



## Comments from the Federal Ministry for Economic Cooperation and Development on the DEval Evaluation Report: *Access to (Green) Energy in Rural Africa*

### Summary

The Federal Ministry for Economic Cooperation and Development (BMZ) welcomes the report *Access to (Green) Energy in Rural Africa* submitted by the German Institute for Development Evaluation (DEval).

That evaluation examines Germany's contribution to initial energy access in rural Africa, based on a total of 72 projects under Technical and Financial Cooperation. In addition, the evaluation takes a comprehensive look at the BMZ's energy portfolio in Africa. The conclusions and recommendations of the evaluation are to be drawn upon as the BMZ designs its future projects on decentralised renewable energy in Africa.

The report puts a focus on solutions involving (off-grid) stand-alone solar systems such as solar-powered irrigation pumps and refrigerators. It gives special attention to whether such systems can improve the financial situation of women. Another technology included in the evaluation is mini-grids.

The evaluation is based on case-centred and cross-case data collection and analysis, using both qualitative and quantitative methods. Data was collected in the three countries selected for the evaluation: Benin, Uganda and Senegal. The importance of this evaluation for development cooperation is evident from the fact that lack of access to modern energy is one of the main factors that prevent or severely constrain socio-economic development. It is the goal of the United Nations to ensure access to affordable, modern, reliable energy for all by 2030 (SDG 7).

Lack of access particularly affects people in sub-Saharan Africa, where about 600 million people

have no electricity and 900 million have no access to modern and clean cooking energy.

### Findings of the evaluation

In the BMZ's relevant portfolio, most projects involve approaches that broaden energy access by expanding the central grid – in alignment with the priorities of its African partner governments. About 10 per cent of the energy portfolio deals with decentralised energy access for remote rural regions.

DEval's conclusion is that those parts of the BMZ's energy portfolio in Africa that focus on energy access in rural areas are partially relevant, partially effective, partially sustainable and **largely coherent**. In other words, the results are mixed, depending on the country context.

The income-generating (productive) use of renewable energy from solar systems by small enterprises proved to be impactful in most cases. The mini-grids evaluated turned out to be less impactful for the productive use of energy. There are enormous financial challenges for the economically viable operation of mini-grids.

### Relevance of the findings

The evaluation is of great strategic relevance for the BMZ since the findings are to be used for the BMZ's efforts to design its future portfolio in the energy sector. In line with the findings, the BMZ considers that, in the field of **energy access in Africa**, there is potential for designing its work accordingly, especially regarding the **expansion of decentralised solutions**.

The BMZ will explore to what extent it can support clean cooking energy in a more targeted way as part of its overall portfolio.

## DEval recommendations and BMZ conclusions

DEval presents three recommendations.

The **first** is that the BMZ should align its energy portfolio more closely with the needs and **financial capacity of women and girls and energy-poor population groups** in order to expand initial energy access and to deliver on its own ambitions and comply with international agreements.

This focus is also in line with the priorities of the BMZ leadership and informs the BMZ's strategic deliberations on how to design its energy portfolio.

**Second**, the BMZ should expand its portfolio for the targeted **promotion of productive use of renewable energy in Africa**.

In order to make sure that solar solutions in the productive sphere are sustainable, it must be ensured that even more attention is given to repair and maintenance. Ownership on the part of micro, small and medium-sized enterprises (MSMEs) and their financial capacity, as well as the availability (or lack) of expertise in rural areas are key factors that determine the success of such solutions.

The BMZ has already taken up this lesson from its decentralised energy initiatives and programmes, for example by setting up the new Clean Energy and Energy Inclusion foundation.

The **third** recommendation says that the BMZ and its implementing organisations should make the **outcomes and impacts** of decentralised approaches to energy access in rural Africa **more durable**.

The BMZ, too, considers the sustainability of impacts as a key aspect in its cooperation with its partners. The BMZ will explore openings for strengthening the economic viability and sustainability of its programmes and take account of this as it plans further projects, including, for

example, in the field of the voluntary carbon market.

The BMZ attaches importance to finding differentiated operating models, not least in view of the fact that models which do not recover costs would require permanent subsidies. There is a need for operators with adequate financial and technical capacity – which are very rare in Africa's energy-poor regions.

The BMZ would like to thank DEval for the findings and recommendations described in the report.

Generally, the BMZ is committed to making sure that its development cooperation contributes substantially to the SDGs, and specifically to SDG 7.

From 2000 to 2021, Germany's commitments for its portfolio of energy projects in Africa totalled 8.1 billion euros, making Germany the biggest bilateral provider of ODA in this sector during that period. Over the past five years (2019 to 2023), the BMZ disbursed about 835 million euros for bilateral energy projects in Africa.

The BMZ will explore to what extent it can apply the DEval recommendations in its cooperation with African partners and how it can use them to maximum benefit for its energy portfolio.

We are intensifying the discussion on approaches and challenges regarding power supply based on decentralised renewable energy systems, with a view to further aligning the BMZ's portfolio with existing needs. To that end, we will give special attention to the experience gained to date and to the scalability of successful approaches. We will also put a special focus on ensuring that projects are (gender-)equitable and sustainable.

*The DEval report Access to (Green) Energy in Rural Africa can be downloaded at*

<https://www.deval.org/en/evaluations/our-evaluations>.

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