



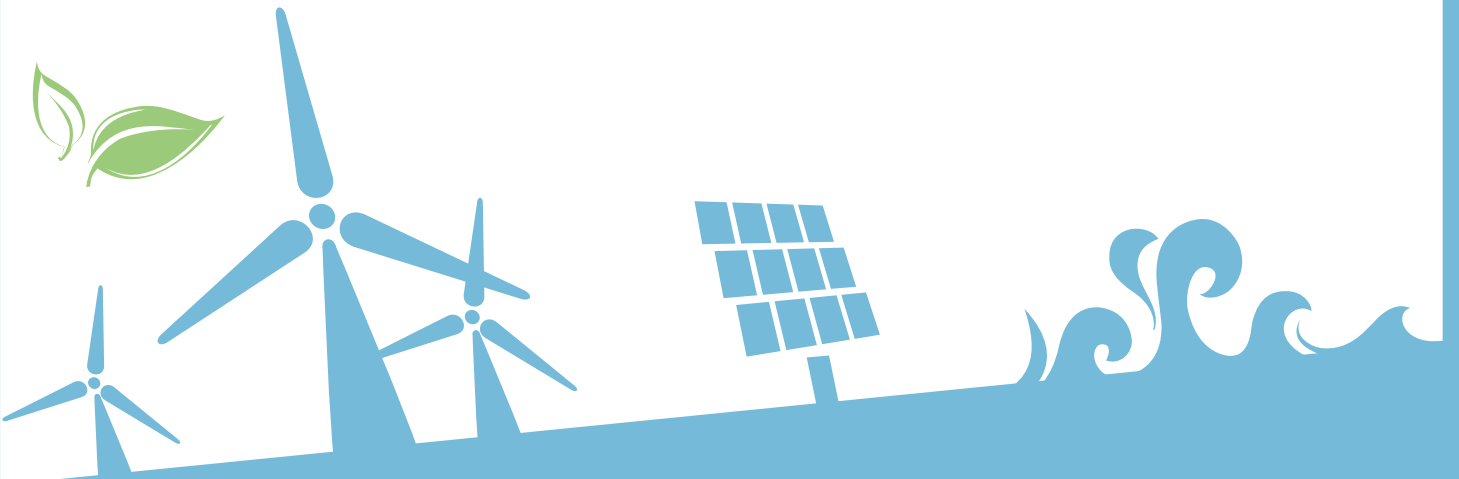
صندوق أبوظبي للتنمية
ABU DHABI FUND FOR DEVELOPMENT

Guidelines for applicants

IRENA ADFD
PROJECT FACILITY



Supporting Energy Transition



Foreword



Securing clean and sustainable sources of energy for future generations is one of the great challenges of our time. Renewable energy sources can underpin future prosperity by acting as critical pieces of infrastructure that support the wider socio-economic development efforts of developing countries.

Our mission at Abu Dhabi Fund for Development is to assist the populations of developing countries to meet their needs and support socio-economic development. Sustainable power production is a catalyst to development and that is why we are so pleased to be supporting this innovative financing facility.

We know that to double the share of renewables by 2030 globally there is a need for a huge investment to be scaled up and we are proud to be playing our part in filling this gap. By bringing our forty years of development and project management expertise together with the technical knowhow of IRENA, this partnership is truly breaking ground in how we approach energy challenges in the future.

Through the IRENA/ADFD Project Facility, we are aiming to continue to offer a new wave of affordable energy access around the world. I encourage all countries to come forward and apply for the available funding.

Mohammed Saif Al Suwaidi
Director-General, ADFD

The commitment of USD 350 million by the United Arab Emirates to finance renewable energy projects in developing countries – through a partnership between IRENA and ADFD – has created an effective platform that mobilises and attracts investments to strengthen the global clean energy transition.

The projects selected in each annual selection cycle of the IRENA/ADFD Project Facility (Facility) are those showing the greatest potential to strengthen sustainable livelihoods in local communities and improve energy access and security. They must not only be innovative, but also replicable in other developing countries. As the volume of applications for these loans demonstrates, substantial demand exists for renewable energy project funding in developing countries.

The present guidelines on the Facility have been developed to inform and assist applicants and other stakeholders. Valuable lessons from each cycle are incorporated, and refinements continue, in order to maximise the effectiveness of the competitive application process. The active participation of applicants and stakeholders in the evolution of the process is encouraged as it enhances IRENA's own work to facilitate renewable energy financing.

Our aim remains to discover – and stimulate funding for – projects that will help drive the world's clean energy transition, extend modern energy services and inspire many more impactful projects around the world.

Adnan Z. Amin
Director-General, IRENA

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Purpose

The present guidelines provide information on the IRENA/ADFD Project Facility and the project application and selection process. Applications are to be submitted through the IRENA website, via the IRENA/ADFD Project Facility page: www.irena.org/adfd

The IRENA/ADFD Project Facility

IRENA and ADFD have collaborated to create a joint Project Facility to finance transformative and scalable renewable energy projects in developing countries. The facility involves IRENA selecting and recommending promising renewable energy projects in developing countries. ADFD then offers soft (concessional) loans to these projects worth USD 350 million over seven annual cycles. The first such cycle commenced in November 2012.

Each annual cycle involves three phases:



Eligibility

Project applications may be submitted from government ministries, semi-governmental institutions or private organisations and must meet the following requirements:

<p>LOCATION/ COUNTRY</p> <ul style="list-style-type: none">• Project proposals submitted must be from Members of IRENA, Signatories of the Statute, or States-in-Accession that are developing countries on the OECD “DAC List of ODA Recipients”. Preference will be given to project proposals submitted from IRENA Member countries.• Projects must have the support of, and must be prioritised by, the government of the country where the project is to be implemented (host country). All applicants must be able to obtain a government guarantee.	<p>TECHNOLOGY</p> <ul style="list-style-type: none">• Projects deploy renewable energy as defined in the Statute of IRENA, including bioenergy, geothermal energy, hydropower, ocean energy, solar energy, and wind energy.
<p>PROJECT STAGE/TYPE</p> <ul style="list-style-type: none">• Projects must be at feasibility study and pre-implementation stage, i.e. prior to tendering and procurement and execution.• Projects must be infrastructure based.	<p>IMPACT</p> <ul style="list-style-type: none">• Projects must have positive socio-economic, environmental and other sustainable development impacts in the country of implementation.

OECD = Organisation for Economic Co-operation and Development
DAC = OECD Development Assistance Committee
ODA = Official Development Assistance



ADFD funding

ADFD provides sovereign funding to governments of developing countries in the form of concessionary loans to support development priorities and assist in achieving sustainable economic development. There are no limits to the number of project proposals presented from each country, but governments are advised to indicate the order of priority of proposals from their countries. Loans are intended to cover as many recipients and regions as possible across cycles.

OVERALL	AMOUNT OF LOAN	LOAN RATES
~ USD 50m per cycle	<ul style="list-style-type: none">• USD 5m – USD 15m in ADFD loans for each project.• Up to 50% of project costs covered.• Remainder must be co-financed.	<ul style="list-style-type: none">• 1-2% rates on loans.• 20-year loan period including a 5-year grace period.

Loans obtained from ADFD through the Facility Project must be used for activities or assets directly related to the proposed project. Loans cannot be used to fund any pre-development activities, such as feasibility, environmental or socio-economic impact studies. See ADFD lending conditions after projects are selected through the Facility in the Appendix.

ADFD requirements

Government guarantee:

All projects must have a government guarantee letter, normally from the ministry in charge of international borrowing, e.g. the Ministry of Finance, Ministry of International Cooperation or a comparable institution. Templates for the government guarantee letter are found at; www.irena.org/adfd

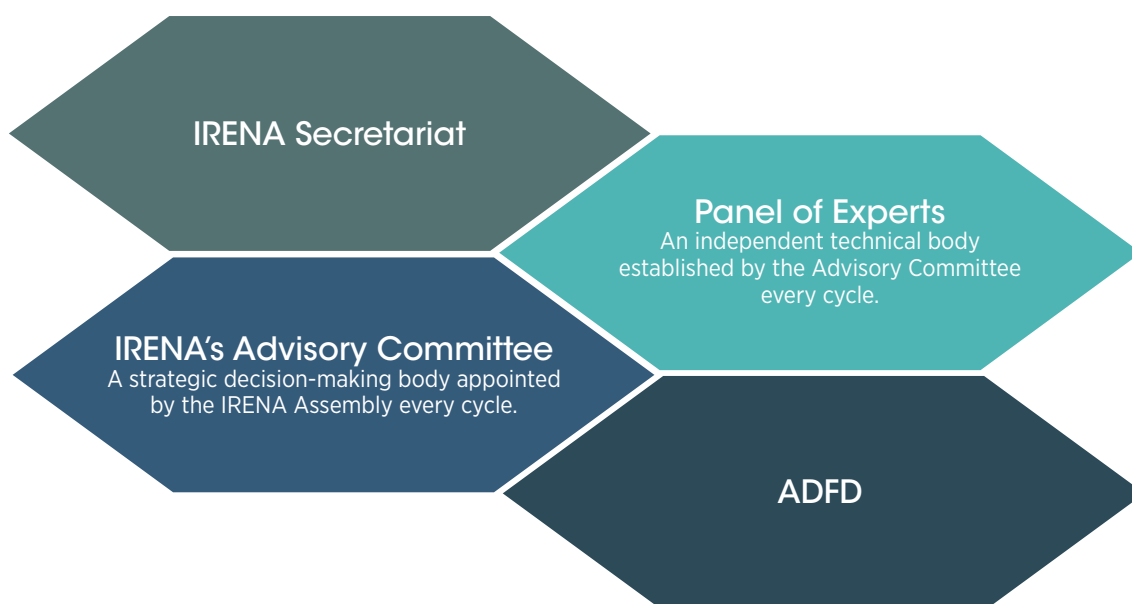
Economic feasibility:

Projects must demonstrate economic feasibility. This is demonstrated at the Full Project Proposal stage through the provision of a feasibility study.

Separate guidelines on ADFD feasibility study requirements can be found at; www.irena.org/adfd

Project selection process

Screening and evaluation of project proposals occurs through four key bodies:



The selection process involves several key steps, falling under two main stages for the project proposal:

Executive Project Summary stage:

1. Applicants submit Executive Project Summaries to the IRENA Secretariat through an online form at; www.irena.org/adfd
The IRENA Secretariat checks these submissions for completeness and eligibility
2. IRENA's panel of Experts evaluates and shortlists the submissions
3. IRENA's Advisory Committee selects shortlisted submissions for the second stage

Full Project Proposal stage:

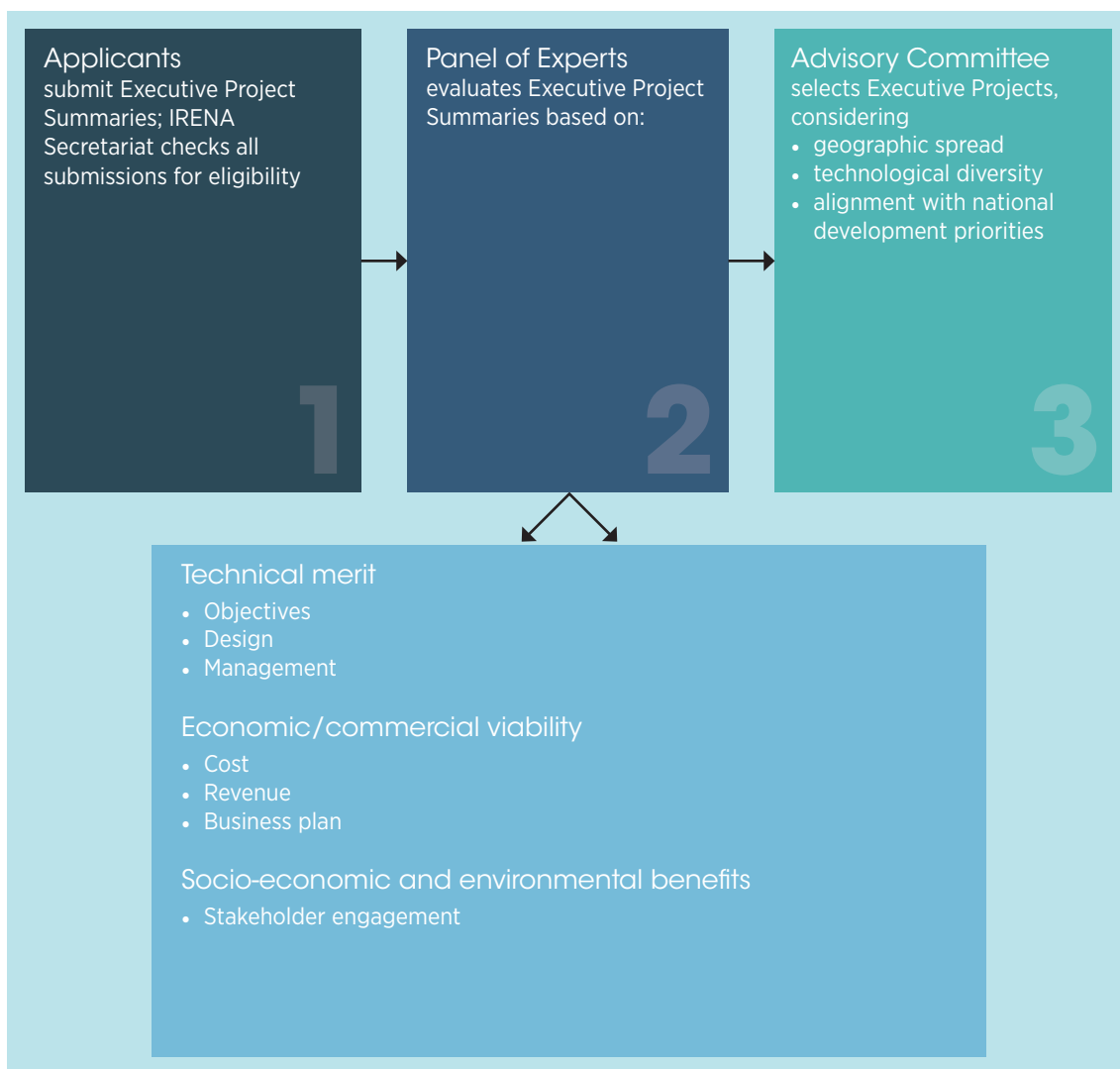
4. The IRENA Secretariat informs and invites selected applicants to submit Full Project Proposals, which those applicants then submit to IRENA Secretariat.
5. IRENA's Panel of Experts evaluates the submissions
6. IRENA's Advisory Committee reviews the submissions and recommends projects to ADFD
7. ADFD reviews recommended projects and makes the final selection for funding

IRENA Secretariat will keep applicants informed of the progress and status of their proposals through the selection process.



PROJECT SELECTION CYCLE AND EVALUATION CONSIDERATIONS

Executive Project Summary Stage



Overall evaluation by the Panel of Experts (at both stages)

Projects must be:

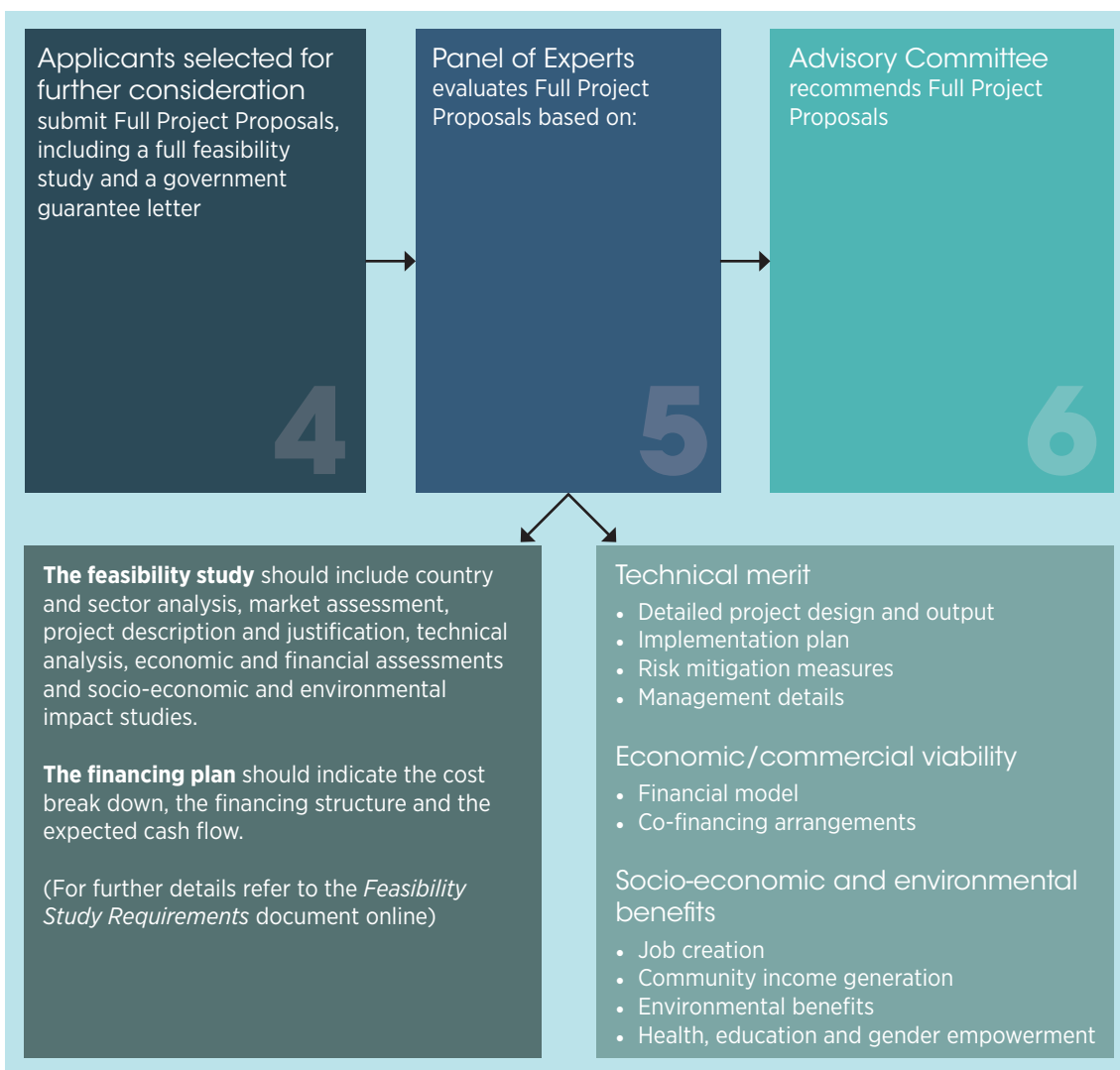
- transformative
- replicable/scalable
- innovative in business model design
- implementable and easily constructable

They must also:

- have a positive developmental impact
- improve energy access
- address energy security



Full Project Proposal Stage



ADFD selects and approves projects from the IRENA recommended list
See Appendix for ADFD requirements post selection

Strategic evaluation by the Advisory Committee (at both stages)

Projects selected and recommended must be:

- Geographically spread
- Technologically diverse
- Supported and prioritised by the government of the country where the project is to be implemented (host country). A government guarantee letter must be provided.

Submission of project applications

Register and login to apply at: www.irena.org/adfd

All applications must be submitted in English. If this presents a significant challenge, applicants should contact the Project Facility (adfd@irena.org) at least six weeks in advance of the deadline for applications for each cycle.

Any change to the application process and any additional information to assist applicants will be highlighted on the Project Facility pages (www.irena.org/adfd). Applicants are therefore advised to check the website prior to submission.

Note: Costs arising from the application process are to be borne by the applicant.* All applicants not selected for funding can apply again in subsequent cycles, using updated Guidelines for Applicants.

What happens after IRENA's recommendation:



After IRENA's recommendation, loan agreements are reached through bilateral arrangements between ADFD and selected projects.

See appendix for details.

Feedback

Questions and comments can be directed to: adfd@irena.org

* The applicant shall bear any and all costs related to the preparation and/or submission of the project proposal, regardless of whether the proposal is selected or not. Neither ADFD, IRENA or IRENA Members shall be responsible or liable for those costs, regardless of the conduct or outcome of the process.

