Early Warning System

WB-P513432

ASCENT Regional Energy Access Financing Platform 2 -Derisking Facilities

Quick Facts

Countries	Botswana, Burundi, Comoros, Congo, Democratic Republic of, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Rwanda, Sao Tome and Principe, Somalia, South Africa, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe
Specific Location	Eastern and Southern Africa
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-12-03
Borrower	African Trade and Investment Development Insurance
Sectors	Energy, Finance
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	$ 25.00 million
Project Cost (USD)	$ 345.00 million

Project Description

According to the Bank’s website, the Project Development Objective is to increase access to sustainable and clean energy in Eastern and Southern Africa.

The Project is a new phase of the Accelerating Sustainable and Clean Energy Access Transformation in Eastern and Southern Africa Multiphase Programmatic Approach (ASCENT). The proposed Regional Energy Access Financing Platform 2 (REAF2) would be a part of the ASCENT ecosystem, supporting private sector-driven DRE electrification and access to clean cooking. REAF2 will provide derisking instruments such as partial credit guarantees and carbon risk mitigation instruments to accelerate DRE and clean cooking markets in the AFE region, while mobilizing additional commercial capital, in order to unlock financing urgently needed to continue the sector's upward trajectory towards scale.

The proposed project, identified as ASCENT Regional Energy Access Financing Platfrom-2 (REAF2) De-risking Facilities, is Phase 19 of ASCENT MPA and aims to mobilize private capital through two de-risking facilities: the Risk Sharing Facility (RSF) and the Carbon Revenue Risk Mitigation Facility (CRMF). The project is designed as an FI operation, in accordance with the World Bank’s IPF policy and Guidance Note on FI financing (FIF). The RSF will be structured to unlock commercial lending, with a specific focus on local currency, to DRE companies by offering partial credit guarantees to address lenders’ perceived risk of the creditworthiness of the DRE, clean cooking and productive uses of energy (PUE) companies. The CRMF aims to stabilize carbon revenue and enhance the bankability of carbon projects to mobilize commercial capital. The project will enable DRE and clean cooking companies to scale operations, improve affordability for end-users, and accelerate energy access in underserved communities.

Early Warning System Project Analysis

The project’s E&S risks stem primarily from its regional scope, the diverse implementation contexts across Eastern and Southern Africa, and the use of financial intermediaries to support DRE and clean cooking investments. The Project itself will not build physical infrastructure, but the guarantees and carbon-risk mitigation support will enable downstream investments such as mini-grids, standalone solar systems, productive-use energy applications, clean cooking solutions, and small-scale hydropower. As a result, the actual risks and impacts will appear in the subprojects supported by PFIs. Environmental risks are rated **Substantial**. The main concerns relate to the expected increase in batteries, solar panels, and other equipment that can generate hazardous waste and e-waste in countries where recycling systems are often weak. Small construction works for mini-grids may cause dust, noise, waste generation, water pollution, vegetation loss, or local biodiversity disturbance. There is also a possibility that some installations could be located near sensitive natural areas, which requires careful screening by PFIs and developers.

Social risks are also rated **Substantial**. Land-related risks mainly arise from the potential for unclear land ownership, unresolved land acquisition or compensation issues, and the risk that resettlement requirements may not have been fully addressed in line with applicable standards. There is also a risk that vulnerable groups, such as women, Indigenous Peoples, and remote rural households, may not benefit equally if developers do not engage them properly. Labor risks are important as well: small contractors may have weak OHS systems, and supply chains for solar and battery components can carry risks of child or forced labor. SEA/SH risks may be higher in remote or FCV areas. Community health and safety concerns may arise from poor installation practices or unsafe equipment.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 345.00 million
IDA Credit/Guarantee: US$ 25.00 million

Private Actors Description

The *African Trade & Investment Development Insurance (ATIDI)* is an investment, trade and political risk-mitigation institution on the African continent intended to provide insurance against political (investment) and commercial risks in order to attract foreign direct investment to the region. ATIDI was founded in 2001 by seven COMESA countries, with technical and financial backing of The World Bank.

Contact Information

CONTACT POINT - World Bank

Task Team Leader: Yabei Zhang
Title: Senior Energy Specialist
Email: yzhang7@worldbank.org

ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Concept Environmental and Social Review Summary (ESRS) - ASCENT Regional Energy Access Financing Pla
- Concept Project Information Document (PID)