

# FINANCING FOR RENEWABLE ENERGY PROJECTS

## BACKGROUND

IRENA and the Abu Dhabi Fund for Development (ADFD) have collaborated on a joint Project Facility. ADFD committed USD 350 million, over seven funding cycles, to renewable energy projects recommended through the IRENA/ADFD Project Facility. The first cycle commenced in November 2012. The fifth cycle opened on **11 November 2016**.



*Antigua and Barbuda, 4 MW wind and solar project*

### ANNUAL FUNDING CYCLE



## ADFD FUNDING

USD 50 million available in each cycle.

USD 5-15 million ADFD loans for each project covering 50% project costs.

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

## SELECTION PROCESS

Applicants are first asked for an Executive Project Summary which must be submitted by 15 February 2017 in the fifth cycle. The applications are evaluated by an independent international Panel of Experts who shortlist projects based on technical feasibility, economic/commercial viability and socio-economic and environmental benefits. The proponents of shortlisted projects are then asked to submit Full Project Proposals in May of each year.

The evaluation process includes a strategic review by the Advisory Committee, appointed by IRENA members, who assess the projects to ensure alignment with national development priorities, geographic spread and diversity of technologies. The Advisory Committee then recommends projects to ADFD for final selection.

Projects shortlisted must:

- > Have a positive development impact
- > Be transformative
- > Be replicable/scalable
- > Be economically feasible
- > Improve energy access
- > Address energy security

## CO-FINANCING AND FINANCING OPPORTUNITIES



*Senegal, 2 MW solar project*

As the ADFD loans cover up to 50% of the project costs, the remaining finance must be leveraged from other sources.

Co-financing opportunities are available at the applicant submission stage, IRENA shortlisting and recommendation stages and after the ADFD approves the final projects. Financing opportunities are also available throughout all stages of the selection cycle for projects that do not meet ADFD requirements.

Projects in the IRENA/ADFD Project Facility project selection cycle can be shared with funds on an online dashboard.



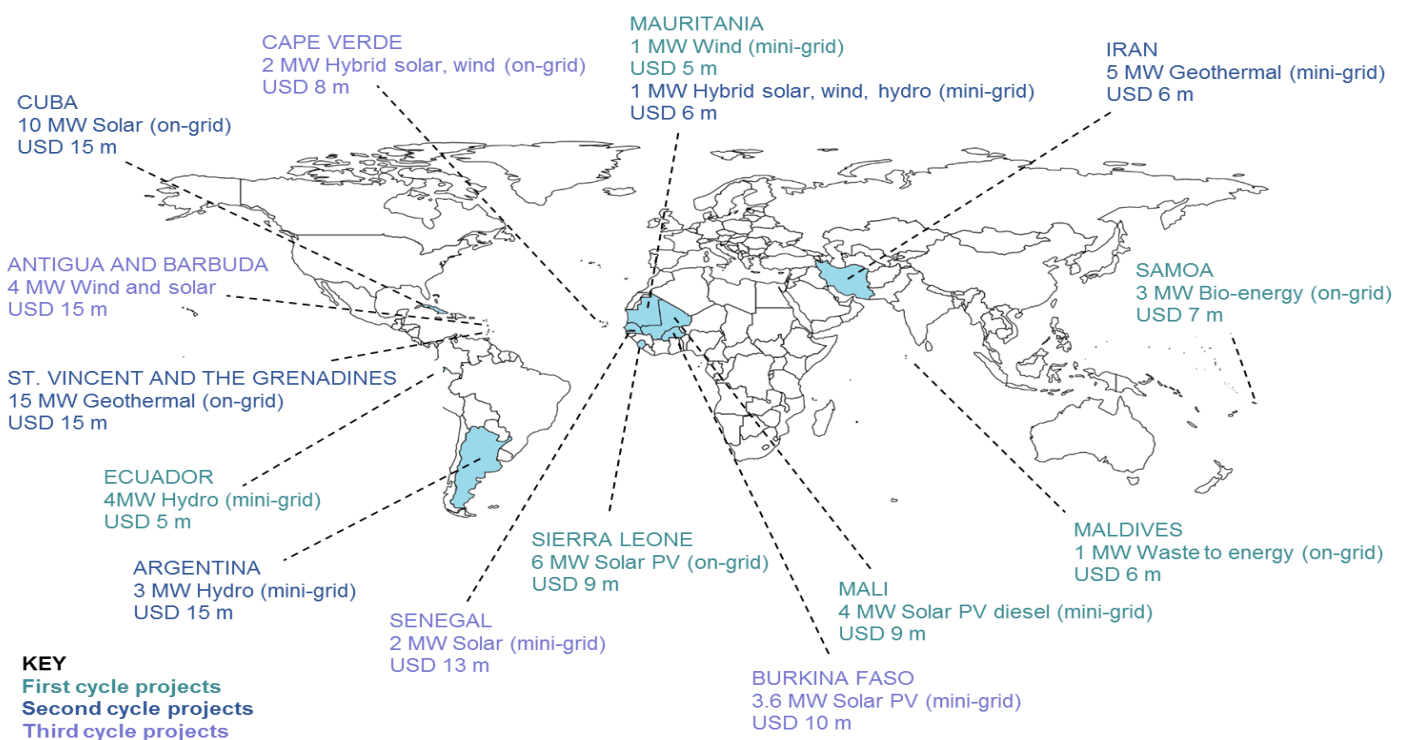
## ELIGIBILITY

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

| PROJECT STAGE/TYPE  | TECHNOLOGY  |
|---|---|
| <ul style="list-style-type: none"> <li>✓ Projects must be at feasibility study stage and pre-implementation i.e. prior to tendering and procurement and execution.</li> </ul>   | <ul style="list-style-type: none"> <li>✓ Projects deploy renewable energy as defined in the Statute of IRENA, including bioenergy, geothermal energy, hydropower, ocean energy, solar energy, and wind energy.</li> </ul> |
| LOCATION/ COUNTRY   | IMPACT  |
| <ul style="list-style-type: none"> <li>✓ Projects 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".</li> <li>✓ Projects must have the support and prioritisation of the host government and be able to obtain a government guarantee.</li> </ul> | <ul style="list-style-type: none"> <li>✓ Projects must have positive socio-economic, environmental and other sustainable development impacts on the host country.</li> </ul>  |

## PROJECTS SELECTED FOR FUNDING

- > USD 144 million of ADFD loans have been allocated to 15 renewable energy projects in the first three cycles.
- > Over USD 189 million has been leveraged from other funding sources to cover the rest of the project costs.
- > Over 68 MW of renewable capacity will be brought online.
- > Over 760,000 people and businesses will benefit from increased access to energy and improved livelihoods.



Please visit [www.irena.org/adfd](http://www.irena.org/adfd) for further information on applying for funding or email [adfd@irena.org](mailto:adfd@irena.org) if you are interested in being an expert or for any co-funding or financing opportunities.

