



## **CTF – DPSP (V-FUTURES)**

**PROJECT TITLE: ASCENT REGIONAL ENERGY ACCESS FINANCING PLATFORM 2**

**COUNTRY: AFE (EAST AND SOUTHERN AFRICA)**

**MDB: IBRD**

Cover Note for CTF Project/Program Approval Request <sup>[a]</sup> Dedicated Private Sector Programs (DPSP V-FUTURES)			
Country/Region	AFE Region	CIF Project ID#	Auto Generated by CCH
<b>For Regional/Global (country classification)</b> Please list all applicable sub-countries under Regional/Global country tagging (separated by semicolon ";")	Kenya; Rwanda; South Africa; Lesotho; Democratic Republic of Congo; Madagascar; Malawi; Tanzania; Uganda; Ethiopia; Mozambique; Namibia; Zambia		
<b>Tier<sup>1</sup></b>	<input checked="" type="checkbox"/> Tier 1	<input checked="" type="checkbox"/> Tier 2	<input checked="" type="checkbox"/> Tier 3
<b>Type of CIF Investment:</b>	<input checked="" type="checkbox"/> Public	<input type="checkbox"/> Private	
<b>Project/Program Title</b>	ASCENT Regional Energy Access Financing Platform 2		
<b>Sector/Pillar</b> (Please select all that apply)	<input type="checkbox"/> Enabling Environment <input type="checkbox"/> Energy Efficiency <input checked="" type="checkbox"/> Energy Storage <input checked="" type="checkbox"/> Renewable Energy <input type="checkbox"/> Renewable Energy/ Energy Efficiency <input type="checkbox"/> Transport <input checked="" type="checkbox"/> Other (Climate Ventures)		
<b>Technology/Area</b> (Please select all that apply)	<input checked="" type="checkbox"/> End Use <input type="checkbox"/> District Heating <input type="checkbox"/> Smart Grid <input checked="" type="checkbox"/> Capacity Building <input type="checkbox"/> Multiple <input checked="" type="checkbox"/> Batteries <input type="checkbox"/> Hydro <input type="checkbox"/> Green Hydrogen <input type="checkbox"/> Geothermal <input type="checkbox"/> Wind <input checked="" type="checkbox"/> Solar <input type="checkbox"/> Hydropower <input checked="" type="checkbox"/> Cookstoves <input type="checkbox"/> Waste to Energy <input checked="" type="checkbox"/> Bioenergy <input checked="" type="checkbox"/> Mixed RE <input type="checkbox"/> Green Fuels <input type="checkbox"/> Modal Shift <input type="checkbox"/> Vehicle Technologies <input type="checkbox"/> Mass Transit <input checked="" type="checkbox"/> Electric Vehicles <input type="checkbox"/> Other ( _____ )		
<b>Project Lifetime (MDB Board/Management approval to project closure) (in years)</b>	5 years		
<b>Is this a private sector program composed of sub-projects?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Financial Products, Terms and Amounts			
	USD (million)	EUR (million) <sup>[b]</sup>	
PPG (Project Preparation Grant)	-	-	
Grant	-	-	
MDB Project Implementation and Supervision Services (MPIS) <sup>2</sup>	<b>0.112</b>		
First loss guarantee	-	-	
Second loss guarantee	-	-	

<sup>1</sup> Country Tier definition as Per FY25 approved [Pricing policy](#) (page 8,9,19-25)

<sup>2</sup> MPIS - CIF Operational Modalities For New Strategic Programs [here](#)

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Equity	-	-
Senior loan	<b>25</b>	-
Senior loan in local currency hedged	-	-
Senior loan in local currency unhedged ( <b>EXCEPTIONAL REQUEST</b> )	-	-
Subordinated debt/loan/ mezzanine instrument with income participation	-	-
Subordinated debt/loan / mezzanine instrument with income participation local currency unhedged ( <b>EXCEPTIONAL REQUEST</b> )	-	-
Subordinated debt/loan /mezzanine instrument with convertible features	-	-
'Convertible/contingent recovery' grant/loan/guarantee (loans convertible to grants or vice versa)	-	-
Convertible Loans (convertible to equity only)	-	-
For loans and guarantees – is this a revolving structure? <sup>[3]</sup> <input type="checkbox"/> Yes <input type="checkbox"/> No	-	-
<b>Specify local currency type here</b>	-	-
<b>Other (please specify)</b>	-	-
<b>Total</b>	<b>25.112</b>	<b>-</b>
<b>Co-financing<sup>4</sup></b>		
	<b>Please specify as appropriate</b>	<b>Amount (in million USD)</b>
MDB 1	IDA	300
MDB 2	ESMAP Trust Fund	24
Private Sector	Private Sector	700
Others (please specify)	GCF	50
<b>Total Co-financing</b>		<b>1,074</b>
<b>CIF Funding</b>		<b>25</b>
<b>Total Financing (Co-financing + CIF Funding)</b>		<b>1,099</b>
<b>Proportion of Total Financing for Adaptation</b>		<b>10% (tbc)</b>
<b>1Proportion of Total Financing for Mitigation<sup>[e]</sup></b>		<b>90% (tbc)</b>

<sup>3</sup> With a revolving structure, after the loan or guarantee matures, instead of returning the funds to the Trustee, the funds are redeployed as a new loan or guarantee.

<sup>4</sup> Co-financing includes ASCENT Regional Energy Access Financing Platform (REAF) (P181328) (already approved) that provides debt financing and results-based financing (RBF) to the distributed renewable energy (DRE) and clean cooking companies and ASCENT REAF2-Equity Facility (FY25 Q3 pipeline) that provide concessional equity financing to the DRE sector, complementing each other. IDA co-financing includes \$275m from ASCENT REAF and \$25m from ASCENT REAF2. ESMAP TF includes \$19 million from ASCENT REAF and \$5m from ASCENT REAF2. Private sector co-financing includes \$300m from REAF and \$400m from REAF2. \$50m GCF funding is in the application process to co-finance REAF2.

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<b>CIF Financial Terms and Conditions Policy</b>	<a href="#">Link</a>  Is this request in accordance with the CIF Financial Terms and Conditions Policy?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (if no, please specify detailed information under the justification section)
<b>Justification (exceptional request) <sup>[c][d]</sup></b>	
N/A	
<b>Implementing MDB(s) <i>(please enter full name, job title and email address)</i></b>	
MDB Headquarters-Focal Point:	<b>Frank van der Vleuten</b> Adviser, Team Leader Energy Climate Finance <a href="mailto:fvandervleuten@worldbank.org">fvandervleuten@worldbank.org</a>
MDB Task Team Leader (TTL)	<b>Yabei Zhang</b> Senior Energy Specialist <a href="mailto:y Zhang7@worldbank.org">y Zhang7@worldbank.org</a>
<b>National Implementing Agency <i>(please enter full name, job title and email address)</i></b>	
Country Focal Point/s	The project will be implemented by Africa50, a regional organization specialized in equity Investment <b>Focal point:</b> <b>Fleur Tchibota</b> Chief of Staff +212666171099 <a href="mailto:f.tchibota@africa50.com">f.tchibota@africa50.com</a>
<b>Brief Description of Project/Program (including objectives and expected outcomes) <sup>[c][d]</sup></b>	

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**Achieving universal electricity access by 2030 is the World Bank’s priority for enabling sustainable development in the AFE region.** This Project aligns with the Global Challenge Program (GCP) on Energy Transition, Efficiency, and Access as outlined in the 2023 World Bank Evolution Roadmap, emphasizing access to clean energy as a critical driver for energy efficiency and transition in the AFE region. The Project directly contributes to the Mission 300, the World Bank Group's commitment—alongside the African Development Bank—to provide electricity access to 300 million people in Sub-Saharan Africa by 2030. The Mission 300 further supports Sustainable Development Goal #7, which aims for affordable and clean energy for all.

**The Accelerating Sustainable and Clean Energy Access Transformation (ASCENT) MPA is AFE’s flagship program with the objective of providing 100 million people with access to electricity and 20 million with access to clean cooking by 2030.** An envelope of US\$5 billion IDA has been approved with the efforts ongoing to mobilize additional US\$10 billion public and private co-financing. The ASCENT includes a set of phased, interconnected regional and country projects (phases) across three pillars (i) regional and national platforms to accelerate energy access, (ii) expanding grid electrification, and (iii) scaling distributed renewables and clean cooking. So far, two regional projects (the Regional Access Acceleration Platform, implemented by COMESA, and the Regional Energy Access Financing Platform (REAF), implemented by the Trade and development Bank (TDB)) and five country projects (Rwanda, Sao Tome and Principe, Somalia, Tanzania, and Burundi) with a total of \$1.163 billion IDA has been approved. Building on this initial progress, the next phase of ASCENT will expand to additional countries and introduce a regional equity financing facility broadening the program's scope and impact.

**Based on least-cost geospatial planning, it is estimated that about 50% of energy access connections will have to come from Distributed Renewable Energy (DRE) solutions.** Recognizing the critical role of DRE and clean cooking in achieving sustainable energy access, the ASCENT seeks to address the key barriers of lack of equity financing that impede the flow of private capital into this sector while complementing and leveraging the existing scope of ASCENT toolbox such as debt financing, results-based financing (RBF), technical assistance, and policies and regulations for enabling environment (in addition, the de-risking instruments are currently under design).

The proposed ASCENT Regional Energy Access Financing Platform 2-Equity Facility (REAF2) will cover Eastern and Southern Africa and include three components. The proposed CTF funding will leverage co-financing from both REAF and REAF2 and will be directly blended with REAF2. The CTF funding will be directed towards CTF eligible countries in the AFE region, namely, DRC, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Rwanda, South Africa, Tanzania, Uganda, and Zambia.

**Component 1: Equity Financing for DRE and Clean Cooking companies.** This component will include the establishment and partial capitalization of a DRE Equity Investment Fund (the “Fund”). Key design features of the Fund are summarized as follows and the details of the Fund operation will be included in the Fund Operations Manual (FOM) which will be a disbursement condition for the component.

**(i) Instrument and Portfolio Diversification:** The Fund will focus on equity mobilization and market creation by investing in a diversified portfolio of DRE solutions and a pipeline of projects that align with the Fund’s investment strategy and comply with the World Bank requirements. This will be achieved through investments in and support to equity funds (“investee funds”) focusing on the DRE sector. Earmark of investments in equity funds will be detailed in the FOM which may be adjusted based on the market conditions. The Fund and the investee funds may invest in local currency with criteria to be established in the FOM. The FOM will also include

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a robust conflicts of interest framework with required governance bodies to protect the interest of investors as well as investee funds and companies. The Fund will take a passive investment strategy by supporting both existing and new funds to enhance mobilization without crowding out other players and will be open to co-investment opportunities only requested by the investee funds. This passive investment strategy aligns with the World Bank Group's cascade approach to maximize finance for development. The diversification among different investee funds will help mitigate risks and potentially enhance impacts and returns while enabling climate mitigation and adaptation.

(ii) **Concessional and Impact Driven:** The Fund will target high-impact DRE segments to achieve Mission 300 impact results. Through a blended capital structure with various levels of concessional and expected returns, the Fund will attract impact-driven investors and provide patient capital at a lower-than-market costs to finance riskier DRE segments that have higher impacts and are not currently attractive to normal commercial investors. This approach differentiates the Fund from other entities that focus on more commercially attractive sectors. Moreover, this concessional finance will also help lower vulnerability to climate risks by providing resilient solutions to climate-impacted communities.

(iii) **Regional Coverage:** The Fund aims to cover Sub-Saharan Africa. The IDA funding through ASCENT-REAF2 will focus on investments and impact results in Eastern and Southern Africa (AFE), while GCF and CTF funding will focus on their respective eligible countries. The IDA funding for Western and Central Africa (AFW) will be processed separately to contribute to the Fund and focus on investments and results in AFW.

**Component 2: Technical Assistance Facility.** This component will support pipeline development, investment readiness, and capacity building to investee funds and co-investment companies to facilitate the Fund to achieve its impacts and financial targets. More specifically, the TA facility will finance (i) pre-investment advisory services, assistance, and training to project developers which could include environmental studies, feasibility studies, stakeholder engagement, risk mitigation instruments, and business plans preparation, (ii) capacity building activities to investee funds and DRE companies to manage and implement projects effectively including strengthening the Environmental and Social Management Systems (ESMS), gender actions, and technical standards, and (iii) digital monitoring, verification, and reporting (D-MRV) systems to enhance impact monitoring and feedback collecting for adjustment and improvement. The TA facility will coordinate with other partners and initiatives (e.g., Mission 300 TA facility, GET.invest/GET.transform, GEAPP, and Power Africa) to leverage efforts and ensure synergies.

**Component 3: Institutional Strengthening and Policy Coordination.** This component will strengthen the implementing agency's implementation capacity and leadership in DRE. It will finance technical assistance, capacity building, and institutional strengthening activities to increase the implementing agency's capacity to implement the Fund and enhance policy coordination for an enabling environment for the DRE sector. For example, the component will recruit technical experts to help build its own capacity to carry out due diligence on investee funds and DRE companies including technical and financial assessment, ESMS, gender action plan, climate resilience, and monitoring and evaluation. The component will also finance market studies related to the equity financing to deepen the sector knowledge and propose policy advice. The implementing agency will coordinate closely with COMESA and TDB to synergize the respective ASCENT regional platforms.

**The proposed US\$25 million contribution from the CTF will leverage US\$300 million in IDA financing (US\$275 million from REAF and US\$25 million from REAF2), achieving a leverage ratio of over 10. Additionally, it will mobilize US\$700 million in private finance for DRE (US\$300 million from REAF and US\$400 million from REAF2).**

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This funding will also complement the proposed US\$50 million GCF funding for the REAF2 Equity Facility. The GCF funding application is currently in progress, with the full proposal expected to be submitted in March 2025.

CTF funding will play a central role in the equity facility, providing concessional financing that reduces risk and lowers the cost of capital for equity investors in renewable energy projects. This support will attract private sector investment by enhancing the financial viability of DRE solutions. The senior loan from CTF will act as a risk buffer, improving the risk-return profile for equity investors and encouraging them to commit capital to projects that may otherwise be considered too risky. By leveraging CTF's senior loan, the facility can mobilize co-financing from other sources, including private equity, multilateral development banks, and bilateral donors. This catalytic effect will accelerate DRE deployment, expand market development, and improve energy access in underserved regions. The concessional capital provided by CTF will build investor confidence, facilitating larger investments and driving the sector toward sustainable growth.

CTF funding will primarily target clean technologies with high climate mitigation potential, such as solar-powered productive use of electricity, e-mobility, and services for commercial and industrial sectors. These technologies will not only foster economic development but also enhance climate resilience across Africa. The blended financing structure will help attract commercial investors, expanding the reach and scale of DRE projects.

The combined efforts of CTF and GCF will complement each other, with GCF providing first-loss capital and technical assistance, while CTF drives the scale-up of high-impact clean energy solutions.

By leveraging the combined financing of two complementing ASCENT regional facilities of REAF and REAF2 of US\$1,099 million for the DRE sector, the CTF contributed program is expected to achieve (i) GHG emission reductions by 14.41 million tCO<sub>2</sub>e (life time ERs) (4.41 million from REAF and 10 million from REAF2), (ii) installed RE capacity (MW) of 335MW (35MW from REAF and 300MW from REAF2), (iii) 12 million people with access to electricity (5 million from REAF and 7 million from REAF2), and (iv) 6 million people with access to clean cooking (1 million from REAF and 5 million from REAF2). The details are provided in [ASCENT MPA PAD](#) (including REAF annex) and the submitted draft REAF2 PAD.

**Consistency with CTF investment criteria (please refer to design document)<sup>5</sup>[c][d]**

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<sup>5</sup> Link to Future Window Design Document [here](#)

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The program aligns strongly with the CIF’s CTF Futures Window approach to increasing private sector participation in DRE investments. The program leverages concessional funding (including from CTF) to unlock private sector investments in DRE technologies by targeting critical DRE investment opportunities, creating favorable financing conditions, and developing scalable financing models that enhance project bankability. Here’s how ASCENT’s activities align with CTF’s goals for mobilizing private sector investments:

**1. Crowding-in Private Sector Investment at the Project Level**

ASCENT has designed a blended finance structure that pools concessional funding into a fund of funds vehicle, that invests into investment funds at concessional terms, leveraging commercial investments from the private sector. The Fund will provide commercial investor protection, junior equity (and first loss buffers), and portfolio guarantee cover from MIGA, further making DRE investments attractive to the private sector, and facilitating their direct participation at the project level.

**2. Market-Level Impact and De-risking**

At the market level, ASCENT is aligned with CTF’s strategy of driving down technology costs, supporting first movers, and de-risking emerging markets. CTF’s concessional finance can help reduce the upfront costs of new clean energy technologies, allowing early-stage projects to demonstrate their viability and build a pipeline for future investment. ASCENT supports this by deploying emerging technologies like solar-powered productive uses (e.g., irrigation and refrigeration) and e-mobility solutions, which help demonstrate to the market that clean energy technologies are financially viable. This early-stage demonstration can reduce technology risks and encourage additional private investment.

**3. Blended Finance and Risk Mitigation**

ASCENT’s use of blended finance — combining concessional funding (including from CTF) with private sector investments — aligns with the CIF Toolbox’s emphasis on making clean energy investments accessible and inclusive. The program utilizes risk mitigation instruments, such as first-loss equity, guarantees, and junior equity, to lower the perceived risks of renewable energy projects. This innovative financing structure is designed to attract private sector investment, ensuring that clean energy solutions are deployed in markets that are typically underserved or perceived as too risky.

**4. Enhancing Project Bankability with Flexible Terms**

ASCENT’s use of **longer-tenor loans** and **concessional financing** further aligns with CTF’s objectives by improving the financial feasibility of DRE projects. In the project, ASCENT provides a long-tenor concessional IDA credit (38 years with a 6-year grace period) together with CTF with similar terms to Africa50 (the implementing financial institution). This will allow Africa50 to invest patient equity needed for the nascent DRE sector.

The table below summarizes the alignment with CTF’s investment criteria.

Dimensions	Summary statement and reference to relevant sections of the proposal
<b>Transformational Change</b>	
<b>Relevance:</b> What is needed, what is planned and are they aligned?	The ASCENT program directly addresses the urgent need to accelerate electrification in the AFE region. The current challenge in the DRE market is the limited equity investment due to low returns and limited commercial interest, alongside high perceived risks. This lack of equity has

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	<p>constrained the growth of DRE solutions which are essential for increasing energy access in underserved, off-grid communities.</p> <p>The equity facility plans to provide concessional equity financing to reduce the perceived risks and improve the risk-return profile for commercial investors. By de-risking investments, the ASCENT facility will unlock private sector financing and significantly increase the flow of capital into the DRE sector. This aligns directly with the critical need to increase investment in DRE solutions to expand energy access and support the transition to a low-carbon economy in the region. The facility's focus on scaling DRE investments will enable more rapid electrification, contribute to SDG 7 (Affordable and Clean Energy), and accelerate progress toward SDG 13 (Climate Action). By supporting the growth of the DRE sector, the ASCENT facility aims to foster long-term sustainable energy solutions and improve the livelihoods of millions in the AFE region.</p> <p>Please refer to section I (B) – <i>Sectoral and Institutional Context</i>, of the draft PAD.</p>
<p><b>Systemic Change:</b> What systems need to change and how? Who needs to be involved and how?</p>	<p>To enable the exponential growth needed to scale DRE solutions, a massive shift is required in the way energy access is financed. At present, the commercial investment sector remains hesitant due to perceived high risks and low returns, creating a significant barrier to DRE growth.</p> <p>To overcome this, the planned equity facility will help catalyze a major shift in the funding landscape by deploying concessional funding with lower return expectations and higher risk appetite to de-risk investments in the DRE market. This will improve the risk-return profile for commercial investors, ultimately attracting more private capital into DRE solutions.</p> <p>To unlock the necessary investment flows, the facility will mobilize concessional funding, from MDBs, DFIs, Philanthropies and Climate Funds including from CTF, to unlock commercial investments at scale.</p> <p>Please refer to section I (B) – <i>Sectoral and Institutional Context</i>, of the draft PAD.</p>
<p><b>Speed:</b> What is the relationship between urgency and complexity?</p>	<p>The urgency of accelerating energy access in sub-Saharan Africa is underscored by the ambitious Mission 300, which aims to provide 300 million people with electricity by 2030. With DRE expected to account for approximately half of these connections, there is an immediate and pressing need to scale DRE solutions. However, this urgency must be balanced with the complexity of deploying DRE technologies in a way that is commercially viable and ensures long-term sustainability.</p> <p>The equity facility directly responds to this urgency by accelerating the flow of investment, into DRE companies that have proven business models but need time and capital to scale. The complexity arises from the</p>

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	<p>need to secure sufficient financing in a sector where commercial investors have traditionally been reluctant due to perceived high risks and low returns. To address this challenge, the facility deploys concessional equity, which helps de-risk investments and attracts private capital, allowing DRE companies the time and resources they need to raise funds, deploy solutions, and scale quickly to meet the M300 target.</p> <p>While the facility’s goal is to move rapidly, the complexity of achieving long-term sustainability—balancing financial viability, scalability, and impact—is addressed through a phased, adaptive approach. The equity facility will invest into multiple investment funds that already have active pipelines of projects that have the potential to scale quickly while ensuring that business models are robust enough to sustain growth over time.</p> <p>Please refer to the following sections of the PAD: <i>I (C) – Relevance to Higher Level Objectives</i>, and section <i>II (B) – Project Components</i></p>
<p><b>Scale:</b> What scaling is required?</p>	<p>To achieve the ambitious Mission 300 target, significant investment mobilization is essential. ASCENT builds on the World Bank Group’s commitment of US\$5 billion to attract an additional US\$10 billion from a diverse range of partners, including the private sector. With a total funding envelope of US\$15 billion, ASCENT is positioned to strategically allocate resources to areas and projects where they are most needed, driving exponential growth in energy access connections. The program will scale up successful models and introduce innovations to accelerate progress.</p> <p>Given that DRE is expected to contribute significantly—around half—to the M300 targets, the DRE sector must drastically increase capital flows to meet the needs of millions of underserved communities. To do so, the sector requires a combination of concessional funding from impact investors, climate funds, MDBs, and other climate financing mechanisms (including the CTF, which will help de-risk commercial investments).</p> <p>The ASCENT REAF2 equity facility plays a critical role in channeling this concessional finance, acting as a catalyst to attract additional funding sources and ensuring that the necessary capital flows into the sector. This will enable the rapid scaling required for both electrification and clean cooling solutions, meeting the urgent demands of underserved populations across sub-Saharan Africa.</p>
<p><b>Adaptive Sustainability:</b> What capacity will be built to achieve sustainable development pathways?</p>	<p>The equity facility will focus on building the capacity necessary to attract and sustain commercial investment over time. The facility’s core objective is to increase investor confidence and familiarize commercial investors with the DRE market by providing concessional financing initially to de-</p>

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	<p>risk investments. As the sector grows and becomes more financially attractive, the goal is to phase out concessional financing and scale up commercial financing.</p> <p>To support this transition, the facility will invest in TA to close critical knowledge gaps in the sector, particularly in assisting pre-investment advisory services, assistance and training to project developers which could include environmental studies, feasibility studies, risk mitigation instruments among others. Additionally, the facility will offer capacity-building programs for these stakeholders, ensuring they are equipped to manage and scale DRE projects independently, without reliance on concessional funding.</p> <p>Please refer to the following section of the PAD: II (B) – <i>Project Components</i></p>
<b>Just Transition</b>	
<p><b>Procedural justice:</b> What meaningful engagement of diverse stakeholders, including those that are particularly vulnerable to transition risks, has been/ will be incorporated in the design and implementation of the IP/ project activities?</p>	<p>The ASCENT REAF2 integrates procedural justice by ensuring meaningful engagement with a broad range of stakeholders, particularly those vulnerable to energy poverty and transition risks, such as women, low-income populations, and rural communities. Stakeholder engagement is central to the ASCENT program’s approach, ensuring transparency and inclusivity in both the design and implementation of energy projects.</p> <p>The program works closely with a diverse set of stakeholders, including financial institutions, regulators, governments, and private sector actors, to ensure that the financial interventions are well-suited to the local context and needs. Active and ongoing consultations are conducted with local communities, energy providers, and governments, fostering a collaborative environment that ensures the voices of marginalized groups are heard throughout the process.</p> <p>This approach ensures that cultural sensitivities are respected, and that the local needs and preferences are embedded in the planning, design, and delivery of DRE solutions. The facility prioritizes inclusive decision-making by integrating these voices into project designs, making sure that women, low-income groups, and remote communities benefit directly from the energy solutions provided.</p> <p>Please refer to the following sections of the PAD: I (B) – <i>Sectoral and Institutional Context</i>, and section IV (E) – <i>Gender</i></p>
<p><b>Distributional justice:</b> What efforts have been/ will be made to design activities in a way that promotes wide burden and/or</p>	<p>The ASCENT program places a strong emphasis on distributional justice by ensuring that the benefits of clean energy transition are equitably distributed. It focuses on designing DRE projects that specifically target underserved, off-grid populations, including rural and low-income</p>

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<p>benefit sharing, and seeks to engage particularly vulnerable or marginalized stakeholders as beneficiaries?</p>	<p>communities. Special efforts will be made to include women and marginalized groups in the benefits of energy access through targeted programs and specific development outcomes, such as providing women with access to clean cooking technologies and involving them in energy entrepreneurship. Further, the ASCENT program will ensure that job creation and economic opportunities from DRE projects are accessible to vulnerable populations, thus contributing to the reduction of inequalities while promoting broad societal benefits from the energy transition.</p> <p>Please refer to the following sections of the PAD: <i>I (B) – Sectoral and Institutional Context</i>, and section IV (E) – <i>Gender</i></p>
<p><b>Restorative justice:</b> Does the proposal target any of the underlying drivers of inequality (e.g. related to gender, social status, race, etc.) in a way that is likely to promote more equitable societies?</p>	<p>The equity facility directly targets key drivers of inequality, particularly gender and social status, with a strong focus on empowering marginalized communities and closing gender gaps in the DRE sector in sub-Saharan Africa.</p> <p>The equity facility will invest in DRE companies, focusing on affordability for female beneficiaries and supporting women-led/owned enterprises. The facility’s selection strategy prioritizes funding for businesses with job creation potential, particularly those that create technical job opportunities for women. This includes targeting women in leadership and technical roles, as well as supporting women-led service providers in the DRE market. The facility will also track its gender-focused objectives through a comprehensive monitoring and evaluation framework that includes key indicators.</p> <p>By addressing these systemic drivers of inequality, the ASCENT program is committed to restorative justice, providing women and other historically marginalized groups with the tools and opportunities to achieve economic empowerment and social inclusion. In doing so, the facility aims to contribute to a more equitable energy transition, where the benefits of sustainable energy access are shared more equally across society.</p> <p>More details on restorative justice is described in Section IV (E) - <i>Gender</i></p>

**Additional CTF investment criteria for private sector projects/ programs**

<p>a. Financial sustainability</p>	<p>NA - This is a public sector project</p>
<p>b. Effective utilization of concessional finance (including a detailed analysis on how the proposal meets the minimum concessionality principles, and on how it is aligned with the blended concessional finance principles)</p>	<p>NA - This is a public sector project</p>

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c. Mitigation of market distortions	NA - This is a public sector project
d. Risks	NA – This is a public sector project
<b>For DPSP projects/programs in non-CTF countries, explain consistency with FIP, PPCR, or SREP Investment Criteria and/or national energy policy and strategy</b> <sup>[c][d]</sup>	
It covers all CIF eligible countries in AFE. The implementing agency is based in a tier 3 country but will fund equity funds in countries of operation that could be a mix of tier 1, tier 2, and tier 3 countries.	
<b>Social Inclusion and Stakeholder Engagement</b> <sup>[c][d]</sup>	
<p>The ASCENT program is committed to fostering social inclusion and stakeholder engagement by ensuring that the benefits of clean energy reach underserved and vulnerable communities. By focusing on DRE solutions like SHS, mini-grids, and clean cooking, ASCENT targets off-grid and rural areas, with lowest energy access rates. These interventions provide affordable, reliable, and clean energy to low-income populations, empowering them to improve their quality of life and creating new opportunities for economic development.</p> <p>The program emphasizes economic empowerment, especially for women and youth, by enabling the productive use of energy in sectors like agriculture, small businesses, and e-mobility. ASCENT fosters job creation and entrepreneurship within local communities, providing skills training and capacity-building programs. It also ensures women’s participation in the energy value chain, offering access to clean energy technologies that reduce household burdens and create new income streams.</p> <p>Stakeholder engagement is central to ASCENT’s approach. The program works closely with, financial institutions, regulators, governments, and private sector actors, ensuring transparency and inclusivity in program design to ensure the product is fit for purpose. By actively involving stakeholders, ASCENT program has designed a suite of financial interventions that will accelerate the rate of energy access in Africa.</p>	
<b>Gender Considerations</b> <sup>[c][d]</sup>	

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<p><b>Gender Analysis</b>  (Please insert the text from the project document on the analysis of gaps in access to services, markets, and jobs by women in relation to the project sectors)</p>	<p>To maximize equitable development outcomes consistent with Sustainable Development Goal (SDG) 5(Gender Equality) and SDG 7 (Affordable, Reliable, Sustainable and Modern Energy for All), it is important not only to have a comprehensive strategy to accelerate the closing of energy access gaps but also to account for the gender differences in the demand and usage of energy. Women in the AFE region are the primary users and producers of energy at the household level and yet have limited access to electricity and clean cooking technologies. Further, women-owned and women-led enterprises face more barriers to running successful enterprises, than their male counterparts, including limited access to finance, limited access to clean energy, resources and markets. On the supply-side, women face structural barriers to participation in the power sector, including occupational segregation and exclusion from employment, especially in technical, managerial positions and leadership roles. In the renewable energy sector, women make up 40 percent of the employment, however, only 32 percent are in technical positions, while 58 percent are in administrative jobs and 35 percent are in non-STEM technical positions. In the AFE region, female representation in DRE jobs remains low; underlying constraints to the low representation include cultural and social norms that prevent many women from entering and remaining in the DRE sector. Further, the share of female graduates in STEM fields in the AFE region is less than 43 percent, which in turn determines the number of women employed in technical fields in the DRE sector.</p>
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<p><b>Gender Activities</b> (Please insert the text describing gender-specific activities included in the project)</p>	<p>This project will support the closing of the gender gaps in AFE's DRE sector through Africa50. Africa50 will support recapitalization of DRE companies to support end-user affordability especially on female beneficiaries and women led/owned enterprises. Africa50 selection strategy of fund beneficiaries will prioritize beneficiaries with job creation impact targeting women especially in technical positions, as well as women owned/led service providers. To support the selection strategy, the project will support Africa50 to develop a vetting or assessment tool of potential funding beneficiaries' gender strategy as part of its screening and due diligence processes, giving preference to those businesses that demonstrate strong gender engagement in their marketing and monitoring efforts with an impact.</p>
<p><b>Gender Indicators</b> (Please insert the text on selected gender specific indicators, including annual targets. from the Project Log Frame that the project is committing to report on)</p>	<p>In order to track the narrowing of gender gaps, the monitoring and evaluation framework will the following indicators: i) the number (percentage) of women owned/led enterprises with access to electricity ii) the number (percentage) of women employed in technical positions within the investments made by the Project in DRE sectors; and iii) the number of women owned/led fund managers and DRE companies provided with access to equity/funding.</p>
<p><b>Just Transition</b> <sup>[c][d]</sup></p>	

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**Just Transition Analysis**

The lack of energy access in underserved communities across Africa has significantly hindered economic and social development, creating a cycle of poverty, inequality, and exclusion. Energy is essential not only for basic needs but also for job creation, economic development, and climate resilience. Without reliable electricity, these communities struggle to break free from the constraints that limit their growth and opportunities.

One of the primary impacts of limited energy access is the lack of job opportunities. Small businesses and local enterprises are unable to operate effectively without power for basic functions like lighting and communication. This limits entrepreneurial activities and reduces the potential for economic development, leaving many communities dependent on low-paying, informal work. Moreover, energy deprivation prevents access to modern technologies and industries, restricting the ability of these communities to engage in emerging sectors like digital technology, clean energy, and sustainable agriculture.

Equitable development is also hindered, as energy access is a key enabler of inclusion. Communities without electricity are excluded from the benefits of modern education, healthcare, and social services. Without energy, schools struggle to provide quality education, while health clinics cannot store vaccines, run essential equipment, or offer services after dark. This exclusion deepens the inequality gap, particularly for women, children, and marginalized groups who are disproportionately affected by energy poverty.

Further, lack of energy access impedes climate resilience. Without modern energy solutions, communities are unable to invest in sustainable practices such as solar irrigation, renewable energy for local enterprises, or energy-efficient buildings. This leaves them more vulnerable to climate change impacts, such as droughts and extreme weather events, further limiting their ability to adapt and build resilience.

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<b>Just Transition Activities</b>	<p>The project will tackle energy access challenges in underserved African communities through its equity financing facility, which will provide concessional funding for renewable energy projects. This will help drive economic development, create job opportunities, and support small businesses that depend on reliable energy for growth.</p> <p>By offering concessional financing, the project will reduce the cost of capital for renewable energy initiatives, making them more accessible and attractive to private investors. The blended financing model, with additional support from the CTF, will accelerate the deployment of clean energy solutions in regions with the greatest energy deficits.</p> <p>In addition to stimulating economic growth, the project will promote inclusive development by powering essential services such as education and healthcare. This will improve livelihoods, strengthen climate resilience, and foster sustainable growth across Africa's most underserved communities.</p>
<b>Just Transition Indicators</b>	<p>To track the progress of the Just Transition, the monitoring and evaluation framework will include the following indicators: i) the number of people gaining direct access to electricity through new connections, ii) the number of people accessing clean cooking technologies, iii) the amount of private capital mobilized for renewable energy and clean cooking projects, and iv) the number of decentralized DRE and clean cooking companies receiving financing. These indicators will help measure the effectiveness of the transition and its impact on energy access, economic growth, and sustainable development.</p>
<b>For projects/programs with activities in countries assessed as being at moderate or high risk of debt distress, macro-economic analysis to evaluate the potential for the CTF project or program to impact the country's debt sustainability</b> <sup>[c][d]</sup>	
NA	
<b>For public sector projects/programs, analysis of how the project/program facilitates private sector investment</b> <sup>[c][d]</sup>	

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**ASCENT uses blended finance to de-risk DRE investments.** By combining concessional funding from sources like the CTF and GCF with private sector investments, ASCENT reduces the perceived risks that typically deter private investors from entering emerging markets. Concessional funds, such as first-loss equity and junior equity, act as a safety net, offering protection against potential losses and ensuring that private investors are more willing to commit capital to these high-risk, high-reward projects. This de-risking approach allows private capital to flow into DRE sectors that may otherwise be considered too risky.

**The program’s scalability is another key feature that attracts private investment.** ASCENT’s concessional funds are designed to leverage significant additional capital. With each concessional dollar invested expected to attract multiple dollars in private finance, the program creates a leverage ratio of over 10, unlocking substantial commercial investment. This not only increases the volume of funding available for DRE but also allows the program to expand its impact across multiple countries and technologies, driving clean energy solutions at scale.

**ASCENT also focuses on market creation.** The program helps to lower technology costs, support early adopters, and create more attractive market conditions for private investors. Over time, as local financial institutions become more familiar with DRE technologies and their financial viability, they will be more likely to engage in DRE investments independently. By building investor confidence and improving market conditions, ASCENT contributes to the long-term sustainability of clean energy financing.

Through these strategies, ASCENT effectively builds investor confidence by demonstrating the financial viability of DRE projects. The program supports local financial institutions with technical assistance, helping them assess the risks of clean energy investments and gain the expertise needed to independently finance these projects in the future. This not only boosts private sector participation but also strengthens the overall financial infrastructure for renewable energy projects.

**Expected Results (M&R)<sup>6</sup>**

**Project/Program Timeline**

Expected MDB Board Approval date <sup>[d]</sup>	March 2025
Expected project closure date <sup>[d]</sup>	<b>31-Dec-2030</b>
Expected lifetime of project results in years (for estimating lifetime targets)	20 years

**CTF Core Indicators**

**Project-Defined Indicators/Targets**

*Please identify which of the indicators below are relevant to the project proposal, list the corresponding project-defined indicator(s), and report all targets, including disaggregated targets. (See the [CTF Monitoring and Reporting Toolkit](#) for additional guidance.)*

<sup>6</sup> Expected results include combined results from ASCENT REAF and REAF2 as the two regional facilities complementing each other. GHG emission reductions (tCO<sub>2</sub>e, lifetime ERs) includes 4.41 million from REAF and 10 million from REAF2. Installed RE capacity (MW) includes 35MW from REAF and 300MW from REAF2. Number of people with access to electricity includes 5 million from REAF and 7 million from REAF2. Number of people with access to clean cooking includes 1 million from REAF and 5 million from REAF2.

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<b>CTF 1: GHG emissions reduced or avoided (mt CO<sub>2</sub> eq)</b>	
<i>Annual</i>	721,000
<i>Cumulative Lifetime</i>	14,420,000
<b>CTF 2: Volume of direct finance leveraged through CTF funding (\$)</b>	<i>Indicator calculated from the co-financing section below</i>
<b>CTF 3: Installed capacity of RE as a result of CTF interventions (MW)</b>	
<i>Wind</i>	-
<i>Solar</i>	-
<i>Hydro</i>	-
<i>Geothermal</i>	-
<i>Other/Mixed</i>	-
<i>TOTAL</i>	335
<b>CTF 4: Number of additional passengers per day using low-carbon transport</b>	
<i>Female</i>	n/a
<i>Male</i>	n/a
<i>TOTAL</i>	n/a
<b>CTF 5: Energy savings as a result of CTF interventions (GWh)</b>	
<i>Annual</i>	-
<i>Cumulative Lifetime</i>	-
<b>Please also submit the full project results framework to the CIF Secretariat upon MDB Board approval of the project.</b>	
<b>CTF Co-Benefit Indicators</b>	<b>Project-Defined Indicators/Targets</b>
<i>Please identify one or more expected co-benefit indicators—i.e., other social, economic, environmental benefits beyond the CTF core indicators—that the project will track and report.</i>	
<b>CTF Co-Benefit (e.g., Gender, employment, energy access, social inclusion, health and safety, fuel savings, competitiveness and industrial development, SDGs):</b>	Number of people with access to electricity: 12,000,000 Number of people with access to clean cooking: 6,000,000
<b>Expected Date of MDB Approval</b>	
March 2025	

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**Version: October 2024**

Link to Documents Management – [here](#)

CCH – [here](#)

CIF Website – [here](#)

CIF Pipeline Management and Cancellation Policy - [here](#)

CIF Financial Terms and Conditions Policy updated for FY24 - [here](#)

CIF Operational Modalities For New Strategic Programs - [here](#)

CTF (DPSP V-FUTURES) Futures Window Design Document [here](#)

CTF M&R Toolkit – [here](#)

FY25 Pricing Policy - [here](#)

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