

INTERNATIONAL RENEWABLE ENERGY AGENCY

Second session of the Assembly

Abu Dhabi, 14 – 15 January 2012

Abu Dhabi Fund for Development funding cycle

Report of the Director-General

1. Based on the guidance from the first meeting of the Council the Secretariat has undertaken preparations for the initiation of the first Abu Dhabi Fund for Development (ADFD) funding cycle at the second session of the Assembly based on the decision PC.4/DC.4 of the Preparatory Commission for IRENA regarding the selection procedures for projects applying for funding from the ADFD.
2. This report covers the background information on the proposed ADFD funding cycles, and updates Members on steps taken to launch the first funding cycle, while making a limited set of recommendations to ensure the streamlining of the processes that govern these funding cycles.

Background

3. In its bid document to host the headquarters of IRENA, the Government of the United Arab Emirates has included an offer that the ADFD will make a commitment of up to AED 183 million (about USD 50 million) annually, over seven years, to finance, in the form of soft loans, renewable energy projects in developing countries that are recommended by IRENA, based on a set of processes and criteria developed by Members of IRENA.
4. The Preparatory Commission for IRENA adopted in October 2010 “Decision PC.4/DC.4 on the selection procedures for projects applying for funding from the Abu Dhabi Fund for Development,” which outlined processes and responsibilities for the selection of projects in accordance with the offer of the United Arab Emirates and ADFD procedures.

5. The Council, at its inaugural meeting in July 2011, agreed that the Secretariat prepares for the first funding cycle in accordance with decision PC.4/DC.4. The decision established the following procedures for every funding cycle:
 - a. The Assembly will elect 7 members and 7 alternates from Members, in consideration of equitable geographical distribution, to form an Advisory Committee;
 - b. A Panel of Experts will be chosen by the Advisory Committee from a list of candidates to be provided by the Director-General, based both on the Secretariat's knowledge of experts in the field and proposals of experts by Members.
 - c. The Secretariat will announce the beginning of a new application cycle for project proposals;
 - d. Interested parties will submit executive project summaries to the Secretariat;
 - e. The Secretariat will review the application's fulfillment of the formal submission requirements;
 - f. The Panel of Experts will review and rank the executive project summaries and prepare brief explanatory statements and a short list of up to twenty highest-ranking projects;
 - g. The Advisory Committee will review the short-listed proposals;
 - h. The Secretariat will invite the submitting entity of a short-listed proposal to submit a full project proposal document;
 - i. The Panel of Experts will review and rank the full project proposals and prepare brief explanatory statements.
 - j. The Advisory Committee will review the qualified proposal documents and forward the technical evaluations as well as its comments and recommendations to the ADFD.
 - k. The ADFD will select projects to be funded and the Secretariat will notify the results to the submitting entities.

6. The Advisory Committee and the Panel of Experts will play key roles in the ADFD funding cycle. Information on those two bodies in decision PC.4/DC.4 may be summarized as follows:

Advisory Committee

- a. Establishment:
At its regular session, the Assembly will elect seven representatives (and seven alternates) from among Members of IRENA to form an Advisory Committee.
- b. Main responsibilities:
The Advisory Committee will establish the Panel of Experts from a list of experts to be provided by the Director-General; review both the short-listed executive project summaries and the qualified full project proposals and forward the final list of projects to the ADFD; review and revise the procedures contained in decision PC.4/DC.4, as necessary, after the first full funding cycle.
- c. Compensation:
The Advisory Committee shall work electronically to the extent possible, thus minimizing the expense incurred. Any costs incurred by their participation in the Advisory Committee shall be borne by the Members concerned, except for LDCs whose participation shall be financed from contributions the UAE pledged in the bid document under “5.12 - Additional Contributions made by the Host Government, Operational Services”.

Panel of Experts

- a. Establishment:
The Panel of Experts (five members with the possibility of extension) will be chosen by the Advisory Committee from a list of candidates to be provided by the Director-General based both on the Secretariat’s knowledge of experts in the field and proposals by Members and Signatories.
- b. Main responsibilities:
The Panel of Experts will review and rank the executive project summaries and prepare brief explanatory statements and a short list of up to twenty highest-ranking projects; review and rank the full project proposals and prepare brief explanatory statements.
- c. Compensation:
To the extent possible the panel shall work electronically and meet virtually. The honoraria of the experts as well as any cost incurred by the work of the Panel shall be financed from contributions the UAE pledged in the bid document under “5.12 Additional Contributions made by the Host Government, Operational Services”.

Preparations for the first project cycle

7. In accordance with the decision PC.4/DC.4, and relevant Council consideration, the Secretariat has made preparations for the initiation of the first ADFD funding cycle at the second session of the Assembly. This has included the following:
 - a. Letters to Members inquiring about their interest in becoming members of the Advisory Committee. As of 14 December 2011, 9 countries (Bosnia and Herzegovina, France, Germany, India, Japan, Poland, Republic of Korea, Swaziland, Tunisia) have expressed interest;
 - b. Letters to Members and Signatories were sent out requesting the submission of names of qualified experts for the Panel of Experts. As of 14 December 2011, 24 experts from 17 countries (Belarus, Cyprus, Egypt, Germany, Guinea-Bissau, India, Japan, Kuwait, Mauritania, Mexico, Poland (3), Republic of Korea (2), South Africa (2), Spain, Togo, Tunisia (3), United States of America (2)) have been proposed;
 - c. The Secretariat has designed a standard format and guidelines to facilitate drafting and provide comparability of project proposals to be submitted.

Recommendations

The Director-General recommends that the Assembly:

8. Establishes an Advisory Committee based on Members' applications for its membership and elects 7 members and up to 7 alternates every 3 years;
9. Acknowledges the importance of having an effective Panel of Experts drawn from a list of candidates to be submitted by the Director-General to the Advisory Committee, and encourages Members and Signatories to continue to recommend experts;
10. Requests the Director-General in consultation with the Advisory Committee to propose streamlined funding cycle procedures, in consultation with the ADFD, in order to present its recommendations to the 3rd Assembly;
11. Authorizes the Director-General to launch the first ADFD funding cycle based on decision PC.4/DC.4, which will be subject to revision by the Advisory Committee.