Public Disclosure Authorized

Public Disclosure Authorized

Federal Democratic Republic of Ethiopia

Proposed Renewable Energy Guarantees Program

Chair Summary*

May 23, 2019

The Executive Directors approved the Renewable Energy Guarantees Program (REGREP) for the Federal Democratic Republic of Ethiopia under the Multi-phase Programmatic Approach, with an overall envelope of up to US$200 million, and with Phase 1 IDA guarantee of up to US$10 million for the Metehara Solar independent power producer (IPP), on the terms and conditions set out in the President's Memorandum. Directors authorized Management to commit guarantees for this MPA program in phases.

Directors expressed strong support for Ethiopia's transition under the proposed REGREP from publicly financed power sector infrastructure towards competitively procured, private sector-led expansion of renewable energy generation and energy storage capacity.

Directors appreciated the innovative and agile nature of the program with the first ever MPA for IDA guarantees, which allows to harness Ethiopia's potential for renewable energy. They called for attention to the complementarity with DPO operations and noted the importance of improving debt management. They also inquired about the approach used in determining the types of instruments to ensure the effective use of the WBG resources.

Directors took note of the risks associated with the implementation of the program and the mitigation measures, notably, relating to macroeconomic reforms, sector financial viability, implementation capacity, community involvement and safeguard management.

Directors encouraged the Bank to pursue and strengthen technical assistance and capacity building activities and underlined the importance of effective coordination among the development partners to continue supporting the implementation of the power sector reforms.

*This Summary is not an approved record.