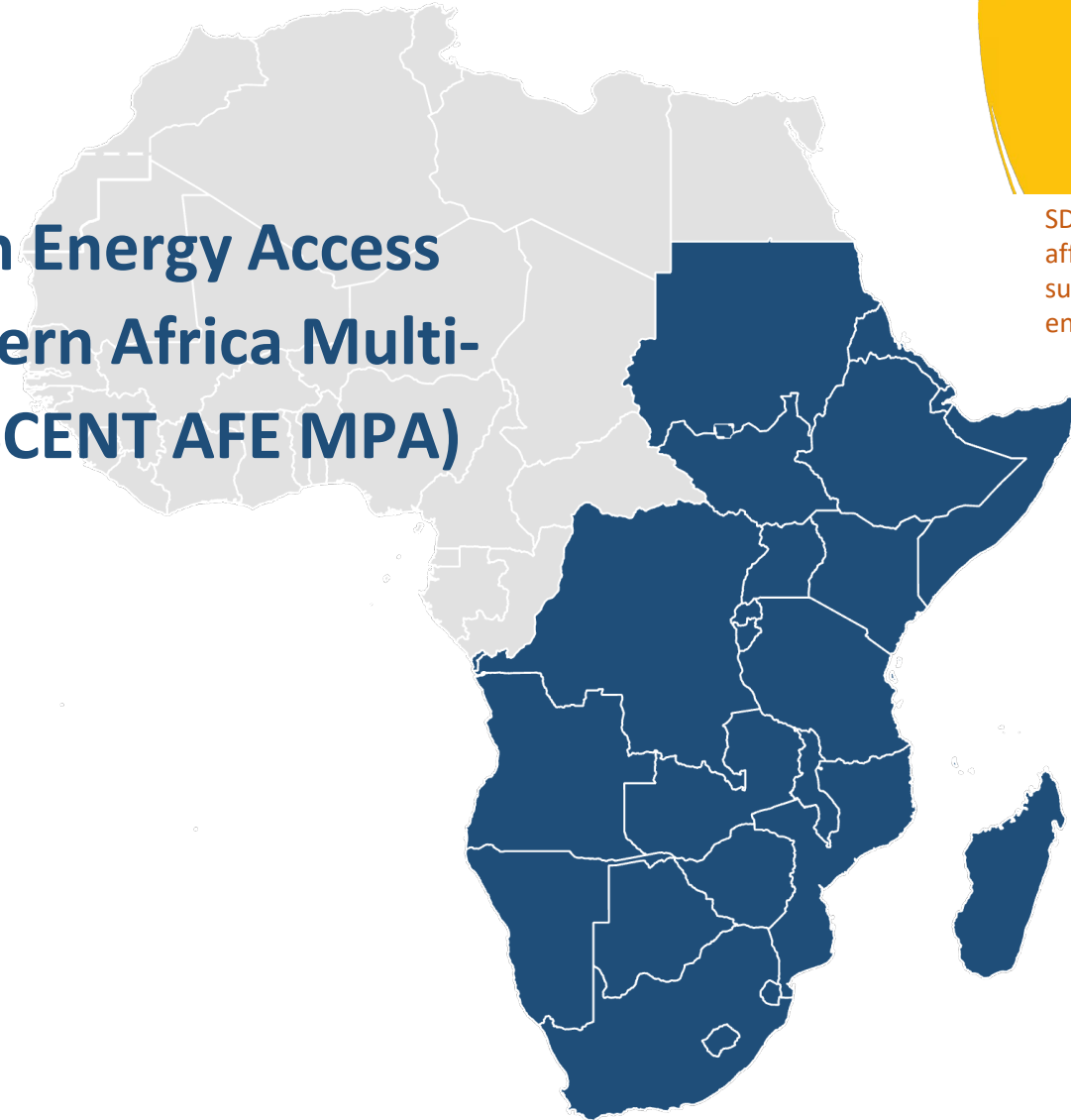


Accelerating Sustainable And Clean Energy Access Transformation In Eastern & Southern Africa Multi- phase Programmatic Approach (ASCENT AFE MPA)

October 2023



7

**AFFORDABLE AND
CLEAN ENERGY**



SDG7 aims to ensure access to
affordable, reliable,
sustainable and modern
energy for all by 2030

Reliable, affordable and clean energy is essential for resilient, inclusive and sustainable growth and to address global challenges

Currently in SSA:

Health and Education

Two-thirds of all healthcare facilities do not have reliable electricity access, two-thirds of all primary schools have no access at all, constraining human capital development

Productivity

Economic losses from lack of reliable power supply reach up to 4 percent of GDP in some countries

Food Security

30-40% of SSA's total food production is lost before it reaches markets, in large part due to lack of refrigeration, reducing farmer incomes by ~25%.

Fragility

Two-thirds of Africans lacking electricity access live in countries classified as FCV, and lack of energy access is both a symptom and a contributor to fragility

Future needs

Existing infrastructure will come even under more pressure with continued high population growth, increasingly young population demanding jobs, rapid urbanization; as well as climate change shocks and adaptation needs

Energy must stop being the binding constraint and become an engine of green, resilient and inclusive development



Deliver inclusive and resilient local development to:

- power productive activities and deliver jobs
- for food security and climate resilience
- enable digital transformation
- deliver education and health services
- for improved quality of life and gender equity

Contribute to addressing global challenges :

- Climate change mitigation and adaptation
- Pandemic preparedness electrification...)
- Reduce inequality, help address causes of fragility

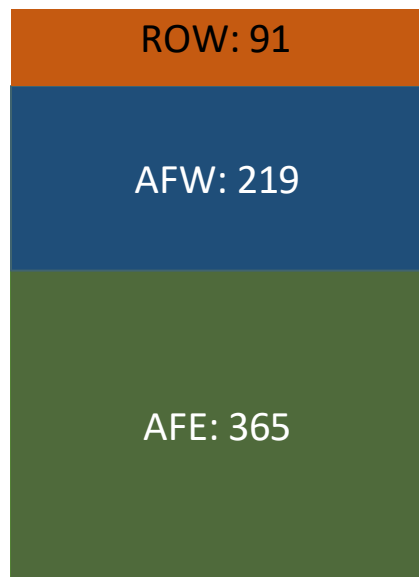


Electrification progress needs to triple for AFE region to achieve universal electricity access by 2030

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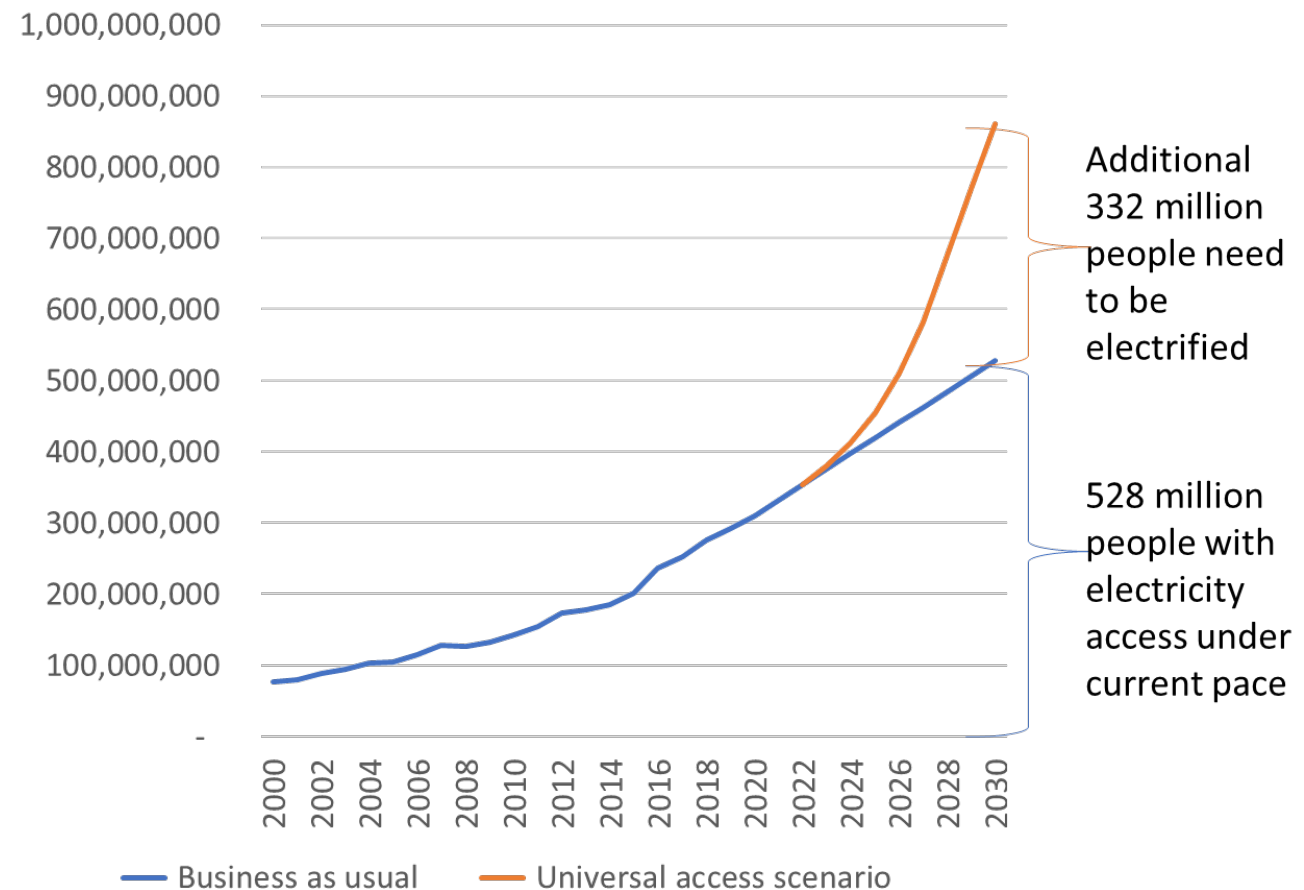
What is the value-add of having an ambitious program at a large scale?

- Half of AFE population live without electricity access
- Half of global electricity deficit is in AFE
- Four in five do not have access to clean cooking



Population without electricity access (millions)

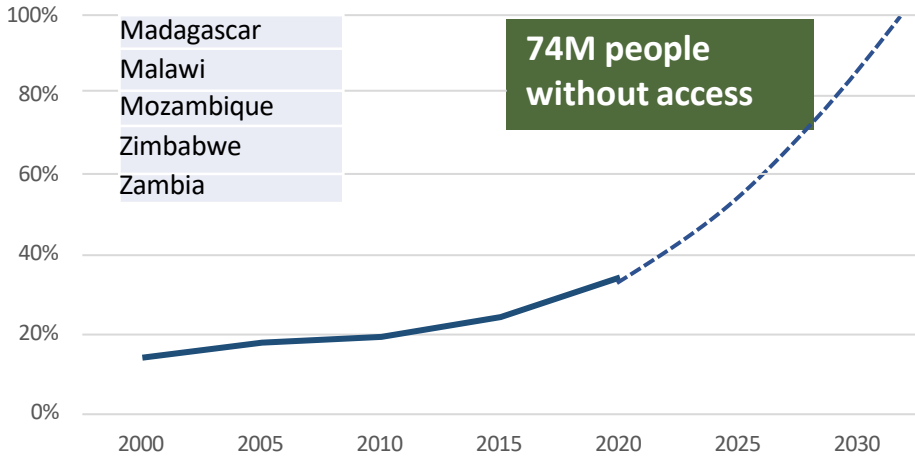
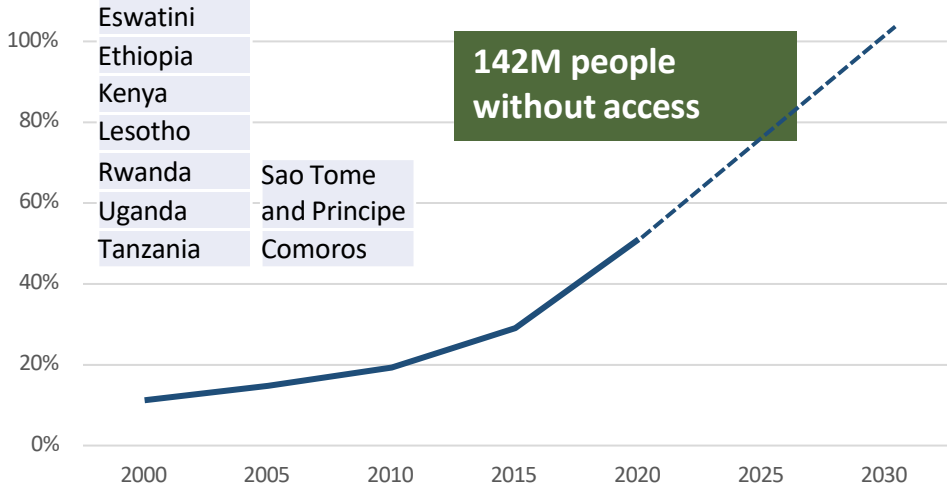
People with electricity access (cumulative)



ASCENT MPA will help countries move up to the next level on access expansion

Next wave

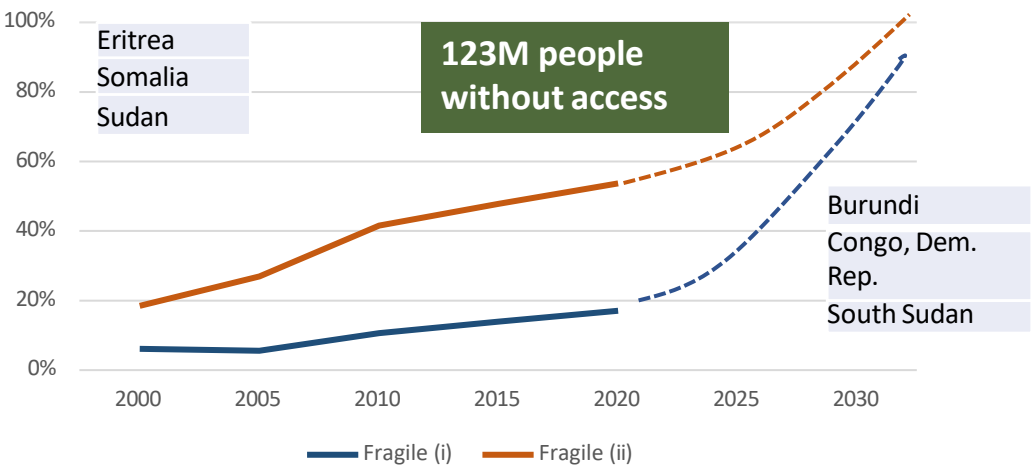
Top performers



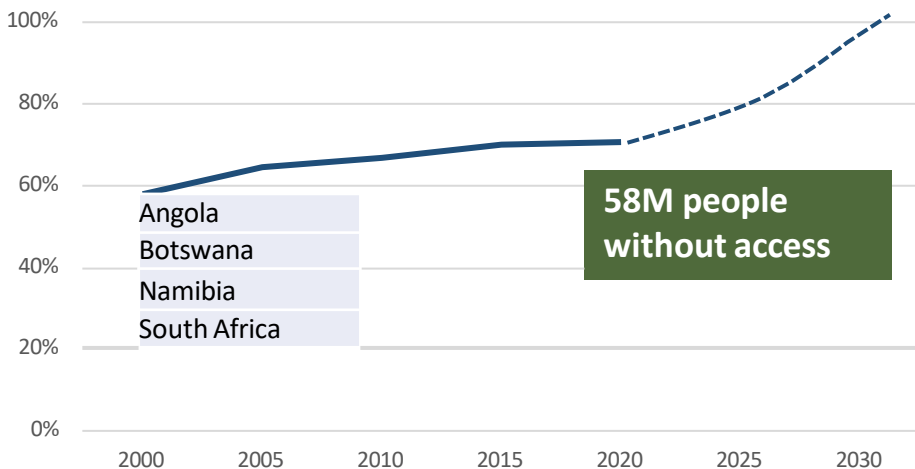
Approach – achieve universal access/stay on the path

Approach – accelerate

Fragile



Higher rate but slow



Approach – innovations to leapfrog

Approach – the last mile

ASCENT MPA in a nutshell

- **20+ countries in Eastern & Southern Africa**
- **100 million people with access to electricity**
Enabled access for additional 200 million people
- **US\$15 billion**, of which \$5 billion IDA

Objective: To increase access to sustainable, reliable and affordable energy

Financing: US\$5 billion over IDA20 and IDA21, enable additional US\$10 billion of Government, development partners, private sector and climate/carbon financing

Phase 1: 4 countries & 2 regional facilities (US\$1.06bn)

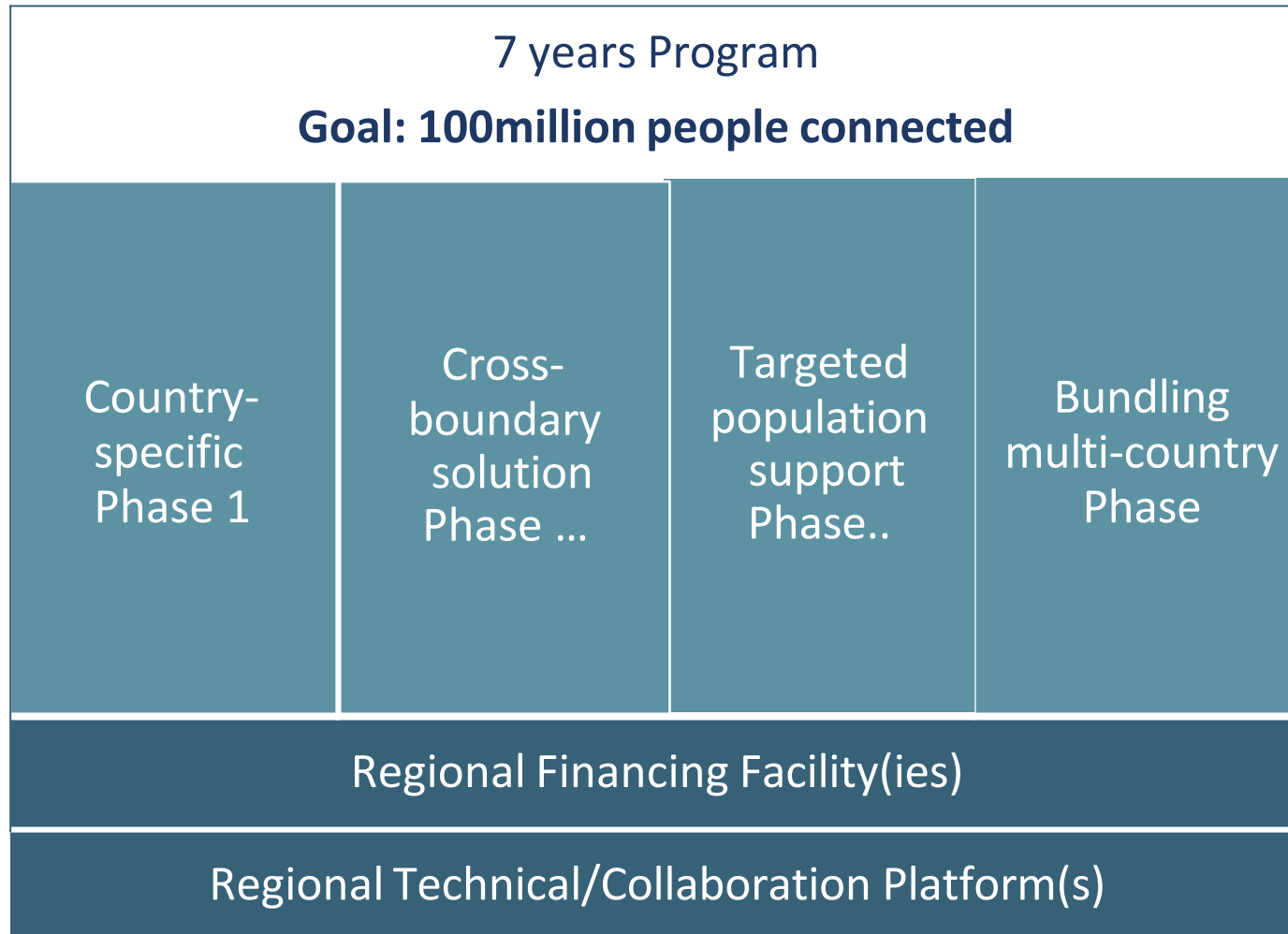
Timeframe: 7 years (FY24-30). Expected approval by WB Board in November 2023



The Multi-Phase Approach

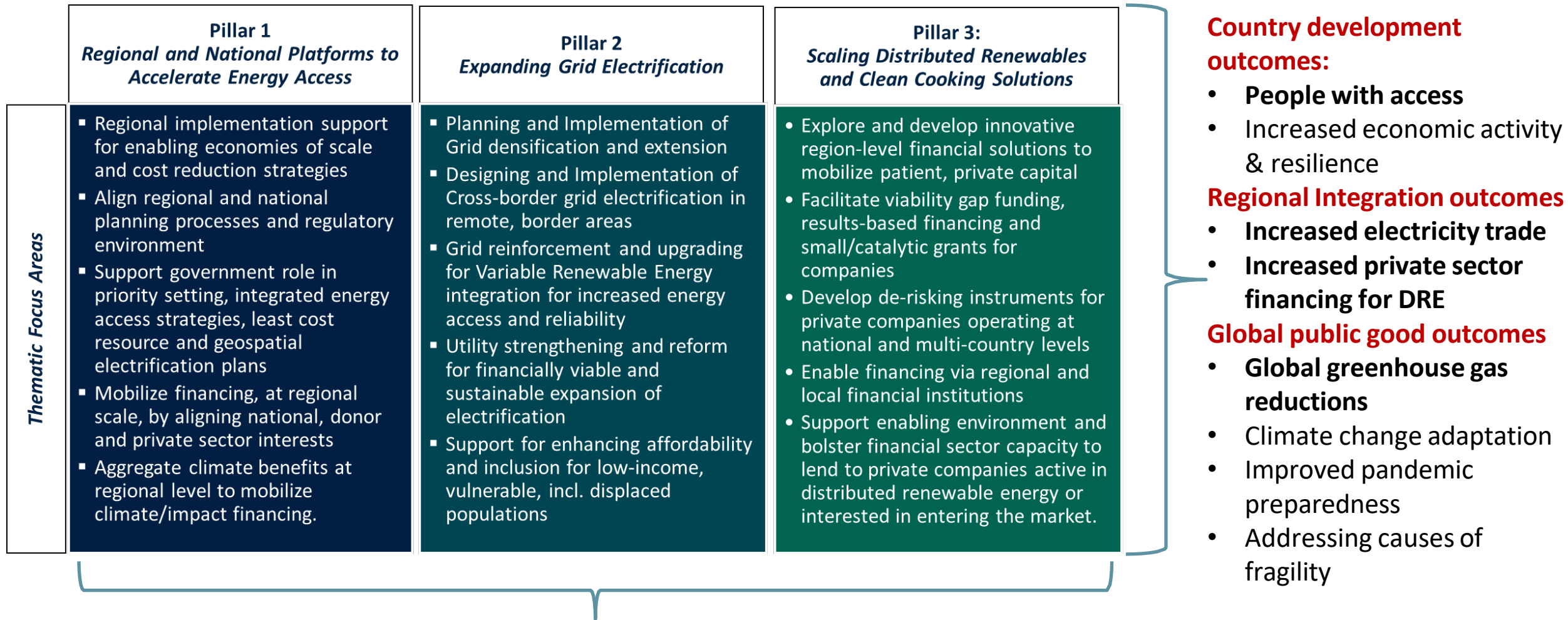
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What is the value-add of having an ambitious program at a large scale?



- **Overcome fragmentation** of efforts
- **Empower governments** to accelerate and coordinate
- **Strengthen regional electricity power pools** through grid expansion
- **Attract private sector** at scale, including through **WB-IFC-MIGA collaboration** to accelerated DRE
- **Aggregate to mobilize new sources of finance**, including climate and capital markets

Context-responsive MPA framework to deliver country development, regional integration and global public good outcomes



Implementation via country programs + regional platforms, reinforcing each other

ASCENT AFE MPA – 1st Wave of Operations (December 2023)

Regional Platforms

Regional knowledge and TA platform
COMESA

Support to countries, aggregation, pooled procurement, advocacy and TA for regional integration and building regional electricity markets

Regional financing platform
Trade and Development Bank

Supporting DRE service providers and mobilizing private capital for expanding energy access via DREs at regional level

Phase 1 Country Programs

Tanzania

Fast-paced densification of grid connections and leveraging private sector for scaling up access with distributed renewable energy (DRE)

Rwanda

Last mile electrification through grid and off-grid approach and expansion of clean cooking, leveraging private sector

Somalia

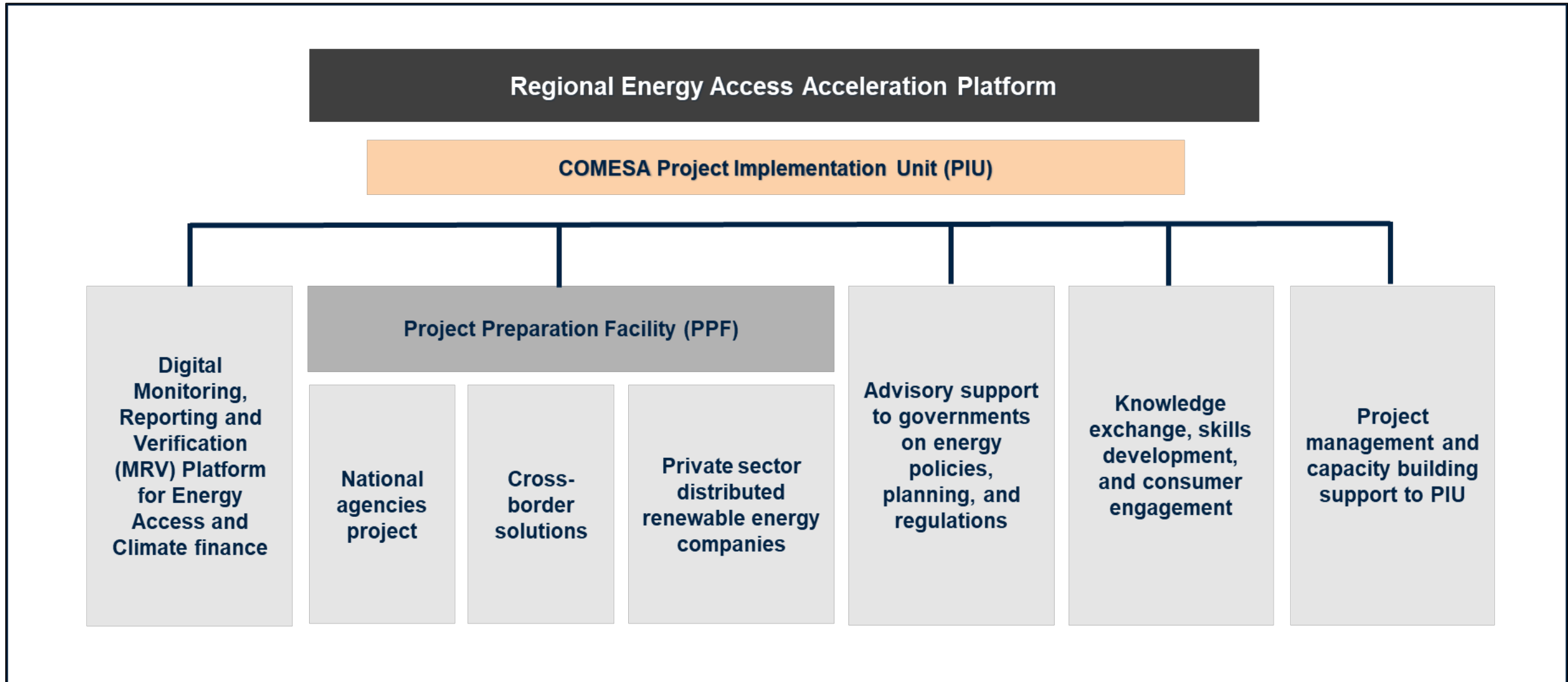
Accelerated deployment of distributed renewable energy for mini grids, leveraging private sector

Sao Tome and Principe

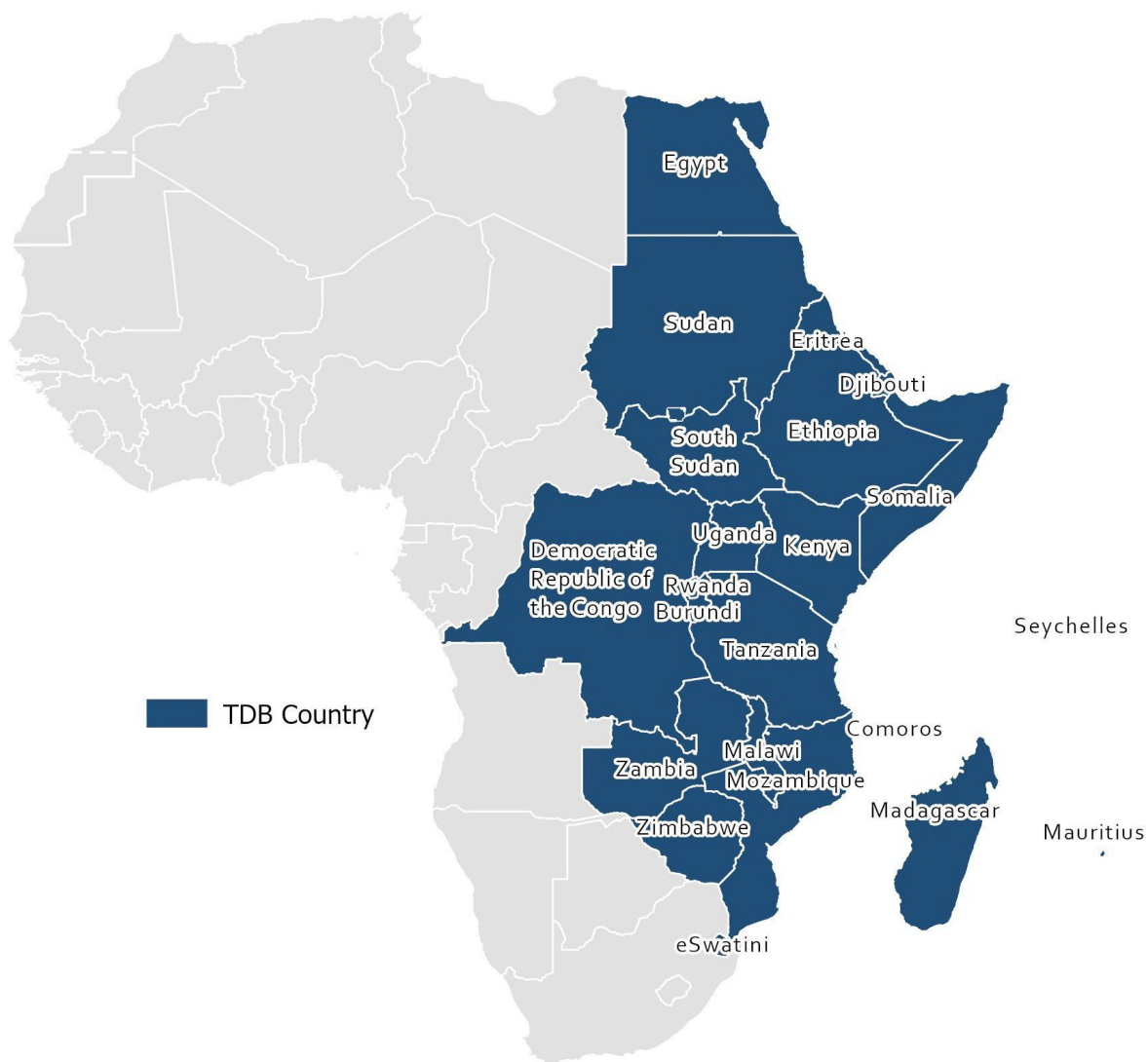
Last mile electrification through grid and off-grid approaches, while incentivizing distributed renewable energy through mobilizing private sector

Regional Platforms are Accessible to IDA Countries in FUTURE PHASES
Pipeline Building, Quality Improvement, TA support

COMESA Platform for Technical Assistance



TDB Regional Financing Facility



TDB Regional Debt Financing Facility

- *Commercial transaction (private sector)*
- *DRE companies in all MPA participating IDA countries are eligible*
- *TDB can lend directly to companies, co-lend with local commercial banks and on-lend to local commercial banks*

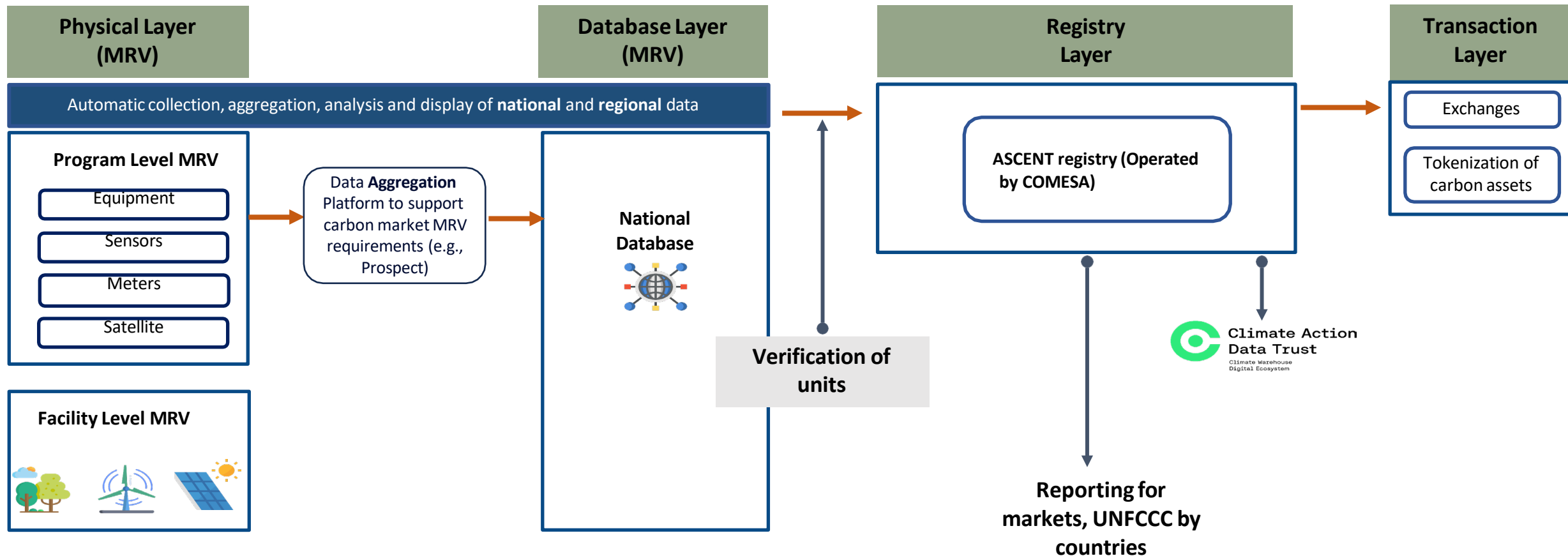
TDF Results Based Grant Financing

FUTURE PLANS (including other regional institutions)

- *Risk Mitigation and Local Currency Financing Instruments*
- *Expanding Access to Results Based Financing*
- *Innovations for Equity requirements*

Digital ecosystem for accessing carbon finance under ASCENT MPA

As part of generating ERCs from the activities under the ASCENT MPA, the creation of a digital ecosystem for MRV and transfer/tracking of ERCs will be supported. This ecosystem is shown below and will reduce the time and cost of certifying ERCs while providing transparency and increased environmental integrity.



Expression of Interest from countries in Future Phases

Objectives	FY24: Ready to absorb			FY25: Expected to be ready		FY26/27: Tentative pending implementation progress of current programs		
Early achievement of universal access	Rwanda	Sao Tome and Principe	<i>Eswatini*</i>	Kenya	Namibia*	Comoros	Lesotho	Uganda
Scale-up innovative approaches in FCV	Somalia			Burundi		DRC	South Sudan	
Get on the accelerated pathway	<i>Malawi</i>			Zambia	Mozambique	Angola	Madagascar	
Stay on the accelerated pathway	Tanzania			Ethiopia		Botswana*		
Economies of scale support for private sector, and Shared knowledge & learning	COMESA Access Acceleration Platform – Stage I			Platform Stage II		Platform Stage III		
	TDB Debt Financing Facility			Financing Facility II		Financing Facility III		
Total	Estimated at US\$ 1.06b			Estimated at US\$ 1.5b		Estimated at US\$ 2.44b		

*IBRD countries may join the MPA to benefit from the digital MRV systems for climate and carbon finance for energy access projects

What is the value-add of having an ambitious program at a large scale?

Ongoing discussion:

- AfDB
- AIIB
- ADF
- SIDA
- Germany
- GCF
- Global Alliance for People and Planet (GEAPP)/Rockefeller Foundation
- SEforALL
- ESMAP/Clean Cooking Fund

Leveraging increased funding from:

- Development partners
- Philanthropies
- Climate finance (adaptation and mitigation)
- Private sector
- Governments

Co- and parallel financing options

- At regional or at individual country level
- For grid, decentralized renewable energy or technical assistance pillars
- Inside MPA (Pillars) or complementary
- Co-financing, parallel financing, BETF, RETF

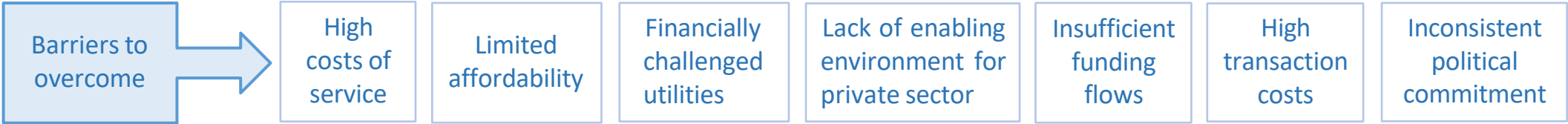
US\$5 billion
IDA

US\$10 billion

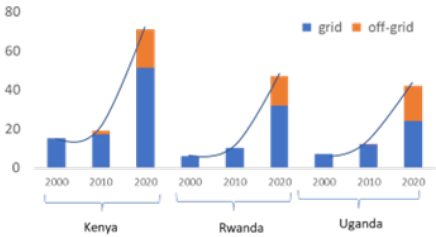
Continued private sector and climate financing flows through creating market and financing structures

DARES: WBG Distributed Access through Renewable Energy Scale-Up

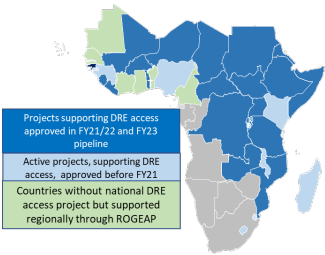
The world is failing: At the current rate of progress, only 8 SSA countries will achieve universal access by 2030; some will take over 100 years to electrify.



WBG Plan to accelerate the pace of electrification in SSA to triple, to reach universal electricity access by 2030



Build on success: 20% of all connections realized in the last ten years in SSA have been through DRE’s, nearly half in East Africa. DREs are now attracting private sector financing, but not yet **at the exponential scale** needed. WBG is expanding portfolio and collaboration.



DARES’ objective: electrify 100 million people by assisting SSA countries double the pace of access expansion through DREs by 2026

	10,000 solar mini grids for 10 million people	<div><div></div></div> Finance
	Double sales of off-grid solar systems from 5 to 10 million/year	<div><div></div></div>
	100,000 schools & health facilities by solar with sustainable models	<div><div></div></div>
	1 million farmers to improve food security with cross-sectoral approaches	<div><div></div></div>
	C&I with grid-edge innovations	<div><div></div></div>

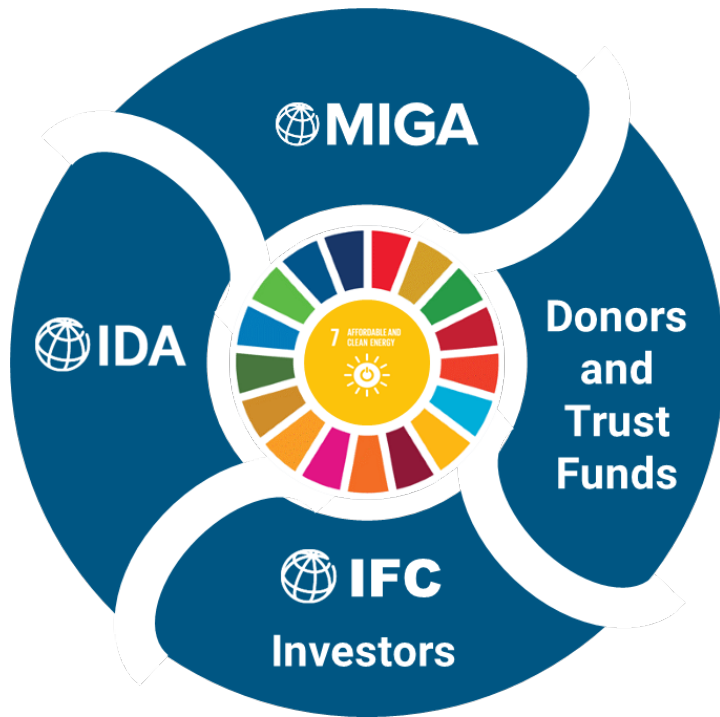
Private Public

DARES works **regionally and with focus countries**, with different characteristics and potentials for DRE scale-up

DARES WBG Platform for delivery- and private sector acceleration and innovation

A priority for a programmatic approach will be **financial and de-risking innovations**

leveraging WB, IFC, MIGA, Private Sector, Donor and Trust Funds expertise and instruments to be rolled out at a regional level



1 Example 1: Mobilizing and scaling **equity, debt, performance grants and risk mitigation** instruments

Participate in Debt or Equity	Affordability- and De-Risking Performance Grants	Investor Transaction And Incubators Incentives
Contribute with financing and first loss or junior tranche unlocking senior investments	Partially absorb affordability gap and losses in event of default, mimicking risk sharing facility	Partially absorb high costs of investing in small companies or difficult markets

Entry Point: expanding the footprint of early movers and impact investors, especially in more challenging markets



2 Example 2: **Risk Sharing Facility For Commercial Banks**

- Leverage and expand on WBG work with commercial banks
- Offer Risk Sharing, preferably with 1st and 2nd loss layers, before pari passu
- MIGA to provide additional insurance
- Paired with capacity building

ELECTRIFYING AFRICA

A COMPREHENSIVE TA FACILITY, SUPPORTED BY ESMAP, TO HELP IMPLEMENT DARES AND ACCELERATE ENERGY ACCESS IN SSA

Rationale:

- To support more strategic and comprehensive approach to energy access expansion
- Mobilize investments and triple World Bank Group results – significantly increase IDA resources for energy access and mobilize other public and private financing
- Co-managed by region and ESMAP to leverage global ESMAP knowledge and closer presence to countries/governments/operations
- Strong focus on helping countries set up energy access platforms and sector-wide programs
- Focus on DARES but acknowledges a need to improve performance of utilities and more cost-effective and faster grid electrification
- Balanced approach between scaling up what works and supporting further innovations
- Coordination with partners is the key

SSA –wide Outcomes: 150 million people with electricity access by 2027 and **300 million by 2030**, plus larger acceleration via indirect impacts

Budget: min US\$12 million a year

Electrifying Africa

Pillars

Energy access platforms

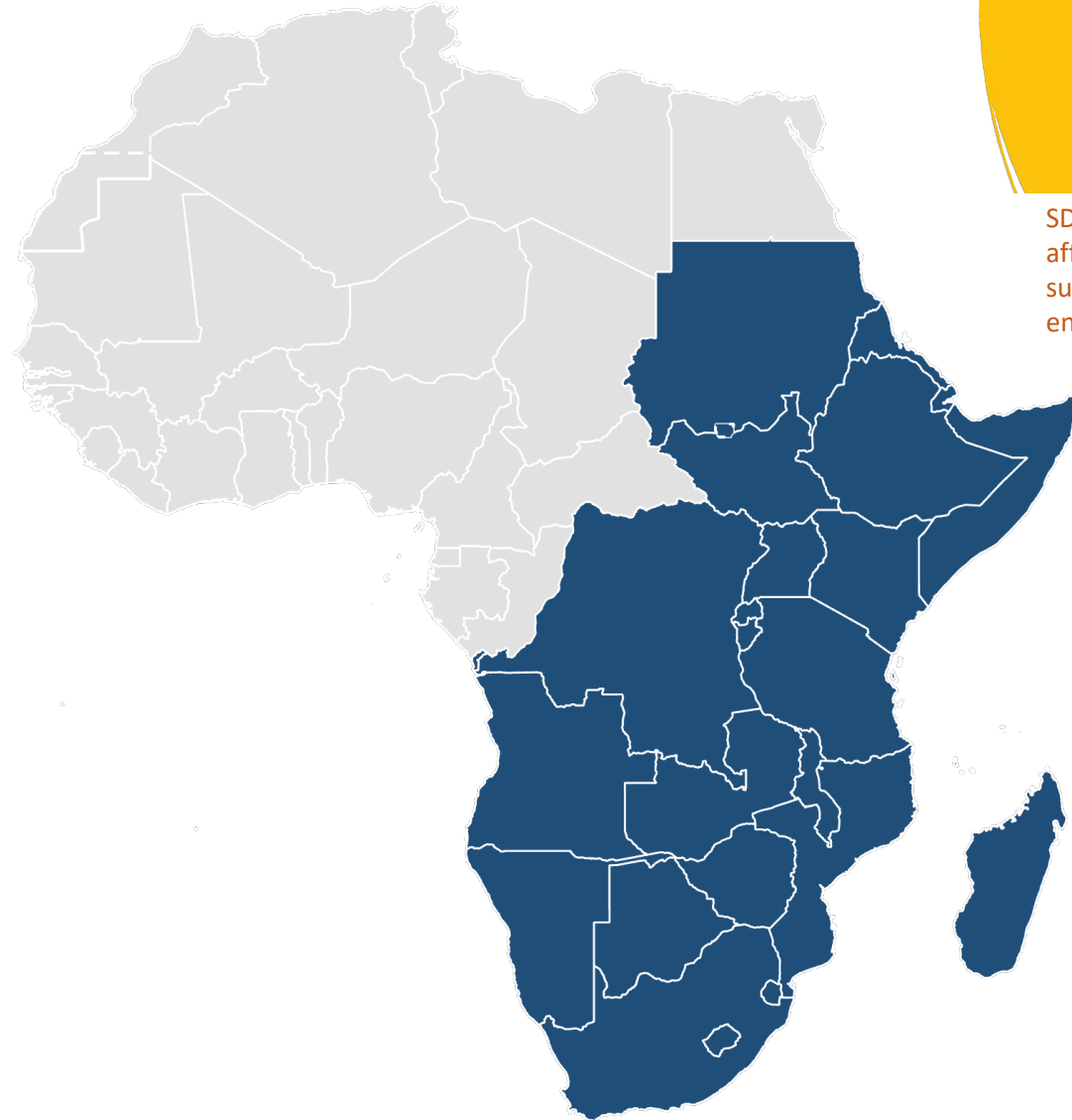
Scaling up grid and utility strengthening

DARES

Disruptive energy access innovations

Knowledge, capacity building and skills

THANK YOU



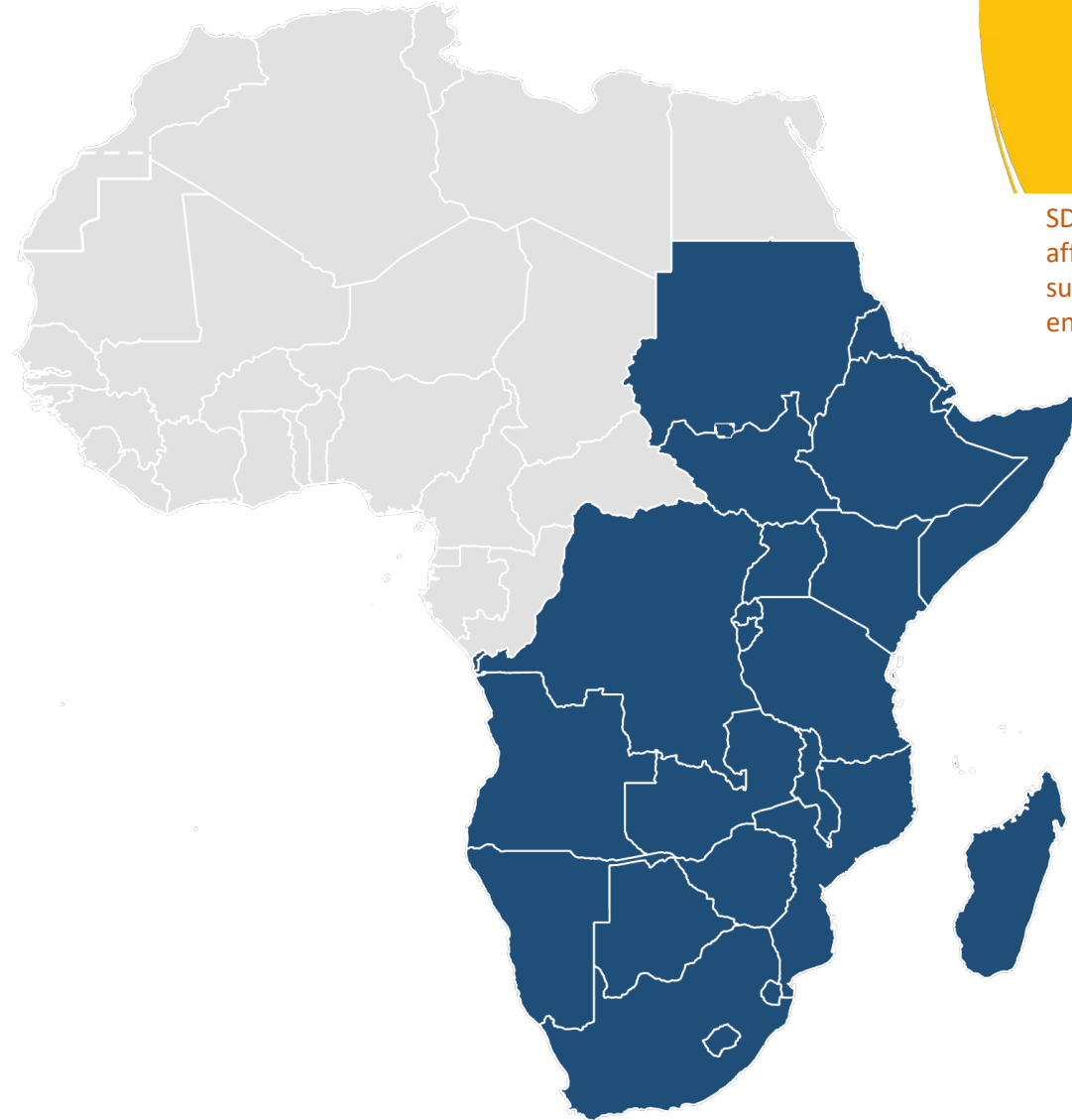
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SDG7 aims to ensure access to affordable, reliable, sustainable and modern energy for all by 2030

**To ADD Country-Specific Slides,
If needed**



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