



Department for  
Business, Energy  
& Industrial Strategy

# Energy Sector Management Assistance Programme

Annual Report 2024

May 2024

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## Section A: Summary and overview

<b>Title:</b> Energy Sector Management Assistance Programme (ESMAP)		
<b>Programme Value £ (full life):</b> up to £45.1m <sup>1</sup>		<b>Review date:</b> January 2024 – December 2024
<b>Programme Code:</b> GB-GOV-13-ICF-0033-ESMAP	<b>Programme start date:</b>	<b>Programme end date:</b> December 2027

Year	2019	2020	2021	2022	2023	2024		
<b>Overall Output Score</b>	A	A+	A	A	A	A		
<b>Risk Rating</b>	Moderate	Moderate	Minor	Minor	Minor	Moderate		

<b>Link to Business Case:</b>	<i>Business Case</i>
<b>Link to Logframe:</b>	<i>Logframe 2024</i>
<b>Link to previous Annual Review (if appropriate)</b>	<i>Annual Review 2023</i>

### Description of programme

The World Bank Energy Sector Management Assistance Program (ESMAP) is a well-established World Bank programme which has been in operation for 42 years. The multi-donor trust fund has over 20 donors. The aim of ESMAP is to help low- and middle- income countries reduce poverty and boost growth through sustainable energy solutions.

The UK Department for Energy Security and Net Zero (DESNZ) committed £45.1m to ESMAP through the DESNZ ESMAP Energy Transitions Business Case across 2018-2027. This includes a £1.4m contribution to the World Bank's Donor Funded Staffing Programme (DFSP). The original business case covered the period 2018 to 2024. In December 2023, a no-cost time extension was finalised to extend the timeframe of the Business Case from 2024 to 2027. In addition, the final £3m Promissory Note (PN) was laid in December 2023. As of December 2024, an RDEL commitment of £45.10m (£43.7m encashed for projects & £1.4m for the DFSP Fund) had been encashed, supporting 62 activities to facilitate the global energy transition, including offshore wind and coal transition. The funds committed to the DFSP were paid in November 2018 and January 2021. An Offshore Wind expert was funded for three years at a cost of \$847,084 and a further \$573,039 was earmarked to fund a Hydrogen Senior Energy Specialist for two years. However, the recruitment of the latter was unsuccessful, and the World Bank decided to recruit for this position internally. DESNZ will provide guidance to the World Bank on the allocation of the remaining funds within the DFSP account, either for the future recruitment of specialist consultants or for reallocation to the main ESMAP Umbrella Trust to support Energy Transitions grants.

<sup>1</sup> The original Business Case was for a total of 'up to £37m'; in Financial Year 2021/22, DESNZ added a further £5m to the total amount, with a one-year programme extension to the end of 2024. DESNZ then added a further £3m and the business case was extended until December 2027.

Separately, DESNZ also supports both the ESMAP Industrial Decarbonisation Innovation Fund through the DESNZ Clean Energy Innovation Facility (CEIF), and Carbon Capture, Usage and Storage (CCUS) under the ESMAP Umbrella Trust Fund. The UK Foreign, Commonwealth & Development Office (FCDO) also supports ESMAP. See Annex A.

## ***Summary of progress and supporting narrative for the overall score***

### **Summary**

The current ESMAP Business Case commenced in 2018. This is ESMAP's sixth annual review. Previous Annual review scores were A (2019), A+ (2020), A (2021), A (2022) and A (2023). This Annual Review assesses the programme performance during the period January 2024 – December 2024. ESMAP has scored an A, which demonstrates that the programme is performing well and is a key vehicle in addressing global energy issues.

The programme has continued to progress well into its sixth year, and we remain confident that the programme will continue to achieve wider impact and support the UK's climate objectives, as outlined in the ESMAP Business Case to “[...] *promote clean growth and take action to tackle climate change, working in partnership with business and international communities.*” A new DESNZ Business Case for £45m has been approved to commit funding for a further three years covering 2024-2027. This funding will support ESMAP to continue to do its work accelerating the energy transition required to achieve Sustainable Development Goal 7 (SDG7) to ‘ensure access to affordable, reliable, sustainable, and modern energy for all’.

Five out of eight outputs have consistently met or exceeded the milestones set at the beginning of the reporting period.

### **Summary ESMAP Activities**

In FY2024, ESMAP received \$80.6 million from five donors (Iceland, Netherlands, Sweden and the UK's Department of Energy Security and Net Zero (DESNZ) and the UK's Foreign, Commonwealth and Development Office (FCDO)). The ESMAP Umbrella Trust Fund for FY24 ESMAP disbursed c.\$74.3 million, a 4 percent decrease compared to the amount disbursed in FY2023. The World Bank, with ESMAP support, mobilised \$5.6 billion in external financing including \$2.7 billion from the private sector, \$2.4 billion from public financing, and \$424 million from MDBs and external trust funds.

In FY2024, ESMAP approved a total of \$193.9 million to support global knowledge work, provide additional financing to existing activities, and finance new activities, including co-financing for World Bank projects as recipient-executed grants (RETFs). Of the approved \$193.9 million, \$152.3 million was committed against new FY2024 grants and is funding the implementation of:

- 184 activities in 65 countries (excluding regional activities)
- 28 activities with a regional focus
- 43 activities with a global focus

### **Summary of DESNZ-ESMAP Funded Energy Transition Activities**

DESNZ encourage the support of projects based on its departmental priorities. Some key highlights from DESNZ-funded projects in 2024 include:

### Offshore Wind

- **The Offshore Wind Development Program (OSW)** has continued to grow and has provided offshore wind support to 26 countries.
- **The OSW Team have conducted both global and country specific work including:**
  - *Global: “Making Offshore Wind Work: Key Factors for Successful Development of Offshore Wind”* (released at WindEurope).
  - A Study into **ground conditions** in six target country areas to identify the seabed type, soil conditions and potential hazards for offshore foundations.
  - A study into **marine traffic** within six target country Exclusive Economic Zone areas to identify potential constraints on the deployment of OSW development areas.
  - **Offshore Wind Roadmaps** were produced for Brazil, Türkiye and South Africa.
- **OSW Country Work:**
  - ESMAP acted as advisor to **Brazil** on implementation of OSW Law, Stakeholder Engagement Plan and Environmental and Social (E&S) Sensitivity Mapping.
  - ESMAP acted as advisor to **Philippines** on GEA-5 scheduled for H2 2025, Offtake auction design, Grid development and OSW Clusters.
  - ESMAP acted as advisor to **Colombia** on upcoming seabed tender, revenue support mechanism, E&S Sensitivity mapping and grid connection.
  - ESMAP provided guidance to **Vietnam** on Sectoral Planning, Procurement and Offshore surveys.
  - **ESMAP** provided **Sri Lanka** guidance on site pre-feasibility and a regulatory gap analysis.
- FY2024 saw progress toward the OSW program’s two main outcome indicators:
  - Government policy/strategy informed for 20 GW of OSW energy by end-FY2024; projects in India, Türkiye, and Viet Nam contributed c.13 GW.
  - Activities supported by development policy loans in Colombia and India contributed 2 GW toward the 20 GW target.

### Supporting Regions in Coal Transitions (Powering Past Coal Alliance ‘PPCA’)

- In FY2024, ESMAP allocated \$2.2 million in technical assistance grants for coal transition activities, funding five new initiatives and three ongoing projects. Fourteen grants were active during the year, with two grants closing. The Coal Transition Initiative supported activities in nine countries and one global study.
- Indonesia – Technical assistance was delivered under the Just Transition and Coal Plant Repurposing Program. This involved an options analysis of the early retirement of coal-fired power plants by Indonesia’s state-owned electric power distribution company PT Perusahaan Listrik Negara and a workshop with Indonesian government.

### Renewable Energy (RE) and Energy Efficiency (EE)

- **Sri Lanka** - ESMAP funded the Floating Solar PV Development Options Study. This directly informed the government's selection of floating solar

projects that can receive further project preparation and risk-mitigation support. A lending operation is expected to be approved as a result in FY 2025.

- **Cabo Verde** - ESMAP provided technical expertise in the implementation of Renewable Energy and Improved Utility Performance Project (REIUP) and the preparation of the additional financing project. ESMAP is supporting the Cabo Verde government to develop a comprehensive Renewable Energy program and strengthen the institutional capacity for the Operador Nacional de Sistema Eléctrico de Cabo Verde (ONSEC), the Regulatory body (ARME) and other sector institutions involved in energy transition under REIUP.
- **Angola** - ESMAP provided a grant to help expand access to electricity and integrate regional markets. The program is building a foundation for guiding government policies on providing electricity access to all Angolans in a financially sustainable way and strengthening Angola's role in the regional market.
- **Colombia** - ESMAP provided a grant aimed at supporting the energy transition and modernisation of the power sector under the Colombia Green and Resilient Program.
- **Bangladesh** - ESMAP's Bangladesh Electricity Distribution Network Transformation grant is providing vital support to Bangladesh Rural Electrification Board (BREB) to help modernise and strengthen the energy system and its supporting institutions to ensure a reliable, affordable, and sustainable electricity supply in Bangladesh.
- **India** - ESMAP helped support the country toward using green hydrogen to decarbonise its industrial and transport sectors. The team developed a green hydrogen roadmap, including technical deep dives and skill studies, and supported the Indian Ministry of New and Renewable Energy in drafting its green hydrogen hub policy. The efforts informed India's national green hydrogen roadmap and resulted in the World Bank's largest development policy operation of \$3 billion to strengthen the policy and regulatory ecosystem across three pillars of green hydrogen, renewable energy, and access to low-cost financing.
- **Brazil** - ESMAP provided funding to support Brazil's Energy and Mines Ministry in implementing the country's national hydrogen strategy. Key areas include mapping the hydrogen value chain, identifying hubs, analysing hydrogen production, and conducting prefeasibility studies for shared infrastructure, especially at the Port of Pecém in the state of Ceará.
- **COP 29** - ESMAP took part in 11 events at COP 29 in Azerbaijan, including events on Tripling Renewable Power Globally by 2030: NDC 3.0 Support to Realize Renewable Energy Targets, Mission 300: Bringing Electricity to 300 million Africans through Innovation and Partnerships and events on unlocking and enabling the potential of low emission hydrogen.

ESMAP helps countries prioritise the most impactful actions that can reduce greenhouse gas emissions and boost adaptation and resilience, while delivering on broader development goals through Country Climate Development Reports. Additionally, DESNZ and ESMAP collaborate to align decarbonisation ambitions and activities within the ecosystem, such as by contributing towards the Breakthrough Agenda Priority Actions.

**Progress against recommendations from last review:**

ID	Recommendation	Progress
R1	<p><b>World Bank to enhance collaboration with international partners and explore partnerships - including with the World Bank Global Facility to Decarbonise Transport (GFDT), Climate Investment Funds (CIF) and Brazil-UK Hydrogen Hub.</b></p> <p>Justification: Increased collaboration amongst partners could have an enhanced impact on the global energy transition. Since there are many components to energy transitions projects, if partners support different aspects, cooperation will accelerate the progress and hence the energy transition in specific recipient countries.</p> <p>For example, there are many elements of transport decarbonisation projects. ESMAP addresses e-mobility challenges, whereas the GFDT is focused on the deployment of e-vehicles, road safety and air quality. Both programmes are currently operating in India, if there was a coordinated approach this could address many aspects of India's transport challenges concurrently. Hence, the ongoing projects would have a bigger impact and increase value-for-money. The UK should leverage their position as a major donor to both programmes to endorse this collaborative approach.</p>	<p><b>Ongoing/ Achieved</b></p> <p>In FY23 ESMAP informed 91% of WB operations and in FY24 ESMAP informed 86% of WB energy projects.</p> <p>ESMAP has actively collaborated with GCF, GEF, CIF, AFD, IRENA, SE4All, and others. Examples of coherence and complementarity include:</p> <ol style="list-style-type: none"> <li><b>1. Climate Investment Funds:</b> In 2024 ESMAP TA supported the implementation of 28 CIF projects, ESMAP also assisted 24 countries with the development of their CIF Industry Decarbonisation Bids, supported the CIF Renewable Energy Integration (REI) Investment Plans (IP's) for Türkiye, India and the Dominican Republic's IP for the CIF ACT (Accelerating Coal Transition) programme. ESMAP was directly involved in 11 CIF project approvals Project (\$450m) incl. <b>Sustainable Renewable Risk Mitigation Initiative (SRMI)</b> Financial Innovation Window (FIW) (\$150m).</li> <li><b>2. E-Mobility Road Map and Pilot in Malawi:</b> ESMAP has collaborated with the Global Facility for Disaster Reduction and Recovery to support the development and</li> </ol>

		<p>implementation of the E-mobility road map and pilot project in Malawi. This partnership aims to promote sustainable transportation solutions in the region.</p> <p><b>2.2 Accelerating Decarbonisation in the Pacific Islands:</b> Building on the success of the initial GFDT-funded grant of \$350,000 for the "Reducing Car Dependency" project, ESMAP and the FCDO have funded a \$1.5 million follow-up project titled "Accelerating Decarbonisation of the Road Transport Sector in Papua New Guinea and the Pacific Islands." This new initiative aims to advance the sustainable mobility agenda by supporting investments and policy reforms that will mitigate greenhouse gas emissions and create more liveable cities.</p> <p><b>3. Brazil Hubs for Energy Transition:</b> ESMAP and DESNZ have aligned their efforts in Brazil to support energy transition, offshore wind, and industrial decarbonisation. These efforts are in line with the ambitions of the Brazil-UK co-convened country platforms, known as the Brazil Industrial Decarbonisation Hub and the Brazil Hydrogen Hub.</p> <p><b>4. Green Climate Fund (GCF) -</b> ESMAP has supported the Implementation of three</p>
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		<p>facilities and supported the development of the ASCENT Green proposal.</p> <p><b>5. Global Environment Facility (GEF) - ESMAP</b> supported the implementation of seven projects and helped secure project approvals such as the PCB removal program (removal of chemical pollutants from oil refineries).</p> <p><b>6. ESMAP supported the implementation of the Canada Clean Energy and Forest Climate Facility</b> and the Development of the Clean Energy and SIDS Resilience Fund.</p> <p><b>7. Support for Lending Operations:</b> DESNZ-supported ESMAP grants have informed seven lending operations, including projects in Colombia, Namibia, Uzbekistan, and Indonesia. These grants have played a crucial role in shaping and supporting sustainable energy initiatives in these countries.</p> <p>DESNZ has also helped to facilitate communications between World Bank Projects teams, WB HQ and HMG colleagues at Post and within relevant policy areas to enhance complementarity and avoid duplication.</p>
R2	<p><b>Quarterly, ESMAP should share a pipeline of upcoming projects, which are at the implementation stage.</b></p> <p>Justification: This would ensure that DESNZ are aware of the upcoming project pipeline.</p>	<p><b>Ongoing / Achieved Action:</b> ESMAP regularly updates donors on project pipelines of their particular interest and encourages follow-up discussions with in-country</p>



	This would guide when Promissory Notes (PN) are laid, and funds encashed - when there is a clear need for funding. This will ensure that DESNZ funds are spent wisely, and the projects proceed at pace to deliver high quality outputs.	stakeholders, such as donor embassies, to avoid duplication and ensure support is complementary.
<b>R3</b>	<b>Monitoring and Evaluation:</b> DESNZ in consultation with ESMAP to update the current logframe indicators and develop more ambitious milestones in line with the new ESMAP Business Plan. This will reflect the changing nature of the programme, including the increased ambitions.	<p><b>Achieved/Ongoing:</b> Updated version of the logframe was approved in January 2025. Revised indicators and milestones follow the new ESMAP business plan structure which defines 'Energy Transition' as covering renewable energy, transitioning away from fossil fuel, and scaling up energy efficiency, [RE, TAFF, EE]. Updates have also been made to better reflect ESMAP ambition to close the gender gap, and subsequently better align with ICF's commitment to integrate Gender Equality, Disability and Social Inclusion considerations into programmes. Notable updates include:</p> <ul style="list-style-type: none"> <li>a) Milestones for outcomes 1.1 and 1.2 have three milestones to reflect progress against the new 'Energy Transition' scope [RE, TAFF, EE].</li> <li>b) Results will be reported as cumulative.</li> <li>c) Output 3 (<i>Outreach and partnerships help to secure country ownership and assist concerted efforts</i>) indicators updated to monitor number of conferences led by regional networks for women and knowledge sharing events hosted.</li> </ul> <p><b>Recommendation:</b> Share any further log frame recommendations with WB after the 2024 ICF Results Collection.</p> <p><b>Action:</b></p>

		DESNZ will work with the World Bank on an annual basis to increase data coverage and supporting evidence for TA KPIs 1 and 3, to enhance data quality and alignment with KPI methodologies, reduce risks and enable more detailed disaggregation.
<b>R4</b>	<b>Donor Fund Staffing Programme:</b> Revise the process of the DFSP such that the World Bank manages the role advertisement and recruitment process for experts. Explore whether the World Bank can amend the process such that donors can recruit candidates from Official Development Assistance (ODA) eligible countries.	<b>Ongoing:</b> The recruitment for the Hydrogen Expert was unsuccessful as the expert selected declined the offer. The WB recruited this position internally instead. <b>Action:</b> The remaining funds within the DFSP may be used to fund other consultants / experts or reallocated to the ESMAP Umbrella Trust Fund to support further DESNZ.
<b>R5</b>	<b>Share lessons amongst recipient countries:</b> Lessons should be shared with recipient country governments across thematic areas, facilitated by ESMAP.	<b>Ongoing / Partially Complete:</b> ESMAP Knowledge Exchange Forum, Monthly Newsletters, widening the dissemination of ESMAP publications and other knowledge resources (such as training tools, videos/blogs, data, communities of practise, live wires, country briefs and impact stories) as well as through knowledge exchanges among clients, partners, donors and other stakeholders.

### Major lessons and recommendations for the year ahead

- Governance/programme management:** Disbursement rates – The disbursement levels are influenced by the growing share of recipient-executed grants, which have a longer lifespan (five-seven years) compared to bank-executed projects (two years). The increase in recipient-executed grants has led to a decrease in rate of overall disbursement levels due to their longer project durations. Many of these delays are explainable and RETF are key to implementation and creating country ownership. **ESMAP has accelerated the disbursement of donor funds since 2022, however this must be sustained and further improved.** Disbursement of ESMAP activities (excluding admin costs) increased in FY24 by 45% since FY22. The new ESMAP Business Plan intends to increase the proportion of recipient executed projects which take longer to implement. ESMAP must assess the progress of projects and implement improvements as appropriate. It should be noted that Post-COVID, disbursement levels have decreased as the fast-dispersing COVID projects have transitioned to

standard recipient-executed projects with longer durations. ESMAP monitors grant disbursements quarterly and engages operational teams on how to accelerate disbursements.

- **Coherence and Complementarity with other ICF programmes and international partnerships:** In a scenario with reduced aid, collaboration and synergy are crucial. To ensure ESMAP continues to work efficiently and productively, it should enhance coherence and complementarity both within the World Bank (GFDT, CIF) and with international partners such as Green Climate Fund (GCF), Brazil Industrial Decarbonisation and Hydrogen Hub, Global Clean Power Alliance (GCPA) and UK Pact. This could be achieved through regular communication and joint planning including the development of joint country action plans to harmonise procedures and avoid duplication. Strengthening partnerships with philanthropic organisations and NGOs would also be beneficial to develop co-funding, shared research, and coordinated advocacy efforts.
- **Monitoring and Evaluation:** Select WB project teams to share bi-annual updates on projects to enable donors to see the impact of their funding, reduce duplication and ensure complementarity with other donor and partner funded work. HMG colleagues at Post would like to see more consistency in the reporting by country/activity.

ID	Recommendation	Deadline
R1	<p><b>Disbursements:</b> The disbursement levels are influenced by the growing share of recipient-executed grants, which have a longer lifespan (five-seven years) compared to bank-executed projects (two years). The increase in recipient-executed trust funds (RETFs) has led to a decrease in rate of overall disbursement levels due to their longer project durations. Many of these delays are explainable and RETF are key to implementation and creating country ownership. <b>ESMAP has accelerated the disbursement of donor funds since 2022, however this must be sustained and further improved.</b></p>	<p><b>December 2025:</b></p> <p><b>Action:</b> ESMAP must assess the progress of projects and implement improvements as appropriate, notifying funders of any substantial delays. ESMAP should identify appropriate ways to accelerate disbursements and impact, and generate a better shared sense of the “right” level of disbursement rate in different categories, such that this is not an impediment to ESMAP’s ability to raise and deploy further funds</p>

R2	<p><b>Coherence and Complementarity:</b> Continue to explore further collaboration with other development partners and initiatives (CIF, GFDT, GCF), HMG colleagues at Post in project countries or in other topic areas (and track indicators on collaboration). Consider funding projects based on their complementarity with existing work in the region, and with other donor funding in the sector / geography.</p> <p>To maximise impact and efficiency, ESMAP should:</p> <ul style="list-style-type: none"> <li>• Collaborate with development partners like CIF, GFDT, and GCF, and engage with donor embassies in project countries or relevant areas.</li> <li>• Track indicators on collaboration to measure effectiveness.</li> <li>• ESMAP to consider funding projects based on their complementarity with existing regional work and alignment with other donor funding in the sector or geography.</li> </ul> <p>This approach will enhance synergies, avoid duplication, and ensure strategic use of resources.</p>	<p><b>December 2025</b></p> <p><b>Action:</b>  <b>DESNZ</b> should facilitate communication between World Bank project teams, WB HQ, and HMG colleagues to enhance complementarity and avoid duplication.</p> <p>ESMAP should increase communication between WB Country Leads, project teams, and Donor Embassies for projects in countries with strong donor presence or support to share updates on project pipelines and progress, ensuring comprehensive mapping of international assistance and identifying gaps.</p>
R4	<p><b>Monitoring and Evaluation:</b> Project Progress - ESMAP Task Team Leaders (TTLs) should provide regular implementation updates on project progress, including context, goals and approaches, progress and outlook, as well as risks and delays. These updates should, where possible, reflect logframe indicators such as reports published, international knowledge-sharing events hosted, and policies adopted as a result of ESMAP support. ESMAP will continue to improve the information on its project portal and dashboard to enable donors and their embassies to access up to date project details and publications more independently.</p>	<p><b>Bi-annually/ continuously:</b> To enhance collaboration, ESMAP TTLs should provide regular implementation updates on project progress, country plans, and pipelines in key countries of donor interest. HMG embassies could also participate in DESNZ/ESMAP meetings where relevant, ensuring stronger engagement. Additionally, ESMAP can make better use of its project portal and dashboard by consistently uploading key project details,</p>

		<p>reports, implementation ratings, documents, and communications.</p> <p>Strengthening its communications network will also allow ESMAP to share events, publications, and successes more effectively, helping all donors and stakeholders stay informed and engaged in its initiatives.</p>
R5	<p><b>Monitoring and evaluation:</b> Log frame and KPI's. DESNZ in consultation with ESMAP will collaborate to ensure the DESNZ logframe aligns with the new ESMAP Business Plan. This process will account for the evolving nature of the programme and its increasingly ambitious objectives.</p>	<p><b>August 2025 Action:</b>          DESNZ in collaboration with ESMAP will review the ESMAP TA KPI reporting requirements and, if needed, update them with additional TA KPIs to improve data quality, strengthen alignment with KPI methodologies, mitigate risks, and enable more detailed disaggregation. Both parties should continue efforts to expand data coverage and enhance supporting evidence for TA KPIs 1, 3, and 15.</p> <p>Additionally, DESNZ in collaboration with ESMAP should finalise the remaining indicator milestones and transition to a new log frame for FY2025–FY2027 reporting.</p>

## Section B: Theory of change and progress towards outcomes

### Theory of Change

The transformational change that DESNZ funding to ESMAP aims to generate is that countries reduce emissions by transitioning from unabated coal-fired power

generation. At outcome level, ESMAP's technical assistance creates the conditions for transitioning to alternatives to coal by strengthening institutions and building capacity in key countries to support the transition.

ESMAP achieves this by:

- Improving the design of national energy markets to better favour renewable energy over investment in unabated coal-fired power generation.
- Strengthening institutions and policy frameworks to improve the enabling environment for alternatives to coal.
- Increasing capacity in countries to plan the transition from unabated coal, including through increased capacity to deploy offshore wind.

At output level, ESMAP addresses barriers to the energy transition by:

- Catalysing financing for renewable energy and energy efficiency projects.
- Increasing capability in partner countries to build pipelines for just transitions from coal, including offshore wind.
- Supporting outreach and partnerships to help secure country ownership and ambition.

The inputs to deliver ESMAP's objectives are DESNZ funding, World Bank energy expertise and capability, and UK experience on offshore wind and transitioning away from coal.

A diagrammatic version of DESNZ's theory of change for ESMAP is in Annex C.

### ***Progress against the expected outcomes and impact, and actions planned for the year ahead***

#### **Impact Indicators:**

Overall, ESMAP is delivering as planned, as evidenced by the impact indicator results in 2024. For impact indicator 1.1, 14 target countries amended or developed new policies, regulations, or legislation to support a transition away from unabated coal-fired power generation since programme inception.

For example, in Uzbekistan, ESMAP helped the government scope new Renewable Energy bylaws, procurement strategies, and technical standards, enabling tenders for five solar projects under the Scaling Solar Program. ESMAP also paved the way for 1 GW wind and solar programs through partnerships with the European Bank for Reconstruction and Development (EBRD) and the Asian Development Bank (ADB). Additionally, the Transmission Grid Code was finalised to promote Renewable Energy and market-based sector operations. ESMAP supported the operationalisation of Decree #166 on Energy Sector Reforms, which approved the unbundling of National Electric Grids of Uzbekistan (NEGU) and the development of a wholesale market. Support was also provided for reviewing the Electricity Law, Grid Code, Wholesale Market Rules, and other Renewable Energy-related documents.

In Brazil, the Offshore Wind Bill was signed into law in January 2025, establishing a regulatory framework to drive offshore wind production, strengthen energy security, and boost national industry. ESMAP is supporting the government in building foundational elements like seabed leasing.

These examples indicate that ESMAP's consultation, roadmap development, and technical workshops are having an increasingly sustainable and meaningful impact in target countries.

Data was not reported on Impact Indicator 1.2: 'decrease in expected unabated coal-fired power generation in target countries' since it was a one-time deliverable which contained 2023 estimate numbers for Viet Nam and Türkiye only. Two new impact indicators have been approved for the 2025 log frame. The impact indicators in 2025 will be:

- 1.1 KPI15: The extent to which ICF intervention is expected to lead to Transformational Change.
- 1.2 Impact Indicator 1.1: Target countries amend or develop new policies, regulations or legislation that support a transition away from unabated fossil fuel generation.
- 1.3 Gigawatt (GW) of renewable energy capacity enabled.

### **Outcome Indicators:**

While results were deemed acceptable, milestones were narrowly missed for Outcome Indicators 1.1 and partially for 1.2. Overall, a score of 4 was awarded (**partial evidence of transformational change**) in the 2025 results note. Table 1 outlines the planned and achieved outcome scores for ESMAP against energy efficiency, renewable energy, economic and social transitions from coal and offshore wind for outcomes 1.1 and 1.2.

The strengths of ESMAP over the past year include:

- Demonstrating strong performance in leveraging private and public financing with \$2.6 billion reported as mobilised<sup>2</sup> in 2024, which is \$0.9 billion more than the previous year (Output Indicator 1.2).
- Facilitating three countries to amend or develop new policies, regulations or legislation that support a transition away from unabated coal-fired power generation (Outcome Indicator 1.2).
- ESMAP OSW - Two countries have developed and published country roadmaps, with another due to published by mid-2025 (Output Indicator 2.3).
- ESMAP has a strong gender component aligned with the World Bank Group Gender Strategy and has a Gender and Energy Program, which includes six regional gender programs. Gender formed a key part in most proposals supported by DESNZ.

The areas for further development include:

- Milestones were missed for Energy Efficiency, Powering Past Coal Alliance and Offshore Wind target countries to confirm that ESMAP support improved their institutional capacity to transition from unabated coal-fired power generation. Despite this there was notable progress of Offshore Wind Development in 2024, suggesting there is potential to further engage with beneficiaries of OSW TA.

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<sup>2</sup> \$378,350,000 of private finance reported mobilised in 2024, was from previously approved lending projects which were only reported in 2024.

- Revisions to the scope of the ESMAP programme as per the business case extension (2025-2027) will need to be considered for results collection and scoring in 2026 when reflecting on progress against the 2025 results note.

**Table 1: Outcome data ESMAP 2024/25**

	<b>Outcome 1.1:</b> Countries confirm, and evidence, use of ESMAP-informed policy, regulation, legislation, strategy or planning support in decision-making.			<b>Outcome 1.2:</b> Target countries confirm that ESMAP support improved their institutional capacity to transition from unabated coal-fired power generation.		
	<b>Planned for 2024</b>	<b>2023 achievement</b>	<b>Achieved in 2024</b>	<b>Planned for 2024</b>	<b>2023 Achievement</b>	<b>Achieved in 2024</b>
<b>Energy Efficiency</b>	12	9	11	8	6	7
<b>Renewable Energy</b>	31	25	28	11	9	11
<b>Economic and Social Transitions away from Coal dependence</b>	8	5	6	6	4	5
<b>Offshore Wind</b>	11	7	10	11	7	7

**Outcome 1.1**

Each of the four results missed the planned targets by at least one country, however there was an increase in the number of target countries confirming ESMAP helped inform policy, regulation legislation, strategy and planning support in decision making in comparison to 2023 demonstrating countries are attributing policy change to ESMAP support. Outcome indicator 1.1. was part of the criteria to assess the likelihood of ESMAP leading to transformational change in the ESMAP Results Note, for which it scored **4 - partial evidence that transformational change is likely due to strong evidence of progress in this indicator over time** (targets were narrowly missed).

Energy Efficiency and Renewable Energy:

**Cabo Verde** - ESMAP developed the Country Climate and Development Reports (CCDR), which contained analysis and specific recommendations on Renewable Energy (RE) development, grid reinforcement and upgrade, sustainable business models for decentralised RE and Energy Efficiency (EE). The team also supported the development of Country Private Sector Diagnostics (CPSD).



**India** ESMAP TA supported the National Green Hydrogen Roadmap for Himachal Pradesh. The development of the roadmap has positioned the state to be one of the first in the country with a conducive policy for encouraging Green Hydrogen.

#### Powering Past Coal:

**Vietnam** - ESMAP supported a series of policy recommendations for the government to achieve the targets set under the Decision 876/QD-TTg related to transitioning the road transportation sector towards electric mobility (E-Mobility) using electric vehicles.

#### Offshore Wind:

**Philippines** - The ESMAP is supporting the Department of Energy on the launch of a Green Energy Auction.

**Colombia** - In November 2024, Colombia announced the results of a pre-qualification (PQQ) round for developers to participate in the country's first ever offshore wind tender, this was supported by the publication of the ESMAP funded Offshore Wind Roadmap for Colombia in 2022 and subsequent TA.

### **Outcome 1.2**

For energy efficiency, ESMAP narrowly missed the planned target. In Bangladesh, ESMAP continued to provide TA to help strengthen the **Bangladesh** Rural Electrification Board (BREB) technical and institutional capacity in digital network operations, distributed solar, BESS pilots and electric mobility evidenced by the successful adoption of these technologies in BREB networks and operations.

For renewable energy the planned target was achieved. In **Indonesia** – Perusahaan Listrik Negara (PLN) has signed a License Agreement with the provider of a VRE-friendly software and training has taken place, strengthening PLN's capacity to use a state-of-the-art planning tool that can assess RE variability and battery storage needs.

The 'economic and social transitions away from coal dependence' narrowly missed the target but did increase by one country (Cabo Verde) and 'offshore wind' missed the planned 2024 target for outcome 1.2, as the number of countries supported remained the same as 2023.

### **Has the logframe been updated since the last review?**

The logframe was last updated in March 2023. A new log frame was agreed in January 2025 in readiness for the next phase of ESMAP Business Plan.

#### **Section C: Output scoring**

**Overall score was an A** (progress met expectation) and the Output indicators were scored as **A+**, **B** and **B** respectively. Last year these scored A+, B and A respectively.

**Output 1: ESMAP technical assistance catalyses financing for renewable energy and energy efficiency projects.**

<b>Output Title</b>	ESMAP technical assistance catalyses financing for renewable energy and energy efficiency projects.		
Output number:	1	Output Score:	<b>A+</b> Progress moderately exceeded expectation
Impact weighting (%):	30%	Weighting revised since last AR?	No

Risk rating	Moderate	Risk revised since last AR?	No
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Indicator(s)	Milestone(s) for this review	Progress
1.1 Cumulative amount of wider World Bank Group investment leveraged by renewable energy and energy efficiency projects.	\$17.2 billion (cumulative)	<b>Substantially exceeded expectations:</b> \$5.9 bn (only in 2024), \$22.2 bn over CY18-24 (A+)
1.2 Cumulative amount of non-World Bank funding from other multilateral agencies, client governments, bilateral support from other donors or private investment that can be attributed to ESMAP for renewable energy and energy efficiency projects.	\$4.6 billion (cumulative)	<b>Substantially exceeded expectations:</b> \$2.6 bn only in CY24, \$6.4 bn cumulative over CY20-24 (A+)

Output 1 measures ESMAP's performance in providing technical assistance. This makes it possible for countries to access wider World Bank Group and non-World Bank Group financing for renewable energy and energy efficiency projects. ESMAP has scored an A+ for output indicator 1. The targets for both sub-indicators have been surpassed.

**Output Indicator 1.1:** ESMAP substantially exceeded expectations. The \$5.9bn of wider-World Bank Group investment contributed to 24 renewable energy and energy efficiency projects in 23 countries including Dominica Republic, Colombia, Ghana, Guinea-Bissau, Burundi, Türkiye, Ethiopia, Namibia, Armenia, Mozambique, Georgia, Uzbekistan, Brazil, India, China, Türkiye, Moldova, Liberia, Cameroon, Albania, Georgia, Indonesia and Bhutan.

**Output Indicator 1.2:** ESMAP substantially exceeded expectations A+. Output Indicator 1.2 reports that ESMAP leveraged \$2.6 bn in 2024, compared to \$1.7bn in 2023. This indicator includes the sum of all non-World Bank Group lending that has relied on ESMAP funding as part of the project design and implementation process. This could be from other multilateral agencies, client governments, bilateral support from other donors or private investment. The indicator continues to provide evidence and strong reassurance for signs of leveraging investment outside the World Bank Group.

The projects most relevant to the DESNZ ESMAP Energy Transitions Business Case are as follows:

- Uzbekistan - Solar and Renewable Energy Storage Project
- Colombia - Colombia Green and Resilient DPO 2
- Namibia - Transmission Expansion and Energy Storage Project
- Brazil - BR State of Ceará Sustainable Development Policy Loan
- India - Second Low-Carbon Energy Programmatic Development Policy Financing
- Indonesia - Sustainable Least-cost Electrification Technical Assistance (ISLE TA)

- Indonesia - Development of Pumped Storage Hydropower in Java Bali System Project

The targets for World Bank Group lending are modelled on previous years' investments, based on estimates. Non-World Bank lending is a challenge, as it is difficult to estimate the exact amounts of lending that will be received. ESMAP has agreed to report 'actual' results as opposed to 'expected' results from 2025. From 2025, the ESMAP new Business Plan base and stretch scenarios will be reported – **Output 1.1** will report the **Volume of climate finance mobilised (i.e., GCF financing; USD, billion)** and **Output 1.2** will report **Cumulative amount of wider World Bank Group investment leveraged by renewable energy and energy efficiency projects - World Bank lending operations**.

***Output 2: Increased capability in developing countries to plan and build pipelines for the Just Transition from unabated coal, including through offshore wind***

<b>Output Title</b>	Increased capability in developing countries to plan and build pipelines for the Just Transition from unabated coal, including through offshore wind		
Output number:	2	Output Score:	B Progress moderately did not met expectation
Impact weighting (%):	35	Weighting revised since last AR?	No
Risk rating	Moderate	Risk revised since last AR?	No

Indicator(s)	Milestone(s) for this review (cumulative)	Progress
2.1 Coal Regions have implementation strategies developed for Just Transition.	3	<b>Progress moderately did not meet expectation: 2 (B)</b>
2.2 Number of DESNZ funded grants that support institutional, regional, energy sector or climate change strategy in target countries.  supported by DESNZ funds. <sup>3</sup>	100	<b>Progress did not meet expectation: 56 (B)</b> In 2023 ESMAP recorded 51 countries (cumulative), in 2024 this increased to 56 with Nigeria, Cambodia, Kosovo, Vietnam and Colombia being recorded as receiving new support in the areas of EE, RE, PPCA or OSW.
2.3 Offshore wind roadmaps are developed in target countries.	10	<b>Progress Moderately exceeded expectation: 11 (A+)</b> 11 were developed in 2024. Two of these road maps were published in 2024 (Brazil and Turkey) and South Africa is due to publish theirs by mid 2025.
2.4 Closure of a gender gap supported by ESMAP proposals across analysis, actions or monitoring and evaluation. <sup>4</sup>	85%	<b>Progress met expectation: 84% (A)</b>

Output 2 measures ESMAP's performance in increasing capability in developing countries to plan and build pipelines for the just transition from unabated coal, including through offshore wind. This output also covers gender - as measured through specific gender actions provided as part of the technical assistance projects supported by DESNZ.

**Output indicator 2.1:** ESMAP narrowly did not meet the World Bank target for 2024 by one active coal region/country. ESMAP worked with two countries in 2024. In India,

<sup>3</sup> This indicator captures the range of technical policy work that ESMAP undertakes with countries to strengthen their climate change strategies.

<sup>4</sup> This percentage is calculated from the number of DESNZ-grants (28) with specific gender actions in the technical assistance projects divided by the total number of DESNZ grants (35). As noted in this review, gender is integrated ('mainstreamed') throughout all World Bank programmes.

ESMAP assisted the government with developing strategies on the repurposing of closed coal mines and plants. In Indonesia, The Just Energy Transition Partnership (JETP) Secretariat is in the process of revising the Comprehensive Investment and Policy Plan (CIPP) issued in November 2023, to be in line with current PLN (Perusahaan Listrik Negara, the state electric company) 10-years investment plan document (RUPTL) and new Government's Power Sector Master Plan (RUKN – planning horizon until 2060) issued in November 2024. ESMAP support was used in RE deployment and generation planning that was used in the JET P discussions. In addition, ESMAP will support WB intervention lay out by JETP CIPP in area of industrial decarbonisation and CCUS.

**Output Indicator 2.2:** The number of countries with active DESNZ-funded projects is measured by this output. In CY2023, ESMAP reported 51 countries as countries that already received support in either Energy Efficiency (EE), Renewable Energy (RE), Powering Past Coal Initiative (PPCA) or Offshore Wind (OSW). In CY2024 this increased to 56 countries with Nigeria, Cambodia, Kosovo, Vietnam and Colombia receiving new support in one of these areas. ESMAP has its own work programme to provide analytical grants and create global knowledge to bring innovative thinking to the Bank's projects and implementation teams.

**Output Indicator 2.3:** Under the joint ESMAP-IFC Offshore Wind Development programme, in 2024, Brazil and Türkiye published roadmaps/reports, and a South Africa roadmap is expected to be published in early summer 2025. This takes the cumulative number of roadmaps published or in development to 11.

**Output Indicator 2.4:** This milestone monitors the percentage of ESMAP proposals that seek to reduce the gender inequality gap. In 2024, ESMAP met the expectation with progress in projects based in South Africa, Southern Africa (Namibia, Botswana), Indonesia, Colombia, Brazil, Cambodia and Cabo Verde. In 2024, During FY2024, two new proposals were put forwards:

1. **Cambodia** – work will involve a literature review for the identification of relevant sectorial gender gaps, which could be potentially tackled under a new lending operation. This work will inform the preparation of a new operation and support the Government of Cambodia's energy transition agenda to mainstream and operationalise energy efficiency and e-mobility interventions and it will identify relevant sectorial gender and social gaps that could be tackled under a new lending operation (just energy transition).
2. **Colombia** – work will involve analysis to identify project-relevant gaps between males and females. The WB will support government in considering how to start measuring the percentage of women-owned and women-led companies participating in renewable energy bidding.

There has also been progress in existing proposals during FY 2024. Projects which have seen notable progress include:

### **Southern Africa (Namibia, Botswana): Decarbonising with Renewable Energy**

In Namibia, support will be provided through the TEES project, with planned activities including policy alignment with the Gender Action Plan and NamPower's Gender Equality, Diversity, and Inclusion Policy (September 2023). Additionally, Leadership and Succession Planning initiatives will help NamPower address gender gaps and promote inclusivity.

In Botswana, assistance will be delivered via the RESA project. The World Bank will support the national utility, BPC, in advancing gender and social inclusion by developing its first institutional policy on gender equality, women's employment, and skills development. This policy will focus on providing job opportunities and upskilling for individuals affected by the energy transition.

### **South Africa: Supporting a low carbon and just energy transition**

Two activities are being implemented to support gender analysis (i) The demand side gender-disaggregated analysis of the clean cooking and heating assessment; (ii) The Socio-economic Baseline Assessment will also analyse the impact of the Just Energy Transition on gender relations.

### **Support for Cabo Verde Energy Transition**

REIUP Implementing agency - the Center for Renewable Energy and Industrial Maintenance completed the O&M and business development training for 30 young people selected. 13 were female and 17 males, exceeding the 30% target for female recruitment.

### **Gender**

Gender is integrated ('mainstreamed') throughout World Bank programmes. The most recent independent evaluation found that attitudes among Task Team Leaders (TTLs) have changed considerably over the past several years, with TTLs more willing to incorporate meaningful gender components into their activity designs. There is, however, still room for improvement. The new ESMAP Business Plan due to commence in January 2025 has an even greater emphasis on gender.

### ***Output 3: Outreach and partnerships help to secure country ownership and assist concerted efforts***

<b>Output Title</b>	Outreach and partnerships help to secure country ownership and assist concerted efforts.		
Output number:	3	Output Score:	B Progress moderately did not moderately meet expectation
Impact weighting (%):	35	Weighting revised since last AR?	No
Risk rating	Moderate	Risk revised since last AR?	No

Indicator(s)	Milestone(s) for this review	Progress
3.1 Number of countries to which offshore wind support is delivered.	25	<b>Progress met expectation:</b> 26 (A) Brazil and Türkiye Road Maps/Reports were published in 2024. South Africa's Road Map is due for publication in early summer 2024 (A).
3.2 Number of countries reporting positively on use of ESMAP support.  Data is broken down by the following themes: energy efficiency, renewable energy, economic and social transitions from coal, offshore wind [EE, RE, PPCA, OSW]	Data (cumulative) is broken down by the following themes:  Energy efficiency: 22 Renewable energy: 53 Economic and social transitions from coal: 25 Offshore wind: 39	<b>Progress moderately did not meet expectation for three of the four of themes:</b> Data (cumulative) is broken down by the following themes: (B)  Energy efficiency: 16 Renewable energy: 52 Economic and social transitions from coal: 22 Offshore wind: 43

Output 3 measures the effectiveness of ESMAP's outreach and partnerships, including helping to secure country ownership and assist concerted efforts to further requests on offshore wind and knowledge exchange. In 2024, Output 3 scored B based on quantitative milestones.

**Output indicator 3.1:** In 2024, ESMAP provided Offshore Wind support to five countries: South Africa, Brazil, India, Türkiye and Dominican Republic. The cumulative total of countries receiving OSW support increased to 26 with ESMAP publishing a *OW Roadmap* and guided development of Offshore Wind Law for Romania through EU-funding.

This small increase is in line with expectations, as ESMAP's focus is on supporting countries with ongoing activities, rather than increasing the number of countries supported. The focus countries are Brazil, Colombia, Sri Lanka, India, Philippines, Vietnam and South Africa. In the 2025 log frame the output indicator will record the **Number of countries implementing next steps following offshore wind roadmap support and strategies to reflect this approach.**

Though the ESMAP-IFC global offshore wind programme is rated as "met expectations", it has performed better over the reporting period than the milestones under output indicator 3.1 suggests.

- ESMAP has provided support to 26 countries over the last five years.
- Brazil passed an OW Law Jan 2025 and received +220 GW permit applications.
- Philippines, with the support of ESMAP, is planning a Green Energy Auction in 2025, aiming for 90 service contracts, targeting a total capacity of around 67 GW.
- With ESMAP support, Vietnam's Power Development Plan 8 (PDP8) outlines an ambitious strategy for the country's energy sector, targeting over 110 GW of offshore wind capacity by 2050.



**Outcome indicator 3.2** In 2024, progress moderately did not meet expectation for three of the four of themes (EE=Energy Efficiency, RE=Renewable Energy, PPCA=Powering Past Coal Alliance, OSW=Offshore Wind) with the OSW being the only program to exceed expectations increasing the number of countries responding positively to ESMAP's assistance, from 39 in 2023 to 43 in 2024. However, all programs did record an increase in positive country engagement evidencing progress in all areas (EE plus two, RE plus seven, PPCA plus one and OSW plus 10).

**Countries engaging with ESMAP supported knowledge exchange activities.**

Energy Efficiency	Renewable Energy	PPCA	OSW
Cambodia Vietnam	Cabo Verde India Nigeria Mauritania Tanzania Morocco China	Indonesia	South Africa Brazil Vietnam Türkiye Azerbaijan Ukraine South Korea Colombia Sri Lanka India

**Section D: Programme performance not captured by outputs**

N/A

**Section E: Risk**

**Overall risk rating:**

Overall Risk Rating: **Moderate.**

This investment is spent through a trusted delivery partner and has strong strategic alignment with DESNZ ICF. We are still confident ESMAP is a good delivery route for meeting the UK's clean energy objectives under the UK International Climate Finance Strategy.

Overview of risk management:

The Project Delivery Plan (PDP) is used to monitor the risks and mitigating action by DESNZ, through a live risk register. The key risks relating to the reporting period of this Annual Review are provided below. The main risks to the overall programme are geo-political factors that impact both ESMAP's ability to secure additional funding, and its ability to deliver projects on the ground.

The overall risk rating has been increased to 'moderate' to reflect a changing international climate and energy landscape. DESNZ will continue to monitor these risks with the World Bank. The overall programme risk assessment remains largely unchanged from the Business Case.



**Current Risks**

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>	<b>RAG Rating</b>
<b>Political will</b> - Complex factors govern countries' and investors' energy decisions, including political considerations, so ESMAP's interventions may have limited impact in driving transition from coal.	Likely (>50%<80%)	<b>Major</b>	The DESNZ ESMAP team and Climate Investment Fund (CIF) team meet on an ad-hoc basis to keep on top of challenges experienced. DESNZ will escalate any concerns to senior colleagues as appropriate,	
<b>External Events</b> - External events can adversely affect the implementation and/or success of a project. The Facility targets beneficiaries in developing countries, some of which are in unstable regions or regions highly susceptible to the impacts of external events.	Major	<b>Moderate</b>	This risk is beyond the programme's scope of influence. Risk mitigation includes monitoring via the WB country programme teams and the wider ICF portfolio as a whole.	
<b>Foreign exchange risk</b> - Grant Funding is agreed in US Dollars, but expenditure is likely to take place in local currencies. The currency risk is to be managed by the implementing partners. There is also a risk as UK funding to the ESMAP is in GBP which is managed by not committing 100% of funds before they are drawn down.	Moderate	<b>Moderate</b>	The currency risk is to be managed by the delivery partners.	
<b>Delays in disbursement of funds</b> - ESMAP experienced delays in the disbursement of donor funds during the current funding window. This was partially due to COVID-19 impacts and project complexities which extended their timeframe. In addition, as projects	Likely (>50%<80%)	<b>Minor</b>	By the end of 2024, the total cumulative disbursement of the ESMAP Umbrella reached \$206.3 million, increasing by eleven percent compared to FY2023. WB ESMAP Team to communicate foreseeable delays as	

move from planning to implementation the number of Recipient executed projects (RETF) has increased and these tend to have lower disbursement rates. Also, Donors who are no longer engaged with ESMAP can cause delays to programme management processes.			early as possible. The pause on UK Overseas Development aid in Spring 2025 has delayed DESNZ encashments to ESMAP for FY25-26. ESMAP should proactively maintain active engagements with all of its donors to avoid delays in program management processes and ensure the Consultative Group remains an active and participatory governing body.	
<b>Future funding ESMAP new Business Plan</b> - Risk that donors will not increase the proportion of funding to ESMAP as part of the Business Plan to begin in 2025. An increase in commitment from all donors is necessary to meet the 'stretch' case of the new ESMAP Business Plan funding ambition.	<b>Possible</b> (>20%<50%)	<b>Moderate</b>	DESNZ to maintain the relationships with donors and continue to attend the annual Consultative Group meeting to ensure we are aware of other donor funding commitments	
<b>Management and governance of ESMAP is through the Consultative Group (CG)</b> – The (CG) comprises of representatives from the 20 contributing donors and is co-chaired by the Director of the World Bank's Energy and Extractives Global Practice and a donor government representative. The CG is an oversight and advisory body that allows donors to coordinate and engage with management. It is not a voting body and its decisions are limited to the arrangements between	Unlikely (>5%<20%)	<b>Minor</b>	The Consultative Group is well established, and this form of governance has worked well to date. Donors have the option to 'prefer' their funds which guides how donor funds are allocated.	

donors and the multi-donor trust fund. It has no direct oversight or decision-making powers with regard to ESMAP's pipeline. However, ESMAP welcomes donor input on its strategic direction and governance, for example the structure of the new ESMAP Business Plan. Whilst the CG is not a formal decision-making body, it maintains careful oversight. Constitutional amendments do require consensus of all donors; project management decisions ultimately lie with ESMAP.				
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**Outstanding actions from risk assessment:** Actions have either been resolved, are continuous throughout the project life cycle or are new.

#### **Section F: Programme management: delivery, VfM, commercial and financial performance**

**Summary of the performance of partners and DESNZ, notably on commercial and financial issues, and including consideration of VfM.**

#### **Delivery Performance**

DESNZ, FCDO colleagues at Post and the World Bank ESMAP teams maintain a good relationship. Annually, DESNZ attends the annual ESMAP Consultative Group Meetings and annual ESMAP OSW Annual Round table. These meetings provide an opportunity for the UK, along with other donors, to question the World Bank on any challenges experienced and discuss the direction for the next year. This is to ensure delivery performance meets the expected standards, as well as to discuss the planned activities for the new ESMAP Business Plan which comes into operation in FY25.

DESNZ colleagues have access to the World Bank Donor Portal which allows DESNZ to check commitments and disbursement rates for their entire portfolio and individual projects.

#### **Financial Performance**

DESNZ has committed GBP£45.1m to ESMAP for the period December 2018 to December 2027. By December 2024, GBP£45.1m had been fully encashed to ESMAP, and a cash contribution of GBP£1.4m (USD\$1.912m) to the Donor Funded Staffing Programme (DFSP) had been made. Due to successful recruitment for an H2

expert, USD\$1.24m remains in DESNZ's DFSP trust fund which will be reallocated to either other energy transition projects or alternative expertise where needed.

In FY2024, ESMAP received USD\$80.6m from five donors, taking the cumulative pledges between FY2021-24 to USD\$455,058m. The UK's total committed funding to ESMAP between April 2014 and March 2024 was GBP£233.9m (FCDO GBP£116.22m, DESNZ (Industrial Decarbonisation GBPO£37.58m, CCUS £35.0m and Energy Transitions GBP£45.1m) see appendix A.

In FY2024, ESMAP approved a total of \$193.9 million to support global knowledge work, provide additional financing to existing activities, and finance new activities, including co-financing for World Bank projects as recipient-executed grants.

Of the approved \$193.9 million, \$152.3 million was committed against new FY2024 grants and is funding the implementation of:

- 184 activities in 65 countries (excluding regional activities)
- 28 activities with a regional focus
- 43 activities with a global focus

### **Value-for-Money**

Since the start of the DESNZ funding for the programme, we assess that delivery has been broadly in-line with expectations of the Business Case, and the extension business case. The ESMAP Programme continues to deliver VfM under this business case.

DESNZ's contribution to ESMAP has been the central source of technical assistance for energy sector transitions, representing the largest, longest standing contribution in the ICF Portfolio. Technical assistance, including through ESMAP, remains fundamental in supporting emerging economies to resolve challenges and deliver change. ESMAP has a proven track record of success, complementing wider UK ICF initiatives including the Just Energy Transition Partnerships (JETPs), and leveraging climate finance and private sector funding. As such, ESMAP offers excellent value-for-money (VfM) and global reach across 100+ countries. ESMAP has strong preferencing opportunities, this demonstrates the programme as a powerful and effective delivery partner to support wider UK activities and deliver DESNZ priorities.

DESNZ is reassured by the World Bank that the project pipeline and demand exist and ESMAP is an important vehicle for ongoing and future UK ambition on Energy Transitions. Technical assistance across the International Climate Finance portfolio is an effective way of catalysing change using small amounts of donor funding.

### **Economy:**

The programme is meeting expectations. ESMAP agreed with its donor group (the Consultative Group) a set of fees that have remained the same since the start of this business case. In 2024, ESMAP programme management fees were US\$4,349,000 compared to \$3,265,000 in 2023. This difference can be attributed to Program management and administration which have increased in absolute terms with the growing size and complexity of the portfolio, including the growth of Recipient Executed Trust Funds. ESMAP allocates approximately 5% of contributions to sustain its current level of management and oversight. This rate is in line with, or lower than,

other multilateral ICF programmes such as CIF (up to 6.5%), and GCF (up to 11.4%). DESNZ has received assurance by the World Bank that there is sufficient demand within our energy transition preferencing that will be supported by our contribution.

### **Efficiency:**

As discussed above in the Finance management section, DESNZ has encashed all of its £45.1m commitment to ESMAP as of 31 December 2024.

ESMAP's results so far suggest it performs well on achieving the intended outputs from its donor funding. Overall, DESNZ judges the programme is delivering efficiently. As detailed above, five of the eight outputs either met or substantially exceeded expectations. The three outputs which did not meet the expectation are close to being achieved. At the output level, ESMAP addresses barriers to the energy transition by catalysing financing for renewable energy and energy efficiency projects; increasing capability in partner countries to build pipelines for just transitions from coal, including offshore wind; and supporting outreach and partnerships help to secure country ownership and ambition.

For example:

- Output indicator 1.1 and 1.2 - ESMAP has demonstrated strong performance in leveraging private (\$2.6bn) and public (\$5.9bn) financing. This can be seen as a key driver of transformational change enabling scaling-up (wider coverage) and sustainable (locked-in and legislated) climate policies in target countries. This is a significant driver in scaling up transformational change.
- Output indicator 2.4 - ESMAP has a strong gender component, with gender sensitivities mainstreamed throughout the project life-cycle in 84% of project proposals (cumulative figure). ESMAP has a Gender and Energy Program, which includes six regional gender programs. ESMAP's gender approach is aligned with the World Bank Group Gender Strategy.
- Output Indicator 2.3 - 11 Offshore wind roadmaps are developed in target countries. During FY24, two countries — Brazil and Türkiye have published roadmaps, with a roadmap for South Africa expected by mid-2025. Including the roadmap for South Africa, the programme has exceeded targets, suggesting there is potential to further engage with beneficiaries of OSW TA. These are dramatically affecting the landscape of policies and regulations in offshore wind.

The ESMAP programme has links with other programmes, meaning that the potential impact of the programme is significant and in line with departmental priorities. ESMAP e-mobility projects have complementarity with the ambitions of the GFDT programme. Additionally, ESMAP's support for smaller-scale technical assistance at the early stages of planning and regulatory reform helps prepare the ground for larger programs in the portfolio, such as the Green Climate Fund (GCF), and the CIF Clean Technology Fund, which offers large-scale capital financing for major projects.

### **Effectiveness:**

ESMAP shows signs of effectiveness at delivering against the expected outcomes of the programme, which provides a positive indication that the VfM expectations set in the Business Case will materialise.

DESNZ monitors ESMAP through ICF Key Performance Indicators (KPI's) 1, 2 and 15. In 2024, following a comprehensive assessment, the programme's KPIs were validated as effective and fit for purpose:

- Technical Assistance KPI 1- Number of countries supported by ICF Technical Assistance: 23 countries were supported by ESMAP in 2024, with 44 countries supported since 2019.
- Technical Assistance KPI 3 - Number of climate policies informed by ICF Technical Assistance: In 2024, six climate policies have been informed by ESMAP TA in the following countries: Colombia, Brazil, Uzbekistan, Indonesia, India and the Philippines. The Cumulative total is 40.
- KPI 15 (extent to which intervention is likely to lead to transformational change) - ESMAP scored '4' overall to reflect that there is partial evidence that transformational change is likely. ESMAP is performing as expected, indicating evidence that DESNZ funded ESMAP activities are likely to have a transformational impact.

The strengths of ESMAP over the past year include:

- Impact indicator 1.1: ESMAP has facilitated three countries to amend or develop new policies, regulations or legislation that support a transition away from unabated coal-fired power generation (Indonesia, Uzbekistan and Brazil), three more than in 2023, bringing the cumulative total to 14 countries.
- Outcome Indicator 1.2: Facilitating three countries to amend or develop new policies, regulations or legislation that support a transition away from unabated coal-fired power generation.
- Outcome indicator 1.3: Extent to which findings are utilised and bring about changes by ESMAP programme and recipient countries - 2024 external evaluation found ESMAP's grant funded activities highly relevant to the twin umbrella objectives of Sustainable Development Goal 7 (SDG7) and accelerating decarbonisation. One of the impacts most easily traced include reductions in CO2 emissions through the realisation of pilot projects and the adoption of new technologies supported by ESMAP's coal decommissioning.

While results were deemed acceptable, milestones were narrowly missed for Outcome Indicators 1.1 and partially for 1.2.

- Outcome Indicator 1.1 - Each of the four results missed the planned targets by at least one country. However, there was an increase in the number of target countries, which confirms that ESMAP helped inform policy, regulation legislation, strategy and planning support in decision-making in comparison to 2023, demonstrating that countries are attributing policy change to ESMAP support.
- 1. Outcome indicator 1.2 – Three out of the four results either met or missed the target by one country (EE, RE & PPCA). The DESNZ-supported offshore wind work remained focused on the seven countries supported previously and did not increase in number which meant it missed its target of 11 countries. However, more broadly, since 2019 the ESMAP OSW programme has supported 26 countries in this area.

ESMAP projects are agreed with the recipient government before they are approved, to ensure the project aligns with the countries institutional, regional, energy sector and climate change strategies.

The institutional knowledge of the World Bank team allows lessons to be applied to the design of projects in other geographies. Delivery through ESMAP provides one avenue for DESNZ International Climate Finance to target priority countries.

### **Equity:**

**Gender** - The World Bank champions gender equality in the energy sector across its portfolio. ESMAP projects incorporate gendered risks and access issues in project design and align with the ambitions and requirements of the World Bank's Gender Strategy. Output indicator 2.4 measures specific gender actions, beyond mainstreaming, to demonstrate the positive effects of ESMAP technical assistance on equity in partner countries by embedding specific actions into individual ESMAP-funded activities. The milestone for 2024 came close to achieving its target by 1%, reaching 84% (cumulative) against the planned target of 85%, marking a 1% increase from last year.

**Poverty Reduction** – ESMAP's operations are primarily focused on delivering Sustainable Development Goal 7 (to ensure access to affordable, reliable, sustainable, and modern energy for all) and Sustainable Development Goal 13 (take urgent action to combat climate change and its impacts). ESMAP is pivotal to support wider World Bank strategic shifts, aligning with the World Bank's mission to end extreme poverty within a generation and to boost shared prosperity.

### **Paris Alignment**

<b>Paris alignment pillar</b>	<b>Description of activity</b>
How have you taken a proportional approach to climate and environment risk assurance?	Integrating climate and development is a pillar of the World Bank Group's (WBG) Climate Change Action Plan 2021– 2025 (CCAP). As part of the WBG CCAP, the WBG has committed to aligning all its financing operations with the Paris Agreement goals. The World Bank has been on track to align 100% percent of new operations since July 1, 2023. The goals aim to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty.
How have you taken a proportional approach to using shadow carbon pricing?	The use of shadow prices of carbon (SPCs) in the economic analysis is a corporate commitment for all investment project financing by the International Bank for Reconstruction and Development (IBRD) and the International Development Assistance (IDA) that is subject to greenhouse gas (GHG) emissions accounting. GHG emissions accounting is undertaken for IBRD and IDA investment finance projects in the Global Practices (GPs) with WB-approved GHG accounting methodologies.

Does the programme adhere to HMG's fossil fuel policy?	The UK HMG policy is the UK will no longer provide new direct financial or promotional support for the fossil fuel energy sector overseas. The World Bank aligns with this policy. In fiscal year 2021, the World Bank (IBRD/IDA) did zero new fossil fuel financing. The World Bank Group stopped investing in upstream oil and gas in 2019.
Are you ensuring the programme does not undermine impacted countries climate plans?	The programme does not undermine impacted countries climate plans. The WBG works with country governments to support the delivery of their ambitions through Country Climate Development Reports (CCDRs). These CCDRs are developed in line with country NDC targets to support delivery of the Paris Alignment Goals.

### **Quality of financial management**

Encashments, financial management, and financial reporting are in line with expectations. There are no changes to the fee structure agreed for the programme.

	Date	Promissory Note Amount	Encashment Amount
<b>Promissory Note 1</b>	11th December 2018	£19,150,000	
Encashment 1	February 2019		£9,150,000
Encashment 2	January 2020		£3,245,000
Encashment 3	March 2020		£3,755,000
Encashment 4	August 2020		£3,000,000
<b>Promissory Note 2</b>	23rd March 2020	£10,000,000	
Encashment 1	August 2020		£3,800,000
Encashment 2	February 2022		£3,700,000
Encashment 3	November 2022		£2,500,000
<b>Promissory Note 3</b>	March 2021	£6,550,000	
Encashment 1	November 2022		£2,500,000
	September 2023		£2,235,000
	December 2023		£1,815,000
<b>Promissory Note 4</b>	March 2022	£5,000,000	£1,965,000
<b>Encashment 1</b>	December 2023		£3,035,000
<b>Promissory Note 5</b>	December 2023	£3,000,000	
<b>Encashment 1</b>	May 2024		£3,000,000

An additional invoice of £1,400,000 was paid to ESMAP as a contribution towards the Donor Funded Staffing Program (DFSP). This was originally intended to fund an OSW Expert and a Hydrogen Expert. The recruitment of the latter was unsuccessful; however, the World Bank did manage to recruit a H2 specialist separately. This leaves USD 1.24 million in DESNZ's DFSP trust fund, which will be reallocated to either other energy transition projects or alternative expertise where needed.



DESNZ scrutinises finances of the Trust Fund at annual donor consultation meetings and through annual Trust Fund reports, independently audited financial reports, and responses to direct requests for information to the World Bank. The World Bank use well-established and robust processes for financial management. The date of the last independently audited financial report is shown below.

Date of last narrative financial report	31/12/2020	<a href="#">Link</a>
Date of last audited annual statement	31/12/2020	<a href="#">Link</a>
Date of next narrative financial report	31/12/2021	<a href="#">Link</a>
Date of next audited annual statement	31/12/2021	<a href="#">Link</a>
Date of next narrative annual statement	31/12/2022	<a href="#">Link</a>
Date of next audited financial report	31/12/2022	<a href="#">Link</a>
Date of next audited annual statement	Published 05/10/2024	<a href="#">Link</a>
Date of next narrative annual statement	31/12/2024	<a href="#">Link</a>
Date of next audited financial report		

**Annex A: DESNZ ESMAP routes of funding****Table 1. UK contributions to ESMAP between April 2014 and March 2025 (FCDO+DESNZ)**

Department	Paid	Unpaid	Total
<b>FCDO</b> (incl. previous contributions by ex-DFID and ex-FCO)	£98.72m	£17.5m	£116.22m
<b>DESNZ</b> (main contribution <sup>5</sup> + CCUS <sup>6</sup> + industrial decarbonisation <sup>7</sup> )	£100.68m*	£17m <sup>8</sup>	£117.68m
<b>UK total</b>	<b>£199.4m</b>	<b>£34.5m</b>	<b>£233.9m</b>

**Exchange rate used:** Exchange rate of £1 = \$1.2296 was used, as that is the rate that the World Bank has used for DESNZ funds to date.

**Annex B – ESMAP Published Resources:**

1. [ESMAP 2024 Annual Report](#) and annexes
2. [ESMAP Publications](#)
3. [ESMAP Resources](#)

<sup>5</sup> All Promissory Notes (PN) for ESMAP were laid with the BoE by end of FY21/22 totalling **£40.7m**, (including an additional £5m contribution in FY21/22). BEIS also made a second cash contribution for an additional role under the World Bank's Donor Funded Staffing Programme (DFSP); a first cash contribution of £0.8m was made to the World Bank's DFSP in 2018 (to support the role of an offshore wind expert), with further £0.6m available.

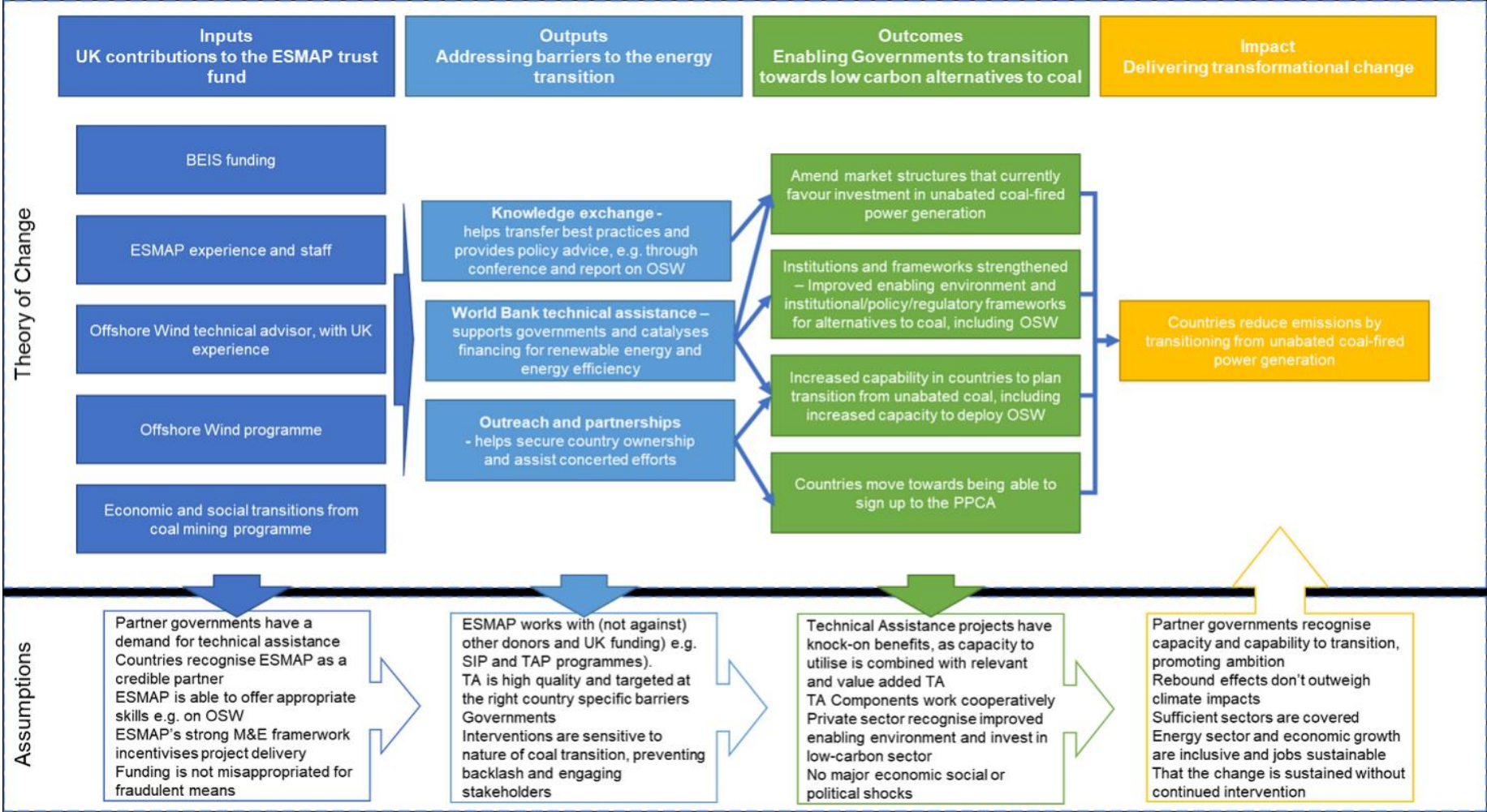
<sup>6</sup> CCUS: Funds were provided before the World Bank's CCUS Trust Fund became an Associated Trust Fund under the ESMAP Umbrella Trust Fund and DESNZ's AA for the CCUS Trust Fund ends in August 2024.

<sup>7</sup> Industrial Decarbonisation: in March 2021 DESNZ's original £15m commitment was increased by £2.3m due to pipeline demand using diverted funds from another Fund under the Clean Energy Innovation Facility (CEIF) platform. In 2023 a £20m extension was approved, the funds became committed as of March 2024, encashments are expected to start from June 2025.

<sup>8</sup> Unallocated funds from the PNs and deficit from admin fees.



Annex C: ESMAP Theory of Change 2021 – 2024





Department for  
Business, Energy  
& Industrial Strategy

**Annex D: ESMAP new, ongoing and closed activities in FY 2024**

Please refer to the [Energy Sector Management Assistance Program Annual Report 2024: Annexes](#)