



## **IRENA/ADFD Project Facility – Background Information Note**

2 August 2018

The IRENA/ADFD Project Facility is a partnership between the International Renewable Energy Agency (IRENA) and the Abu Dhabi Fund for Development (ADFD). The Facility represents ADFD's commitment to extend soft loans of USD 350 million over seven annual cycles to renewable projects in developing countries, that are recommended by IRENA.

Projects are submitted to IRENA by both government and non-government project applicants seeking funding from this Facility. Projects must be technically and economically viable, help to achieve national priorities and contribute to sustainable development goals. Projects must also be transformative, replicable and/or scalable, improve energy access and help address energy security issues.

The ADFD offers loans of USD 5 million to USD 15 million to each project, to cover up to 50% of the project's total cost. The loan rates, which have been especially offered through this Facility, are 1% or 2% over a 20-year period including a 5-year grace period.

Furthermore, the ADFD requires a sovereign government guarantee from the government entity involved in the international borrowing affairs of the country, for the loan provided to the project. The guarantee is requested to meet ADFD's central mandate to fund projects that are part of the economic development priorities of the country. The early engagement to receive a guarantee letter from the relevant government ministry is instrumental in obtaining a loan from the ADFD.

For the seventh project selection cycle, applicants are asked to submit an Executive Project Summary application online between 12<sup>th</sup> November 2018 and 14<sup>th</sup> February 2019. Note that applicants can already work on their project proposals within the online system in preparation for the opening of the cycle.

In each cycle, an independent global Panel of Experts evaluates and shortlists the summary proposals based on technical, economic/financial and socio-economic development and environmental criteria. The Advisory Committee, appointed by the IRENA Assembly, then assesses the proposals to ensure alignment with national development priorities, geographic spread and diversity of technologies.

Shortlisted project proponents are selected by the Advisory Committee to submit Full Project Proposals, including a full feasibility study and a government guarantee letter, by the end of June 2019. These proposals undergo a further stage of evaluation, after which ADFD selects the final projects for funding in December 2019. Subsequently, ADFD signs bi-lateral agreements with government officials for the selected projects. Further information and templates can be found at [www.irena.org/adfd](http://www.irena.org/adfd).

The IRENA Secretariat and the operational team of the ADFD are available at ([adfd@irena.org](mailto:adfd@irena.org)) to provide any further information that may be required on this matter.