

The World Bank

Accelerating Sustainable & Clean Energy Access Transformation in AFE Region Multi-Phase Programmatic Approach (P180547)

Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 30-May-2023 | Report No: PIDC35550

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BASIC INFORMATION

A. Basic Project Data

| Country Eastern and Southern Africa | Project ID P180547 | Parent Project ID (if any) | Project Name Accelerating Sustainable & Clean Energy Access Transformation in AFE Region Multi-Phase Programmatic Approach (P180547) |
|---|--|--|--|
| Region EASTERN AND SOUTHERN AFRICA | Estimated Appraisal Date Aug 28, 2023 | Estimated Board Date Nov 15, 2023 | Practice Area (Lead) Energy & Extractives |
| Financing Instrument Investment Project Financing | Borrower(s) Common Market for Eastern and Southern Africa (COMESA) | Implementing Agency Common Market for Eastern and Southern Africa (COMESA) Secretariat | |

Proposed Development Objective(s)

To accelerate access to sustainable, reliable and affordable energy in Eastern and Southern Africa

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

| Total Project Cost | 100.00 |
|--------------------|--------|
| Total Financing | 100.00 |
| of which IBRD/IDA | 50.00 |
| Financing Gap | 0.00 |

DETAILS

World Bank Group Financing

| International Development Ass | ociation (IDA) | 50.00 |
|-------------------------------|----------------|-------|
| IDA Grant | | 50.00 |

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| Non-World Bank Group Financing | | |
|--|---|--|
| Other Sources | 50.00 | |
| Bilateral Agencies (unidentified) | 50.00 | |
| | | |
| Environmental and Social Risk Classification | Concept Review Decision | |
| Substantial | Track II-The review did authorize the preparation to continue | |

B. Introduction and Context

Regional Context

Lack of access to affordable, reliable and sustainable energy is a major constraint to the Bank's mission of reducing poverty and boosting shared prosperity. In the Eastern and Southern Africa (AFE) region, where more than half of the population does not have access to electricity and more than 85 percent of the population does not have access to clean cooking, there is a risk that inequality will widen between people who can access technologies, information and services to improve their livelihoods and those who cannot. The deficit in energy access hinders economic productivity, threatens food security, constrains human development, and undermines resilience to shocks. It is contributing to rising global challenges, such as climate change, fragility and conflict. The COVID-19 pandemic has also demonstrated that an effective pandemic response is not possible without reliable electricity supply. The pace of electrification needs to triple for the AFE region to achieve universal electricity access by 2030.

The challenge can be turned into an opportunity. Accelerating energy access can become an engine of sustainable, inclusive and resilient growth. It can help address climate change adaptation and mitigation and strengthen the resiliency and preparedness of communities, countries and regions to unknown future shocks. With 365 million people without electricity access and 558 million people without clean cooking access, the AFE region accounts for more than half of the total world's unelectrified population and nearly a quarter of the global population without access to clean cooking. Accelerating energy access progress in the AFE Region is therefore essential not only to help the Region unlock its development potential and deliver on its development goals, but also to help the world achieve its SDG7 (and other SDG) goals and address global challenges including climate change, resilience and fragility.

The proposed Accelerating Sustainable and Clean Energy Access Transformation in Eastern & Southern Africa Multi-Phase Programmatic Approach (ASCENT AFE MPA) promises to deliver this opportunity.

1. The steady progress in reducing poverty and boosting shared prosperity of the past decades has been

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upended by a series of recent global shocks. The supply chain disruptions and social distancing measures caused by the COVID-19 pandemic have paralyzed economic and social development around the globe, with the number of people in extreme poverty increasing by 11 percent in 2020 — the first increase in several decades. The recovery was disrupted again by the Russia's invasion of Ukraine, resulting in soaring inflation and food and energy shortages. A series of climate events, including heat waves, droughts and floods, have only exacerbated negative impacts of these crises. Climate change continues to threaten the lives and livelihoods of billions of people; and severe climate events are only likely to become more frequent. Low-income countries will be hardest hit by climate change; their poorest and the most vulnerable populations suffering disproportionately. All this contributes to rising inequality, which in turn is exacerbating fragility and conflict, resulting in growing numbers of forcibly displaced people.

- 2. The impacts of the global economic shocks are acutely felt in the Eastern and Southern Africa (AFE) Region, which is home to 656 million people. The AFE region was on its way toward recovery from the turbulence of the COVID-19 pandemic, but Russia's invasion in Ukraine created a daunting set of woes whose effects continue to reverberate throughout the region. The GDP growth in AFE is projected to slow down to three percent in 2023. The projected per capita income growth is 0.4 percent for 2023, below the average of Sub-Saharan Africa (SSA) As a result, poverty reduction is expected to remain sluggish.¹
- 3. AFE region is vulnerable to climate change, with the food sector being one of the most vulnerable in the world. Soaring energy prices and food shortages resulting from the conflict in Ukraine come on top of already worsening food security, and devastating climate shocks that the AFE region has experienced, including the worst drought in the last four decades. At least 36 million people across the Horn of Africa are severely food insecure, as drought has ravaged Ethiopia, Kenya, and Somalia. In March 2023, Cyclone Freddy, the longest-lasting tropical cyclone ever recorded in the Southern Hemisphere, heavily impacted Southern Africa, especially Mozambique and Malawi, where it affected nearly 3.4 million people and displaced more than a million. With a slow progress to curb global warming, the AFE region is likely to see continued impacts from adverse climate events.
- 4. Lack of energy access is severely impacting the AFE region's ability to lift its population out of poverty, build human capital, take advantage of technology and digital advancements, improve food security, and strengthen resilience to climate, pandemic and other shocks. Less than half of population of the AFE region has access to electricity (48 percent). In rural areas, which include the largest share of the region's poor, only 26 percent on average have electricity access, with rural electrification rate still below five percent in some countries. It is estimated that more than one third of all food production in Sub Saharan Africa is lost to spoilage on the way to market, in large part due to lack of refrigeration.² Fewer than half of all hospitals report having reliable electricity access and nearly a third of all of health care facilities have no electricity access of any

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¹ World Bank: Africa's Pulse, No. 27, April 2023

² For example, Global Center on Adaptation, State and Trends in Adaptation Report (2021) estimates that 36% of food produced in Sub-Saharan Africa is lost or wasted, with the largest proportion during production and handling (https://gca.org/wp-content/uploads/2021/10/GCA_STA21_Sect2_AGRICULTURE-AND-FOOD.pdf)

kind³. Moreover, more than 85 percent of all people in the AFE region lack access to clean cooking technologies and fuels. Traditional cooking fuels expose them to severe health risks ⁴ which disproportionately affect women and children and contribute to land/forest degradation, as well as climate change⁵. The AFE region is also a hotspot for emerging and re-emerging infectious disease outbreaks, endemic diseases, and other complex and inter-related health emergencies.

- 5. Lack of energy access is also constraining the ability of AFE countries to advance their economic integration ambitions. Lack of reliable energy access hinders competitiveness, productivity and ease of movement of goods and services. Various studies have demonstrated strong negative impact of power outages on productivity, trade competitiveness and jobs. A recent research of infrastructure, economic openness and economic transformation of 14 COMESA member countries specifically shows how adequate electricity and telecommunication infrastructure is required to help countries in the bloc to benefit more from trade openness.
- 6. Energy access is increasingly acknowledged by the international community as a transversal global priority. Energy access is essential for accelerating inclusive growth and reducing poverty and inequality, but also for the delivery of critical global public goods, including climate change adaptation and mitigation (as there is an opportunity to use clean energy to displace polluting energy sources, such as diesel and kerosene used by people without electricity access), improving preparedness for future pandemics, and reducing the root causes of fragility and conflict. Achieving universal access to affordable, reliable and sustainable energy is not only a Sustainable Development Goal on its own (SDG 7), but also a critical input for achieving other SDGs, notably SDG 1 (end poverty); SDG 3 (good health and well-being); SDG 4 (quality education); SDG 5 (gender equality); SDG 8 (decent work and economic growth); SDG 9 (industry, innovation, and infrastructure), and SDG 13 (climate action). Reflecting the urgency to expand energy access in order to achieve SDGs as well as climate goals, the United Nation's Secretary General convened the High-Level Dialogue on Energy in 2021, which resulted in a global roadmap for universal energy access and energy transition, reflecting the intertwined nature of energy access and energy transition goals. 8
- 7. With 365 million people without electricity access and 558 million people without clean cooking access, the AFE region accounts for more than half of the total world's unelectrified population (675 million) and nearly a quarter of the global population without access to clean cooking (2.4 billion). Accelerating energy access progress in the AFE Region is therefore essential not only to help the Region unlock its

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³ WHO, World Bank, IRENA, SEforAll: Energizing Health: Accelerating Electricity Access in Health-Care Facilities; 2023 (underlying data based on available surveys)

⁴ SDG7trackign.esmap.org as per WHO data. According to WHO, globally each year 3.2 million people die prematurely from illnesses attributable to the household air pollution caused by the incomplete combustion of solid fuels and kerosene used for cooking.

⁵ The estimated GHG emissions from non-renewable woodfuels for cooking amount to a gigaton of CO₂ per year- about 1.9-2.3 percent of global emissions (Bailis et al, 2015)

⁶ Blimpo, Moussa P.; Cosgrove-Davies, Malcolm. 2019. Electricity Access in Sub-Saharan Africa: Uptake, Reliability, and Complementary Factors for Economic Impact. Africa Development Forum; Washington, DC: World Bank. © World Bank https://openknowledge.worldbank.org/handle/10986/31333 License: CC BY 3.0 IGO

⁷ Jiya, Sama, Ouedraogo: Infrastructure, trade openness and economic transformation in Common Market for Eastern and Southern Africa member countries; Social Sciences and Humanities Open, Volume 2, Issue 1, 2020

⁸ https://www.un.org/en/conferences/energy2021

development potential and deliver on its development goals, but also to help the world achieve its SDG7 (and other SDG) goals and address global challenges including climate change, resilience and fragility.

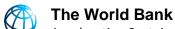
Sectoral and Institutional Context

- 8. The pace of electrification needs to triple for the AFE region to achieve universal electricity access by 2030. Despite the major efforts to accelerate electricity access over the past decade, which have brought electricity access to over 20 million people per year, this pace is not sufficient to close the electricity access gap, as it is barely keeping up with the high population growth in the Region. In 2010, there were 380 million people without electricity access in the AFE region. Nowadays (as of 2021), there are still 365 million people who live without electricity. Unless there is a major acceleration of progress, by 2030, the AFE Region will still count over 300 million people without electricity access (assuming the same pace of progress as currently being achieved in each country)⁹.
- 9. Energy access in the AFE Region is highly uneven – both in terms of electrification rates and the pace of progress. As per the latest SDG7 Tracking¹⁰ data (as of 2021), the Region includes two countries that have already achieved universal electricity access (Seychelles and Mauritius) and five that have electrification rates above 75 percent. The region, however, also includes South Sudan, the world's least electrified country (8%) and three other countries (Burundi, DRC and Malawi), where electrification rates are below 25 percent. There is a large disparity of electricity access between urban and rural areas. The pace of electrification also varies. A few countries, such as Kenya and Rwanda, are at a pace that (if continued) will allow them to reach universal electricity access ahead of 2030. A few other countries, such as Ethiopia, Tanzania and Uganda are showing promising signs of acceleration, leveraging both public and private sector to expand electricity through grid, mini grid and off-grid solar solutions. In six countries, however, electrification is falling behind the population growth, with a number of people without electricity actually increasing. This is especially true for FCV countries such as South Sudan, Somalia, DRC and Burundi, which require more innovation and contextualized publicprivate partnerships to unblock progress. There is a growing disparity between electricity access and clean cooking access, with the Region's population without electricity decreasing (although not fast enough) but those without clean cooking access still increasing.
- 10. Low electrification rates are also reflected in the low per capita electricity consumption. This is a result of low connectivity but also a symptom of broader energy constraints, including affordability constraints as reflected in low consumption of electrified households, especially in rural areas, as well as generation shortages and reliability issues in some countries. It is important to note that households headed by women are more likely to have low electrification rates and electricity consumption due to affordability and reliability. Per capita installed generation capacity (excluding South Africa) is half of that of South Asia and quarter of that of Latin Africa and the Caribbean regions.

⁹ trackingsdg7.esmap.org data and projections based on extrapolation of current pace of electrification

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¹⁰ Data used for official SDG7 reporting: trackingsdg7.esmap.org

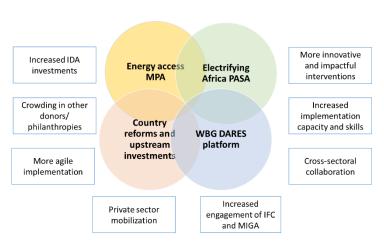


- 11. Today, there is an unprecedented opportunity to reverse the past trends and set the Region on the path towards the universal energy access:
 - (i) Several AFE countries have succeeded in accelerating electrification efforts and are now on (or nearly on) track to achieve universal electricity access by 2030. Their experience shows that significant progress can be achieved even in relatively short time with political commitment, enabling environment, long-term strategy, least-cost planning, and putting in place adaptive approaches that finetune implementation based on lessons learned.
 - (ii) Technological innovations of the past decade have opened pathways that were not available to countries that electrified earlier. Technology developments resulting in falling costs of solar energy and battery storage and increased energy efficiency have made modular, distributed renewable energy (DRE) an increasingly attractive alternative to centralized grid systems. Advances in digitalization and data availability are pro-poor, as they extend the boundaries for economic energy provision and make it easier totarget pro-poor subsidies and leverage new sources of funding such as climate/carbon revenues, sustainability bonds and impact financing, promising faster progress for the base-of-the-pyramid users.
 - (iii) Many SSA countries are currently putting in place innovative approaches that range from public-private partnerships (PPPs) for solar mini grids in Madagascar, to fast-paced grid densification in Tanzania and Ethiopia, pro-poor end-user subsidies in Rwanda, and sustainable business models for electrifying public institutions in Uganda. Many of these experiences are applicable for other countries, but there is a need for a rapid demonstration and fast replication of such models throughout the Region.
 - (iv) Increased synergies between access to electricity and access to clean cooking enables a more integrated approach to tackle energy access. E-cooking (high-efficiency electric cooking appliance such as electric pressure cookers and induction cookstoves) is gaining popularity in SSA which not only increases access to clean cooking but also helps revenues of utilities by increasing electricity consumption.
- 12. Universal energy access will foster regional integration in the AFE Region. Not only is energy access a critical input to increased productivity, competitiveness and inclusive growth that powers economic integration, it is also essential to realize the intended impacts of regional integration of electricity systems via power pools. Over the last decade, the AFE economies have significantly advanced in integrating their national power grids, allowing countries to realize benefits of increased reliability and affordability via electricity trade. For example, Kenya, where average cost of electricity generation is 20 c/kwh, is now able to import lower cost electricity from Ethiopia at 6.5 c/kwh. The benefits would be even larger when all transmission interconnections are completed, especially for smaller and FCV countries that are suffering from high costs of generation e.g. most of Somali users pay more than US\$1 per kWh for electricity.
- 13. World Bank has initiated a major scale up of energy access efforts. AFE financing for energy access has more than doubled over the last six years, having exceeded US\$1 billion average annual lending in FY22 and

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FY23¹¹. Much of the increase has been through a project-by-project approach, which has helped accelerate energy access in several individual countries, but it has not been sufficient to set the Region on the path towards the universal energy access. The project-by-project approach has inherent inefficiencies and leads to fragmentation of efforts, which also make it more difficult to mobilize at scale private sector financing or attract new sources of funding, such as carbon revenue and other climate finance. In addition, some of the increase in energy access financing has come at the expense of upstream investments in generation, transmission and distribution strengthening, affecting reliability and sustainability of electricity supply.

- 14. Further progress, therefore, requires a more strategic approach, which addresses systematically the remaining barriers to the accelerated energy access expansion, incorporating lessons learned of the past decade.
- 15. The proposed ASCENT AFE MPA is a critical piece in Bank's strategic and systematic approach to help AFE countries to accelerate energy access expansion. The approach consists of (i) scaling up grid, off-grid and clean cooking connections via ASCENT AFE MPA, (ii) implementing, in parallel, reforms and investments aimed at ensuring reliability and affordability of electricity supply over medium term, (iii) strengthening implementation capacity through Electrifying Africa PASA, and (iv) leveraging World Bank Group (WBG)-wide collaboration and private sector engagement via the WBG DARES Platform (Figure).



- (i) The proposed ASCENT AFE MPA will be the primary mechanism for expanding connections to electricity, distributed renewable energy (DRE) and clean cooking access in the Region. It will result in a significant increase in people, businesses, farmers, schools, health clinics and other institutions with clean and sustainable energy access, following a common intervention framework across participating countries, deployed through both country-oriented and regional phases.
- (ii) Additional investments in the energy sector will be pursued to ensure that the connections financed via ASCENT AFE MPA are adequately and sustainably supplied with clean, reliable and affordable electricity. This includes financing for bulkier upstream transmission investments (including cross-border), cleaner and lower-cost generation expansion primarily through attracting private sector investments, upgrading aging transmission and distribution networks, building broader enabling environment and improving financial and operational performance of national utilities.

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¹¹ Defined as financing for grid connections and related grid investments needed to achieve grid connections, mini grids and off-grid systems and access to clean cooking, and related technical assistance.

(iii) The proposed approach is accompanied by knowledge and collaboration platforms, including Electrifying Africa Programmatic Advisory and Services Analytics (PASA) and the WBG DARES Platform. DARES platform involves WBG-wide and cross-sector collaboration to scale up access with Distributed Renewable Energy technologies, with a focus on private sector mobilization.

Alignment with WBG regional and global strategies and frameworks

- 16. Accelerating energy access is a priority in the AFE Region. WBG's Africa Regional Integration and Cooperation Assistance Strategy (FY21-FY23) acknowledges that "achieving energy access by 2030 is one of the foremost goals of the WBG in Africa" and emphasizes the importance of harmonizing policy and regulations to create a regional market for distributed renewable energy, increase levels of cross-border power trade, and lower the cost of energy while improving affordability. It also recognizes the importance of cooperation within WBG to mobilize the private sector, especially into the distributed energy market and given the fragmented markets in the region. ASCENT AFE MPA approach of connecting the solutions to local development challenges with global public goods is also fully aligned with the vision expressed in the draft World Bank Group Evolution Roadmap, under development.
- 17. ASCENT AFE MPA will contribute to the WBG Climate Change Action Plan 2021–2025 and the Next Generation Africa Climate Business Plan, both of which identify achieving universal energy access as one of the top priorities for energy sector engagements and an essential component of the global transition to clean energy. It is also aligned with the World Bank's Green, Resilient, and Inclusive Development (GRID) approach, which pursues poverty eradication and shared prosperity with a sustainability lens, principles which the ASCENT AFE MPA follows. Expanding access to clean and resilient energy (to both electricity and clean cooking) are also key elements of IDA-20 Special Theme on Climate Change (Objective 3: Transition key systems for adaptation and mitigation and Objective 4: Boost support to renewable energy).
- 18. ASCENT AFE MPA will contribute to the World Bank's Fragility, Conflict, and Violence (FCV) Strategy 2020-2025 by helping AFE FCV countries (i) address the drivers of fragility (energy access would help mitigate potential climate change shocks, gender inequality and economic and social exclusion); (ii) helping countries transition out of fragility (energy access can help renew the social contract between citizens and the state and foster a healthy local private sector); (iii) mitigating the spillovers of FCV (by providing energy access to forcibly displaced people and host communities), and (iv) in other areas, such as investing in human capital and creating jobs and economic opportunities.
- 19. ASCENT AFE MPA will further contribute to human development and gender outcomes, including to the Global Strategy for Health, Nutrition and Population by enabling provision of quality health services that have been constrained by lack of reliable energy, and helping build more resilient health systems, including sustainable cold chains for vaccines and medicine distribution. Through expanding access to clean cooking, ASCENT AFE MPA will address indoor air pollution, one of the major environmental risk factors and a common cause of premature deaths, affecting disproportionately women and children.

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- 20. ASCENT AFE MPA will also contribute to narrowing of gender gaps in alignment with the upcoming WBG Gender Strategy (FY24-30) by elevating human capital and reducing gender-based violence; creating, expanding and enabling opportunities for inclusive economic participation through women's employment in the energy sector; increasing productivity of women-led enterprises; and, creating opportunities to engage women as leaders in the energy sector.
- 21. ASCENT AFE MPA will coordinate and collaborate with other regional MPA programs in the AFE region, seeking to address global and regional public goods and improve region's resilience. Energy access will help build foundations that will help these programs to deliver on their results. For example, ASCENT AFE MPA will support delivery of DRE technologies for farmers, including solar irrigation and solar cold chain, which will enhance other interventions aimed at improving food security supported by Food Systems Resilience Program for Eastern and Southern Africa, the Middle East and North Africa (P178566). Access to energy for health facilities and providing vaccine cold chain will help support delivery of the AFE Health Emergency Preparedness and Resilience MPA (P180127). Energy access will be contributing to resilience of communities, supported by Regional Climate Resilience Program for Eastern and Southern Africa (P180171) Series of Projects (SoP), and to the Eastern Africa Regional Digital Integration SoP (P176181), helping to make digital access more inclusive.
- 22. ASCENT AFE MPA will follow Mobilizing Finance for Development (MFD) principles, pursuing coordinated approach with IFC and MIGA. ASCENT AFE MPA will lead to private capital mobilization (PCM) through (i) setting up energy access acceleration platforms, which will aim at crowding in private sector financing and mobilize new sources of finance, such as carbon revenues/climate finance; (ii) pursuing WBG DARES approaches, including Scaling Mini Grids, aiming at mobilizing larger private sector entry into the DRE space, (iii) setting up innovative financing facilities at both regional and country levels, which will leverage public sector funding for blended finance and de-risking to attract commercial capital, and (iv) mobilizing new sources of finance, including climate/impact-minded investors through new financial instruments, such as sustainability bonds, as well as (v) deepening domestic funding of energy investments, e.g. leveraging domestic institutional investors. ASCENT AFE MPA will support private sector enabling (PCE) through (i) improving enabling framework, including performance of utilities to attract private sector investments in clean energy generation, (ii) pursuing innovations enabling private sector investments in distribution segments, (iii) building larger regional markets for DREs by aligning country frameworks, which will lead to economies of scale and more attractive conditions for investors, and (iv) supporting growth of smaller and local DRE companies so that they can attract investments in the future.

C. Proposed MPA Program Development Objective

23. To accelerate access to sustainable, reliable and affordable energy in Eastern and Southern Africa

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ASCENT MPA Project Theory of Change

The Program Development Objective (PrDO) is to accelerate access to sustainable, reliable and clean energy in Eastern and Southern Africa region

| Pillar | rs and Components | Outputs | | Outcome | Long-term impact |
|---|---|---|--|--|--|
| Pillar 1: Platform to Accelerate Energy Access | Project implementation support Regional harmonization of energy access policies, plans and strategies Knowledge exchange, capacity building, skills development, policy dialogue Building Readiness for Climate financing | Project implementation support Policies, national electrification plans and strategies developed Institutions strengthened Climate financing mobilized; benefits monitored & verified | | At least 100 million people provided with electricity services in countries in Eastern and Southern Africa | Reduced number of people living in energy poverty Improved human capital outcomes in Health and education (incl. Pandemic preparedness) Improved Access to economic opportunities Improved resilience with diversification of sources of income and Energy supply Greater regional cooperation on energy access and climate change |
| Pillar 2: Expanding Grid Electrification | Grid extension, densification, and reinforcement Support to utilities for increase reliability and affordability of energy services Cross- border solutions for electrification | Grid infrastructure strengthened Utility operations and capacity improved Cross-border electricity trade enabled | | | |
| Pillar 3: Scaling Distributed Renewables and Clean Cooking | Private capital mobilization and scale-up of financing solutions for distributed renewables companies, including minigrids, off-grid, productive uses. Scale-up of clean cooking solutions | Increased private sector participation for distributed renewables and clean cooking GHG emissions reduced through renewable energy solutions | | | |

D. Concept Description

| | Figure: ASCENT MPA program pillars as envisioned under the framework | | | | |
|----------------------|---|---|---|--|--|
| | Pillar 1 Regional and National Platforms to Accelerate Energy Access | Pillar 2 Expanding Grid Electrification | Pillar 3: Scaling Distributed Renewables and Clean Cooking Solutions | | |
| Thematic Focus Areas | Regional implementation support for enabling economies of scale and cost reduction strategies Align regional and national planning processes and regulatory environment Support government role in priority setting, integrated energy access strategies, least cost resource and geospatial electrification plans Mobilize financing, at regional scale, by aligning national, donor and private sector interests Aggregate climate benefits at regional level to mobilize climate/impact financing. | Planning and Implementation of Grid densification and extension Designing and Implementation of Cross-border grid electrification in remote, border areas Grid reinforcement and upgrading for Variable Renewable Energy integration for increased energy access and reliability Utility strengthening and reform for financially viable and sustainable expansion of electrification Support for enhancing affordability and inclusion for low-income, vulnerable, incl. displaced populations | Explore and develop innovative region-level financial solutions to mobilize patient, private capital Facilitate viability gap funding, results-based financing and small/catalytic grants for companies Develop de-risking instruments for private companies operating at national and multi-country levels Enable financing via regional and local financial institutions Support enabling environment and bolster financial sector capacity to lend to private companies active in distributed renewable energy or interested in entering the market. | | |

24. These Pillars form a comprehensive menu of options for participating countries and regional facilities.

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They will be translated into components in the MPA country or regional phases, which will be financed through Investment Project Financing (IPF) or Program for Results (PforR) instruments (the choice of instruments will depend on country contexts). The ASCENT AFE MPA will have up to 25 phases (many of them are expected to be simultaneous), which will be committed throughout FY24-26 and implemented throughout a maximum of 7 years (FY24-30). The phases will be country-specific or regional and will be rolled out as ready. Multi-country phases will be encouraged, where there are synergies in deployment, such as a large potential for cross-border electrification.

Pillar 1: Platforms to Accelerate Energy Access

- 25. The programmatic platform approach will (i) empower governments to play the central role in priority setting and coordination of energy access efforts; (ii) leverage regional approaches where applicable to achieve economies of scale and cost reduction strategies; (iii) support least cost resource allocation through integrated national energy access strategies and geospatial electrification plans, leveraging all available technologies (grid, mini grid, off-grid solar, clean cooking) and aligning national and regional planning processes; (iv) improving and harmonizing policy and regulatory environment and aligning energy access approaches to integrate best practices and to encourage economies of scale and enable private sector solutions and financing; (v) mobilize financing by aligning Governments, donors and the private sector, including commercial financial institutions and institutional investors; and (vi) aggregate results at the regional level to mobilize carbon revenue and other climate and impact finance, and (vii) development of shared resources, services and capacity for accessing carbon/climate finance. The platforms will also be leveraged for improving cross-sectoral collaboration, aligning energy access provision with the needs and opportunities of beneficiary sectors, such as agriculture, education and health, and leveraging opportunities for a joint service provision with other infrastructure sectors, such as digital development. The platforms will include specific measures to close gender gaps, related to, among others, increasing energy access rates for female-headed and vulnerable households, supporting female entrepreneurs and increasing employment opportunities for women in the sector.
- 26. The regional collaboration will be supported by the ASCENT Regional Acceleration Platform, which will be implemented by COMESA Secretariat, as Phase 1 of the MPA. Through its Energy Program¹², whose main thrust is to promote regional cooperation in energy development, trade and capacity building, COMESA supports its member countries in (i) harmonization of energy policy and regulatory frameworks, (ii) region-wide energy planning, and (ii) facilitation of trade in energy services -- both through regional energy trade and through the development of a wider DRE market.
- 27. At the country level, the platforms will be implemented by relevant agencies, including ministries of energy, rural energy agencies and regulatory agencies, as per each country's energy sector institutional setting.

Pillar 2: Expanding Grid electrification

28. The Pillar will finance grid connections and associated infrastructure, utility strengthening and support

12 https://www.comesa.int/the-comesa-energy-programme/

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to users and communities for accessing energy efficient appliances and developing productive uses. Grid electrification will follow least-cost electrification plans developed under Pillar 1, leveraging (where relevant) cross-border electrification to reduce electrification costs and accelerate electricity access in border regions. The pillar will actively promote approaches for increasing affordability and inclusion for low-income and vulnerable groups, including female-headed households, through integrating inclusive approaches in energy access strategies and plans, making electricity connections affordable through targeted subsidies and/or propoor financing mechanisms (e.g., allowing to extend payments of connection fees over time), technical solutions (e.g., ready boards) and awareness/education campaigns. Specific approaches will be adopted for vulnerable population segments, including for slum dwellers and refugees, which often struggle to comply with formal electrification requirements applied by the utilities. Linkages will be built with clean cooking agenda, incentivizing and supporting users to switch to electric cooking where this is technically feasible and financially affordable.

29. This Pillar will be typically implemented by the national utilities or rural energy agencies (depending on the country's institutional context), with project preparation, procurement and implementation support provided through the COMESA ASCENT Acceleration Platform. Where feasible, opportunities for private sector participation and financing, e.g. in some parts of the distribution segment, will be explored, in line with the country Medium Term Plans. These would then be developed in detail in country-specific PADs.

Pillar 3: Scaling Distributed Renewables and Clean Cooking

- 30. The Pillar will finance investments and mobilize private capital at scale in DREs and clean cooking with the aim of expanding clean energy access for households, enterprises, farmers, schools, health clinics and other public institutions. The supported DRE technologies will predominantly be solar PV but other DRE technologies, such as mini hydro, could also be included, all with capacity under 15MW per site.
- 31. These investments will be primarily implemented by the private sector, with ASCENT AFE MPA funding being used to empower the private sector and develop scalable financial solutions to mobilize private capital.¹³

Participating countries

32. ASCENT AFE MPA covers 21 countries across Eastern and Southern Africa allowing a more strategic and systematic approach to energy access expansion in the Region.

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¹³ The composition of financing (public and/or private) will depend on each country's institutional context, market situation, and the type of DRE investments.

| Legal Operational Policies | Triggered? | |
|--|------------|--|
| Projects on International Waterways OP 7.50 | No | |
| Projects in Disputed Areas OP 7.60 | No | |
| Summary of Screening of Environmental and Social Risks and Impacts | | |

- 33. The environmental risk of the project is rated as substantial at this stage, the risk rating will be reviewed and confirmed during preparation. The MPA will have significant environmental co-benefits through optimization of energy systems and enabling greater use of energy sources with lower emissions, as well as assisting in adaptation to climate change through diversification of energy supply. The MPA will help countries to participate in international carbon markets. However, there are various environment, health, and safety (EHS) risks that could result from the activities proposed under three pillars. The Social Risk is Substantial at concept for the overall MPA activities (including all pillars). However, given the level of uncertainty the social risk rating will be reviewed and confirmed during preparation. The individual C-ESRS will be include country/ entity specific risk ratings.
- 34. Activities under Pillar 2 and 3 could result in range of environmental and social impacts as it will involve civil works. While the priority is on densification and reinforcement new distribution lines will also be constructed including the potential for cross border lines including impacts associated with labor and working conditions, OHS, impacts to flora and fauna, community H&S, SEA/SH, resettlement IP/SSAHULTCs and cultural heritage. The capacity of implementing agencies and FIs will be critical to managing these risks and will need to be assessed as part of preparation.
- 35. Technical assistance activities at the regional level and in participating countries are mainly associated with establishing priorities, developing integrated plans and to mobilize finance. Pre-feasibility and feasibility studies for energy access infrastructure are not proposed under this pillar. As such, the direct and downstream social risks associated with the TA are expected to be none-significant. This assessment will be reviewed during preparation as the TA activities are better defined. Regardless, all TA activities must be undertaken in line with the requirements of the Environmental and Social Framework (ESF) to mitigate potential E&S risks and impacts and in compliance with the Bank's Advisory Note on Technical Assistance.

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