

Twenty-fifth meeting of the Council  
Abu Dhabi, 23-24 May 2023

## **Background Note**

### **Accelerating Finance for Energy Transition**

#### **Background**

1. The Energy Transition Accelerator Financing (ETAF) Platform, an initiative led by IRENA, was established to mobilise capital from global financial institutions such as multilateral development banks (MDBs), development financial institutions (DFIs), and the corporate sector. The primary objective is to expedite the implementation of renewable energy projects and accelerate the energy transition in developing countries (. The Platform has set key targets, including mobilising an initial USD 1 billion in soft pledges for project investment by 2023 and expanding this to USD 5 billion by 2030. The Platform also aims to facilitate investments, supporting a minimum of 1.5 GW of renewable energy technologies by 2024, increasing this to at least 5 GW by 2030. This will be achieved through backing renewable-supportive infrastructure, including electricity transmission services and storage.
2. At COP26, the United Arab Emirates (UAE) pledged USD 400 million in anchor funding for the ETAF through the Abu Dhabi Fund for Development (ADFD). The Asian Infrastructure Investment Bank (USD 300 million), Masdar (USD 200 million in equity), and Swiss Re (risk advisory, de-risking strategies, and insurance solutions) joined ADFD as funding partners by signing the ETAF Cooperation Agreements (CAs) during COP27 in Sharm El Sheikh, Egypt. Additionally, the OPEC Fund for International Development signed a Heads of Terms at the IRENA Assembly in January 2023 to join the ETAF, providing lending support for investment projects and technical assistance grant financing for project preparation.
3. Together with the founding partners, IRENA has developed the ETAF Charter. This document outlines the governance framework for partner collaboration, highlighting the roles and responsibilities of all partners, including IRENA, which serves as the ETAF Secretariat. The ETAF Charter is to be signed during the upcoming Council meeting on 24 May 2023.
4. Over 25 project proposals have been submitted to the ETAF Platform to date. Among those, three solar PV projects in Uzbekistan for a total of 897MW have already benefitted from financial support by ETAF partners. These projects will produce enough electricity to power more than 1 million homes, 5 million inhabitants while displacing more than 1 million tons of CO<sub>2</sub> emissions each year. The projects are expected to begin operations in 2024.
5. To improve the bankability of selected projects, IRENA provides technical advisory support at the request of the proponent, through ETAF and the Climate Investment Platform (CIP). The Technical Assistance (TA) component endeavours to support the implementation of transaction-based, RE-specific projects and programmes for governments, energy organisations, private sector, and other stakeholders by building/developing the quality of

project proposals (to be able to attract investment) in terms of technical advice/support/observations on technology being deployed, relevant financial analysis and socio-economic impact, amongst others.

6. Additionally, the TA component contributes expertise and inputs to organise capacity building workshops on project development, financing and IRENA's project facilitation tools. The training workshops are important to bolster renewable energy-related technical skills and project appraising capacity of the local financial institutions/banks and proposal development capacity of the sponsors, as well as to enrich understanding about the renewable energy sector for state actors, enabling them to enact conducive policy instruments, especially in developing countries.
7. The ETAF Platform, led by IRENA, focuses on accelerating the global energy transition, especially in developing countries. This initiative aims to mobilise capital from sources such as multilateral development banks, development financial institutions, and the corporate sector to speed up the implementation of renewable energy projects and support renewable-supportive infrastructure, such as electricity transmission, distribution, and storage solutions. At COP28, the ETAF Platform aims to demonstrate its achievements and progress by highlighting the combined social and environmental impact of the projects and emphasising collaborative efforts. Several events are also planned to review partner-funded projects, welcome new partners to the Platform, analyse the ETAF business model, explore potential next steps, and share first-hand developer experiences with ETAF and the support received from partners.

### **Objective of the session**

The objective of the session is to present an overview of the ETAF Platform and its operational mode, as well as present the projects that have been achieved through the Platform, particularly on the road to COP28 in Dubai, United Arab Emirates. Members are invited to share their feedback and guidance on the priority areas for IRENA's ongoing work on project facilitation.

### **Guiding questions**

- Is your country considering submitting projects through the ETAF Platform?
- What are the priority areas to enable the deployment of renewable energy projects in your country?
- How can IRENA support your work in these areas?

### **Associated Publications**

- [Global Landscape of Renewable Energy Finance](#) (2023)
- [World Energy Transitions Outlook 2023: 1.5°C Pathway](#) (2023)
- [Scaling Up Renewables in Landlocked Developing Countries](#) (2022):
- [Renewable Capacity Statistics 2023](#) (2023)
- [Renewable Energy Statistics 2022](#) (2023)