

# Fostering climate resilience and a just energy transition for Africa through evaluative evidence

**E**conomic development is impossible in the dark, yet around 600 million Africans still have no access to electricity. For those who do, consumption remains constrained by high costs and poor service quality. Energy supply is one of Africa's greatest infrastructure challenges, with 30 countries already experiencing regular power shortages and many paying high premiums for emergency power supplies. Given the continent's relatively low level of legacy energy infrastructure and the falling cost of renewable energy technologies, there is an opportunity for Africa to pivot to clean energy solutions.

The African Development Bank's 7<sup>th</sup> General Capital Increase prioritizes harnessing Africa's large, untapped clean energy sources. The Bank also has a new Climate Change and Green Growth Strategic Framework to ensure that all the projects it finances are aligned with the Paris Agreement and help Regional Member Countries (RMCs) shift to a low-carbon pathway. A recent political evolution came with the 2021 Glasgow Climate Pact, which acknowledges a "Just Energy Transition". A just transition for Africa takes into consideration the fact that the continent has barely contributed to historical greenhouse gas emissions and accounts for only a small share of current emissions. For African countries, the transition must also adequately consider other criteria necessary to achieve SDG 7, such as finance, technology development, and capacity building. With the tendency to preclude new investment in coal power generation, and the slow pace of energy transition to a low carbon pathway compared with Africa's development needs, natural gas is being touted as a possible bridging fuel to renewables.

In supporting RMCs to build their climate resilience and transition to clean energy, the

African Development Bank can draw on a wealth of evidence produced by Independent Development Evaluation (IDEV) to inform its policies, strategies, frameworks and operations in the areas of power, energy, climate change and green growth. A key evaluation, *Mainstreaming Green Growth & Climate Change into the African Development Bank's Interventions (2021)* and others provide the following main findings, lessons, and recommendations for the Bank.

## Policy and strategy considerations

The Evaluation of the African Development Bank's Assistance to the Energy Sector (1999–2018): Refocusing Support for Improved and Sustained Energy Access in Africa (2020) points to the need for RMCs to enhance their capacity to formulate and implement comprehensive energy policies. These should encompass long-term power development plans, energy security strategies, and energy efficiency/conservation plans. To this end, evaluations recommend strengthening Bank assistance to countries by increasing the use of non-lending instruments, such as analytical work and technical assistance, and by strengthening policy dialogue based on established, well-structured national sector reform strategies and road maps.

## Financing sustainability: more support to improve power utility organizational and operational capacity

Evaluative evidence (e.g. *Impact Evaluation of the Kenya Last Mile Connectivity Project, Phase 1 (2022)*) shows that long-term maintenance of electricity infrastructure in RMCs is associated with the strength of a power utility's business model. IDEV therefore recommends

that the Bank increase support for interventions that strengthen the organizational and operational capacity of power utilities in RMCs. Priority areas of action include investments that balance power generation, transmission, and distribution; and a holistic approach to electricity cost drivers, innovative subsidy design, and electricity pricing.

To increase the Bank's funding to countries and to the private sector in sustainable energy access, the Evaluation of the African Development Bank's Assistance to the Energy Sector (1999–2018): Refocusing Support for Improved and Sustained Energy Access in Africa (2020) also recommends scaling up blended finance approaches that mobilize more private sector investments and creative concessional finance. They also show that technical assistance and adequate project preparation help optimize the investments.

## Regional power interconnections for climate change resilience


Regional power interconnections foster climate resilience by enabling resource-poor countries to tap into cheaper, cleaner sources of energy with limited greenhouse emissions. However, evaluative evidence from the *Powering Africa Through Interconnection: Cluster Evaluation Report (2018)* shows that to achieve long-term results, multinational projects require sustained political commitment from participating state-parties.

Focusing on learning about green growth and climate change mainstreaming at the country level is imperative. In Mozambique for example, there is evidence that lessons learned from using green growth and climate change approaches and technologies in the agricultural sector are being leveraged for other projects. Sharing lessons and experience across projects and

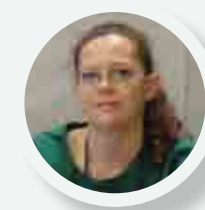
among staff in a Bank-assisted ministry or department has the under-reported effect of lessons being adopted and applied.

## Integrated solutions spur rural socio-economic development

Evaluation evidence shows that integrated solutions in rural areas have a sustained development impact (*Spurring Local Socio-Economic Development Through Rural Electrification: Cluster Evaluation Report (2018)*). They optimize the productive use of electricity and help foster rural business development and expansion. Integrated solutions require more synergy between rural electrification interventions and other rural development interventions involving energy services, e.g., agricultural, commercial and industrial activities.

An effective rural electrification strategy requires additional measures to promote economic activities that spur the productive use of electricity in electrified areas: integrating complementary interventions (e.g., microfinance services, vocational training services, sensitization campaigns, etc.) that link electricity access to income-generating activities. 

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**Impact Evaluation of the Kenya Last Mile Connectivity Project, Phase 1 (2022)**



**Evaluation of Mainstreaming Green Growth & Climate Change into the African Development Bank's Interventions (2021)**

**Evaluation of Mainstreaming Green Growth & Climate Change into the African Development Bank's Interventions—Energy and Transport Cluster (2021)**



**Evaluation of the African Development Bank's Assistance to the Energy Sector (1999–2018): Refocusing Support for Improved and Sustained Energy Access in Africa (2020)**

**Evaluation of the African Development Bank's Program Based Operations: Energy Governance Cluster (2019)**

**Spurring Local Socio-Economic Development Through Rural Electrification: Cluster Evaluation Report (2018)**

**Powering Africa Through Interconnection: Cluster Evaluation Report (2018)**

