

World Bank Approves \$627.75m Amazon Energy Project to Expand Access and Create Jobs

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The World Bank's Board of Directors has approved a \$627.75 million project to expand renewable energy, improve electricity access and support job creation across Brazil's Legal Amazon.

The programme targets one of the world's most ecologically significant yet economically underserved regions, where more than one million people still lack access to basic electricity services. It aims to strengthen the region's role in the global clean energy transition while reducing energy costs and improving infrastructure resilience.

The Legal Amazon spans nine states and nearly 60 percent of Brazil's territory. Despite its scale and natural resources, the region has historically lagged in infrastructure development. With the International Labor Organization projecting 15 million new clean energy jobs across Latin America by 2030, the initiative is positioned to help the region capture a share of that growth.

The total investment combines a \$100 million loan from the World Bank's International Bank for Reconstruction and Development (IBRD), \$400 million in counterpart financing from the Brazilian government, \$125 million in commercial financing, and a \$2.75 million grant from the Energy Sector Management Assistance Program (ESMAP) to support technical assistance.

The project will be implemented through Banco da Amazônia, which will channel financing to private sector developers, utilities and industrial players. This model is designed to accelerate delivery by leveraging

private investment while maintaining oversight across a complex, multi-state programme.

A central component of the initiative is a dedicated credit line to support renewable energy installations, grid enhancements and energy efficiency measures. These investments are expected to reduce reliance on diesel-based power generation, lower electricity tariffs, and improve the resilience of energy systems to climate-related risks such as drought.

Alongside infrastructure investment, the programme includes a technical assistance component aimed at strengthening institutional capacity and exploring new financial mechanisms to support the energy transition. It will also implement a gender and inclusion programme to ensure that employment and economic benefits are more widely shared.

“Brazil’s Legal Amazon holds immense potential for energy transition, where isolated systems currently dependent on diesel can increasingly deploy renewable and sustainable sources, reducing electricity costs for consumers across the country,” said Cécile Fruman, World Bank Country Director for Brazil. “By channeling financing through BASA to crowd in private investment, this project will help transform the Amazon’s energy systems, cutting costs, expanding access, and strengthening resilience, while contributing to Brazil’s clean energy future.”

The project is expected to play a key role in modernising the region’s energy matrix while supporting economic development, improving living standards and strengthening Brazil’s broader clean energy ambitions.