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Background Note Ministerial Dialogue Energy Transition Accelerator Financing (ETAF) Platform

Background

Meeting the international climate and development objectives requires a massive reallocation of capital towards low-carbon technologies, including renewables, and mobilising all available capital sources. USD 131 trillion will need to flow into the energy system by 2050, prioritising technology avenues compatible with the 1.5°C Pathway. Between now and 2050, over 80% of the USD 131 trillion must be invested in energy-transition technologies to be compatible with the 1.5°C Pathway¹, not limited to traditional renewable generation, energy conservation and efficiencies, end-use electrification, power grids, sustainable bioenergy and hydrogen.

The Energy Transition Accelerator Financing (ETAF) Platform, managed by IRENA, is a multi-stakeholder climate finance solution dedicated to advancing the global energy transition by mobilising and directing an initial USD 1 billion into renewable energy projects in developing markets. ETAF was launched at COP26, with the UAE announcing an anchor investment of USD 400 million via the Abu Dhabi Fund for Development (ADFD). During COP27 last November, ETAF opened its call for project submissions after announcing three new partners joining pioneer investor ADFD: the Asian Infrastructure Investment Bank (AIIB), the Abu Dhabi Future Energy Company (Masdar) and Swiss Re. IRENA will operate and maintain the ETAF Platform while leveraging its partners' financing and project development expertise to achieve 1.5 GW of new project deployments before 2030.

Objectives

The Ministerial Dialogue will bring the ETAF's partners and stakeholders together to discuss the role of the Platform in accelerating the energy transition in developing economies. New partners' intention to join the Platform may also be announced. Partners and stakeholders will hold a panel discussion on how IRENA and ETAF can increase investments in renewable energy to meet the developing world's energy transition ambitions and potential while meeting the Sustainable Development and Climate Goals. The stakeholders will also discuss how to reduce barriers to greater investment growth in energy transition assets by taking steps to reduce project risk and raise capital.

For more information, please contact:

Adeline Duclos, Associate Programme Officer, Project Facilitation and Support (aduclos@irena.org)

Haliru Audu, Associate Programme Officer, Project Facilitation and Support (haudu@irena.org)

Amin Elkarib, Associate Professional, Project Facilitation and Support (aelkarib@irena.org)

¹ World Energy Transitions Outlook 2022: 1.5°C Pathway (IRENA, 2022)