

Harriett Baldwin, MP
Minister of State for International Development
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XX February 2019

Dear Minister

World Bank investments in decentralised renewable energy

I wanted to write to you in support of increased investment and transparency in renewable energy, by large financial institutions such as the World Bank. In particular, decentralised (off-grid and mini-grid) renewable energy for the poorest, to achieve energy for all by 2030. UK government support for this would demonstrate the UK's strong climate leadership on the Paris Agreement and transitioning to a net zero emissions future.

In addition to thousands of Tearfund supporters, I strongly believe that increased investment in access to decentralised renewable electricity is crucial if we are to achieve success across the SDGs. As highlighted in research undertaken by Tearfund and ODI (*Pioneering Power, 2018*), access to affordable, reliable, clean and safe energy can transform people's health, education, women's empowerment and gender equality. Furthermore, off-grid renewable electricity has often been found to be the quickest and most cost-effective way to connect poor people in remote areas to modern energy.

The International Energy Agency (IEA, *Energy Access Outlook 2017*) finds that, in order to achieve energy for all by 2030 (SDG 7), new investments will need to be more balanced across grid extension, mini-grids and off-grid renewable energy (receiving 29%, 48% and 23% of total additional investment respectively). This indicates that the lion's share of additional investment in energy access, or 71%, should go to decentralised renewable solutions, rather than relying on the traditional approach of grid extension and large energy infrastructure.

The World Bank Group (WBG) increased its investments in off-grid renewable energy to \$600m in 2018, which is a move in the right direction, but this is still a small amount compared to the billions of dollars it invests overall in energy and the large gap in finance to reach SDG 7.

Given the World Bank Group is the single largest channel for UK energy access support, the UK Government should bring pressure to bear on the WBG Board and with Senior Management. The UK has a key role in championing the shift away from fossil fuels to sustainable energy and rapidly scale up investment in off-grid renewable energy.

To this end, I urge you to raise with the WBG the need to develop a roadmap on how it will scale up its energy access investments to contribute to SDG 7. The WBG should improve the tracking of its finance for energy access and publish the results in a transparent way. This should include reporting and tracking its off-grid and mini-grid renewable energy investments, as a share of the total energy portfolio spending annually, with a breakdown by country. The WBG should also measure how many people have gained access to affordable, reliable, sustainable and safe modern energy as a result of its investments, rather than direct and inferred electricity connections. This would be in line with the WBG SDG 7 Tracking report and surveys, as well as the SDG 7 definition of energy access and reaching the poorest.

I appreciate the UK supporting Agenda 2030 and I look forward to hearing from you about how the UK is holding the WBG to account, to speed up action to achieve SDG 7, reduce poverty and boost economic development.