



UAE-Caribbean Renewable Energy Fund

Project Application and Development Guidelines

February 2017

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1. Fund Vision and Overview

The government of the United Arab Emirates (UAE) – through the UAE-Caribbean Renewable Energy Fund (the Fund) – has allocated USD 50 million in grants for renewable energy projects in Caribbean small island developing states*. The Fund has two key objectives:

- (1) Increase the use and resilience of renewable energy applications in the region, including in related sectors such as water and waste, per national development and energy plans
- (2) Expand technical experience in designing, implementing, and managing renewable energy projects, to facilitate faster and lower-cost deployment in the future

The Fund responds to the high cost of energy in Caribbean island countries, identified as a primary growth barrier by the International Renewable Energy Agency (IRENA) and the SAMOA Pathway.

The Fund is administered by a Steering Committee consisting of the UAE Ministry of Foreign Affairs and International Cooperation (MOFAIC), Abu Dhabi Fund for Development (ADFD), and Abu Dhabi Future Energy Company (Masdar). The Steering Committee is headed by the UAE Minister of State for International Cooperation and implemented under the UAE Policy for Foreign Assistance, which includes renewable energy. Existing UAE assistance for renewables includes the ADFD-IRENA Project Facility, the UAE-Pacific Partnership Fund, and bilateral programmes.

2. Background on Fund Steering Committee

UAE Ministry of Foreign Affairs and International Cooperation (MOFAIC) is the federal entity responsible for the international relations of the United Arab Emirates, including its development and humanitarian assistance activities. MOFAIC aims to enhance the effectiveness of foreign assistance by ensuring that UAE support is based on humanity, neutrality, impartiality and independence, and that sustainable development is central to foreign assistance. The Ministry also appoints the Permanent Representative of the UAE to IRENA.

The Abu Dhabi Fund for Development (ADFD) was established by the government of Abu Dhabi on 15 July 1971 as a public autonomous institution to offer economic aid and technical assistance to developing countries in support of their sustainable development. ADFD has steadily diversified its financing operations to cover a wide spectrum of infrastructure needs and priorities identified by partner governments, such as power, water, health services, education, communication, and agriculture, among others. ADFD, in partnership with IRENA, also offers a special \$350 million concessionary loan facility for renewable energy projects.

Masdar is Abu Dhabi's multi-faceted initiative advancing the R&D, commercialization, and deployment of clean energy technologies and solutions. A wholly-owned subsidiary of Mubadala Development Company, the Abu Dhabi government's strategic investment company, Masdar serves as a link between today's fossil fuel economy and the energy economy of the future – developing the “greenprint” for how we will live and work tomorrow. Masdar also serves as the UAE's management lead for many foreign assistance projects.

* All United Nations Member States classified as Caribbean SIDS are eligible under the Fund: Antigua & Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

3. Fund Parameters

The Fund is structured according to the following parameters:

- The Fund is earmarked exclusively for projects with major renewable energy generation components in eligible Caribbean island countries. Projects should deploy renewable energy as defined in the Statute of IRENA, prioritizing solar, wind, waste-to-energy, geothermal, and hydropower. The funding is primarily intended for the development of new renewable energy capacity, though distribution and transmission systems can be considered when tied to committed generation projects.
- The Fund aims to execute projects in 4-6 countries per year. Each country is eligible to receive funding one time from the Fund.
- No specific financial allocations are made per country. A cooperation agreement signed between the UAE and a partner government will specify the project to be delivered.
- The Fund can both support stand-alone projects (100% UAE financing), including aggregated projects, or participate in funding larger projects with other financiers, including both public and private entities.
- Funding can support project development/preparation and feasibility studies for committed projects with secured financing.
- Funding can be blended to support projects that are financed by ADFD outside the Fund.
- Projects must demonstrate sustainability and address the Sustainable Development Goals (SDGs).
- Applicant countries are encouraged to maximize the opportunity of the grant funding available from the UAE by combining resources that may be available from other funding streams, e.g., to increase the generation capacity of a project supported by the Fund.

Masdar functions as the technical lead on behalf of the UAE and partner governments and/or their designated entities, reporting regularly to them as clients. All funds for projects will be disbursed through Masdar directly to contractors. Project procurement is subject to international, competitive tendering, with special attention paid to qualifying local suppliers. In instances of multi-partner or more advanced projects, Masdar would work with the applicant government to perform due diligence on project structure and procurement, in order to ensure compliance with UAE regulation.

4. Application and Prioritization Process

Applicant countries are not required to apply with detailed project plans, though submission is welcome. Countries are kindly requested to complete the brief form included in Annex 1 and to assign an official technical focal point as the primary counterpart for the UAE. The form includes space for a shortlist of project ideas.

The application period is typically open each year for up to six months. An official letter, affirming the government's interest and enclosing the form from Annex 1, can be submitted directly to the Steering Committee via the email address caribbeanfund@mofaic.gov.ae. Please also highlight the shortlist of project ideas in the official letter.

The Steering Committee will review the applications on a rolling basis, using the below criteria to identify 4-6 projects per year. Consultations with governments and their official technical focal points will be conducted throughout the year to understand background, priorities, and timelines. The Steering Committee would also welcome the opportunity to conduct site visits to review the project shortlist with applicant governments and their technical focal points, in order to validate project concepts and key implementation parameters.

The following eligibility criteria must be met:

- A national government is the counterparty for the cooperation agreement (which can in turn assign implementing entities).
- The project corresponds with the applicant government's strategic energy priorities, facilitates achievement of the SDGs, and supports women's empowerment.
- The applicant government undertakes to exempt all goods and services related to execution of the project from all forms of custom duties, taxes and fees that may be imposed under the laws of country.
- The applicant government is committed to sharing relevant data with the Steering Committee on energy resource assessments, cost competitiveness, and policy frameworks, as well as assisting in cataloguing of project implementation experience and best practices, which may in turn be shared with relevant international organizations, such as IRENA.
- An appropriate monitoring and evaluation framework is in place.

Thereafter, applications will be prioritized using the following criteria:

- The project scope is achievable within a reasonable amount of time and with existing or imminent financial resources; site selection and land ownership are secured.
- The project concept maximises the socio-economic and environmental benefits of the grant for the country and as large a share of the population as possible.
- The project fits into existing or emerging renewable energy roadmaps and strategies endorsed at the highest levels. Moreover, the project is linked to other concrete efforts and expands the country's renewable energy sector.
- Project proponent and execution teams, especially in decision-making positions, are gender-balanced, and gender analyses are taken into account for project planning, design and operations.
- The applicant government is a member of IRENA.

The Steering Committee will make a recommendation on project selection; the Minister of State for International Cooperation will make the final approval.

5. Implementation Process

Following approval by the UAE Minister of State for International Cooperation, the UAE and corresponding government will sign a cooperation agreement (1) exempting the project from all forms of taxes and duties applicable by the partner country, (2) outlining the scope of work, roles and responsibilities, commitments, (3) assigning an entity that will manage technical and financial affairs (i.e., a project implementation unit) on their behalves, with full authorization to sign off on contracts, designs, completion certificates, and other documentation.

The two parties will work together to develop and implement the project. In instances of multi-partner projects, an appropriate governance structure would need to be agreed.

Project completion timelines will be determined by the individual circumstances of each project. Stand-alone projects (with 100% financing from the Fund) can guarantee a warranty period on hardware.

6. Project Design and Implementation Principles

Masdar, as the UAE government’s technical lead, and the partner government will aim to maximize and document:

- Self-sustenance of the renewable energy facility, i.e., ability to be operated and maintained with limited or no external technical or financial support
- Socio-economic benefits, including fuel cost savings and local content
- Gender balance in project management and workforce, community consultation, procurement, and training
- Environmental benefits, as well as environmental responsibility during construction and operation
- Non-grant-funded replicability, i.e., potential to deliver future similar renewable energy projects under commercial or concessional terms
- Information availability to other countries, to support their own renewable energy efforts
- Responsible, timely, and fair use of energy generated by the facility
- Efficient, transparent use of funds
- Any related technical assistance

7. Indicative Timeline for the First Cycle

Step	Milestone	Date
1	Opening of applications for the first cycle	February 2017
2	Close of applications for the first cycle	June 2017
3	Masdar site visits	March – July 2017
4	Opening of applications for the second cycle *	September 2017
5	Finalization of cooperation agreements with first cycle government and official signing	On-going, but starting no later than November 2017

*Subsequent cycle will be published at a later stage

8. UAE Contact Information

Please address enquiries or submit your application to the Steering Committee at the following email address: caribbeanfund@mofaic.gov.ae.

Annex 1: Instructions for applications

Applicants are kindly requested to provide the following information.

Applicant government details	
Name of country	
Applicant government lead organisation	Responsible ministry or agency e.g. Ministry of Energy
Contact information of lead organization	Address, phone, website
Head of lead organization	Name, title
Contact information of head of lead organization	Email, mobile, landline, address
IRENA membership status	Member, Signatory, State in Accession, or no participation

Government application focal point (if different than above)	
Name	
Title, organization	
Contact details	Email, mobile, landline, address

Technical focal point (Project Implementation Unit)	
Name of focal point	
Title, organization	
Institutional setting	Description of the institutional relations between the focal point's organization and other government agencies with a role in the permitting, approval, and implementation of the renewable energy project
Authority, mandate, and supervision	Description of <ul style="list-style-type: none"> • Focal point entity's rights and responsibilities • supervising agency of the focal point entity • decree or other instrument that established the focal point entity (e.g., cabinet decree)
Contact information of focal point	Address, email, mobile, landline, website

Project Outline	
Please fill out this section separately for each project on the short list; suggested to include no more than 4 projects	
Project concept and location	Description of proposed project, including location (map), and reasons for proposing this concept and area vs. alternatives
Project site details	Information to confirm that the applicant has secured sufficient land space to enable the safe and effective construction of the project and has all the necessary access and ownership rights and or title
Technology	Solar, wind, geothermal, small hydro, waste-to-energy or renewables-powered water treatment
Purpose and benefits	Brief description of intended use of renewable energy from the project, expected benefits (type, scale, beneficiaries), and project's role within national sustainable development plans

Off take	Description of which entity would off take power from the renewable energy project and associated contractual arrangement, if applicable
Funding	Other funding sources, if applicable

Below sections to be completed to the extent possible.

Renewable Energy Activities and Baseline	
Authority (or authorities) responsible for renewable energy	Brief description of role and mandate
Renewable energy targets and roadmaps	Description of existing targets and plans for expansion of renewable energy in the country
Renewable energy installations either existing or under construction	Brief description of each project, including date, technology, lead developer, location, scope/size, cost, and funding source(s)
Planned renewable energy installations (separate from those considered for the Fund)	Brief description of each project, including date, technology, lead developer, location, scope/size, estimated cost, and funding source(s)
Capacity-building or other activities related to renewable energy recently completed or underway	Brief description of each project, including date, scope/objectives, implementing agency, cost, and funding source(s)
Planned capacity-building or other activities related to renewable energy	Brief description of each project, including date, scope/objectives, implementing agency, cost, and funding source(s)
Renewable energy resource assessments	Please attach any assessments of renewable energy resources in the country, both for reference and for incorporation into IRENA Global Renewable Energy Atlas; please provide name of each study here

Energy Sector Overview	
Authority (or authorities) responsible for energy and electricity	Brief description of role and mandates
Energy supply – breakdown by source	% oil, % natural gas, % solar, % hydro, etc.
Energy demand – breakdown by sector	% power, % transportation, % non-power industrial, % residential/commercial heating, etc.
Electricity supply – breakdown by source type	% diesel, % natural gas, % solar, % hydro, etc.
Electricity demand – breakdown by sector	% residential, % commercial, % industrial, etc.
Average cost of diesel for power generation in the country	\$US/litre
Average cost of electricity in the country (or range of electricity costs)	\$US/kWh

Tariffs and subsidies	Description of rates charged to different categories of consumers, and any related subsidies
Grid information	<p>Please attach any maps and information on the country's electricity grid(s); please provide name of each document here.</p> <p>Additionally, to ensure that projects can be effectively developed, executed and adequately sustained, applicants are requested to also provide any available "Grid Integration Reports", which could inter alia:</p> <ul style="list-style-type: none"> • Establish the suitability of the existing grid to adequately dispatch and distribute the energy produced by the new RE plant • Specify the operating parameters of the grid, including e.g. frequency of transmission, phase distribution, distribution voltage, system fault level, etc. • Confirm the status of any existing power plant(s) (diesel generator sets or other) and control systems, operating regimes, etc. and their suitability for integration with the new RE plant