



SDG Results

Access to renewable energy (SDG 7 Results)

Investing in sustainable access to renewable energy

Commissioned by the Ministry of Foreign Affairs

With the SDG 7 Results facility, the Ministry of Foreign Affairs, in collaboration with the Netherlands Enterprise Agency (RVO.nl), aims to help achieve various Sustainable Development Goals (SDGs), in particular, SDG 7, access to clean and affordable energy for all. In order to do so, RVO.nl implements a results-based financing scheme offering incentive payments to market actors in the renewable energy sector of developing countries. Payments are made against pre-specified results achieved in the delivery of access to renewable energy services to the target group and after independent verification.

Objectives

SDG 7 Results' key objective is to provide at least 2 million people in developing countries with access to renewable energy and to contribute to specific result areas such as access to renewable electricity and access to clean cooking in households.

The facility also contributes to the following additional goals:

- Low-carbon climate resilient development
- Private sector development and employment
- Mobilization of private investments in the decentralized renewable energy sector
- Gender equality.

Concept

The SDG 7 Results approach is aimed at developing and testing viable business models that employ financing as a performance incentive rather than a traditional lump sum loan payment.

Incentive contracts will be awarded based on the most competitive price per household provided with energy access, and the anticipated impacts on beneficiaries and the market. The key feature, is payment upon the delivery of results – related to the number of households provided with sustainable access to renewable energy – in poor market segments. Private participants are expected to take the full risk until the time of delivery of the contracted results. In return, recipients of incentives have a degree of flexibility in the way they realize the results, as long as the predefined results and impacts are achieved as agreed.

Approach

SDG 7 Results is a funding mechanism whereby RVO.nl delivers incentives to the recipients on the basis of the delivery of a set of pre-agreed results based on the following key principles:

- All eligible service providers being able to participate on a competitive basis
- Payment will be made pending the achievement of the results that are specified in advance. In this case, individuals with access to renewable energy services according to agreed specifications.
- The results will be independently verified prior to payment.



For whom:

1. Private sector actors in the energy access value chain, including; producers, suppliers, retailers, distributors and different types of financiers providing clean energy products or services being the recipients of incentives.
2. Companies, NGOs and finance organizations functioning as aggregators and recipients of incentives. They work with smaller local companies, which in their capacity as a single company are unable to meet the facility's requirements.

The applicant must be an organization or company with core activities and a track record in the renewable energy sector within the proposed target market. The SDG 7 Results eligible countries and detailed criteria are published on www.rvo.nl/sdg-7-results.

Application and assessment

The proposal submission process consists of two phases. During the first phase, interested parties submit a project idea in the form of a concept note and will receive a (non-binding) recommendation from RVO.nl. The concept note is a prerequisite for an application. During the second phase (the subsidy application phase), RVO.nl will assess the project application in consultation with embassies and (local) stakeholders.

For more information on SDG 7 Results, see www.rvo.nl/sdg-7-results.

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March 2019

This publication has been commissioned
by the Dutch Ministry of Foreign Affairs

The Netherlands Enterprise Agency stimulates entrepreneurs in sustainable, agricultural, innovative and international business. It aims to improve opportunities for entrepreneurs, strengthen their position and help them realize their international ambitions with funding, networking, know-how and compliance with laws and regulations.

The Netherlands Enterprise Agency is a government agency which operates under the auspices of the Ministry of Economic Affairs and Climate Policy. Its activities are commissioned by the various ministries and the European Union.