

1. It is unacceptable that due to the population growth and low electrification rates the number of people without access to electricity risks to increase in the foreseeable future. The World Bank should set clear quantitative access to electricity targets in order to underpin that a dramatic policy shift is needed. Rural Electrification must significantly outpace population growth: **ARE urges the World Bank and policymakers to strive towards halving the percentage of people without access to electricity by the year 2025. The objective is to bring electricity to more than 800 million people by 2025. As a consequence average electrification rates<sup>[1]</sup> in this period should be at least 2,5 % above the population growth.** This objective is ambitious but it can be achieved provided that determined actions are taken now.
2. In recent years renewable energy technologies have made a giant leap in terms of costs and effectiveness. Due to this ongoing trend and excellent natural conditions the potential for the large scale use of renewable energy technologies in developing countries has increased dramatically. The objectives of accelerated economic growth, higher electrification rates and the mitigation of climate change can only be reconciled with the massive use of renewable energy. **Therefore the World Bank should make renewable energy a core pillar of its energy strategy.**
3. For most developing countries grid extension and large infrastructure projects are not economical viable strategies for electrifying rural areas. The World Bank should prioritize **decentralized electricity generation on the basis of renewable energy** as an indispensable solution for cost-effective, sustainable and accelerated rural electrification.
4. Most developing countries have specialized **rural electrification agencies**. Many of these institutions are underfinanced and apply ineffective schemes. It is of utmost importance to enable these institutions to bring rural electrification to the above described level. Enhanced efficiency, accountability and sufficient financial resources are indispensable. The World Bank Energy strategy should intensify its technical assistance for these agencies.
5. **Private local energy service providers** (providers of energy home systems, operators of energy centres and mini-grid) are the cornerstone of sustainable rural electrification. For these stakeholders capacity building, enabling policies (legal framework) and effective financing schemes are of utmost importance and should be reflected among the World Bank's priorities in the field of technical and financial assistance. The World Bank should forgo any development project which could distort and crowd out private initiatives. The World Bank should encourage governments to gradually phase out subsidies on traditional energy sources.

7. In the light of the **Paris declaration** efforts undertaken by the World Bank have to be efficiently coordinated with other development institutions and initiatives. ARE emphasizes the need for coordination with the Africa EU Energy Partnership (AEEP) which is a suitable framework for strengthening the energy sector in Sub-Saharan Africa.

8. In many statistical overviews and official publications the World Bank continues to amalgamate **“energy efficiency” and “renewable energy”**. The term “energy efficiency” covers a wide range of projects involving fossil energy technologies. The combination of such a broad term with renewable energy dilutes any meaningful message. Therefore ARE recommends to strictly separate both terms.

---

<sup>[i]</sup> Defined as the following annual rate: number of people who get access to electricity divided by the number of people without electricity