> <li>Project cost</li> <li>Revenue sources</li> <li>Business plan</li> </ul>	<ul style="list-style-type: none"> <li>Social, economic &amp; environmental benefits</li> <li>Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>Transformative</li> <li>Replicable/ scalable</li> <li>Innovative business model</li> </ul>	<ul style="list-style-type: none"> <li>Geographic spread</li> <li>Diversity of technologies</li> <li>Alignment with government priorities</li> </ul>
<b>FULL PROJECT PROPOSAL</b> including full feasibility study – shortlisted applicants submit early May to end June each year	<ul style="list-style-type: none"> <li>Detailed project design and output</li> <li>Resource assessment</li> <li>Implementation plan and operational arrangements</li> <li>Technical risk mitigation measures</li> <li>Organisational and management capabilities</li> <li>Monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Full economic/ financial model</li> <li>Co-finance agreements</li> <li>Economic/ financial risks and mitigation options</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder engagement details</li> <li>Accessibility</li> <li>Affordability</li> <li>Job creation</li> <li>Energy security</li> <li>Environmental / health</li> <li>Other/ gender/ transformation/ replicability/ scalability/ innovation</li> <li>Risk mitigation</li> </ul>	<ul style="list-style-type: none"> <li>Improve energy access</li> <li>Address energy security</li> </ul>	

### ADFD FINAL DECISION

ADFD selects and approves projects from the IRENA recommended list in December each year.

## HOW TO GET INVOLVED

**As an Applicant:** Applicants can register at the Project Facility website, which provides information about the opening of each cycle and how to apply. See the *Guidelines for Applicants* for further details. Summary project proposals are received between **mid-November** and **mid-February** of each year.

**As an Expert:** The Panel of Experts consists of technical specialists with experience in various renewable energy technologies, economic and financial evaluation of projects, and socio-economic and environmental impact assessments. A call for nominations of experts is circulated to stakeholders in advance of the opening of each cycle.

**As a Co-funding Entity:** ADFD loans cover up to half of a project's total cost, so the remaining finance must be leveraged from other sources. Upon request, IRENA will share details of shortlisted projects with government development agencies and donors as well as bilateral, multilateral and global funds that are interested in co-funding projects processed through the Facility.



Renewable energy brings socio-economic benefits to local communities

Photograph: Seychelles Public Utilities Corporation

Visit [www.irena.org/adfd](http://www.irena.org/adfd) or e-mail [adfd@irena.org](mailto:adfd@irena.org) for further information.

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Front cover photograph provided by the Mali Agency for Domestic Energy and Rural Electrification (AMADER) for the first cycle solar PV mini-grid project that will provide electricity to 32 villages.



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