Climate Investment Funds

November 8, 2016

APPROVE BY MAIL: PSSA: MALI: SEGOU SOLAR PV PROJECT (SREP)(AFDB)--PSREML502A-- RESPONSE CIRCULATED

COMMENTS RECEIVED FROM SWITZERLAND

Dear Mafalda,

Thank you for circulating the answers to SREP subcommittee members'questions regarding the Ségou solar PV project.

With regards to these answers we have two additional or follow-up questions:

- 1. According to AfDB answers, the project does not foresee electricity storage facilities. This raises the question to what extent the access to energy is really improved for 60'000 households in a country where lighting is still a key element of energy benefits.
- 2. Do we understand it right that the implications of re-stating the marginal energy factor used to determine Ghg emissions from 0.5433 tCO2/MWh to 0.1673 tCO2/MWh actually reduces the expected reduction/avoidance of CO2 emissions by almost 70% to 8'785 tCO2/y and 219'625 tCO2 over 25 years?
- 3. From AfDB's answer to question (our) question (Nr 14 a), we understood that out of an economic NPV of USD 67.7 million, almost USD 20 million is for the GoM as taxes and duties and USD 34.3 million are benefits of the "energy sector".
 - a. Is our understanding correct?
 - b. Are these duties related to the import of equipment needed to the plan construction?
 - c. Is it correct to understand that the benefits to the energy sector are essentially lower electricity costs for EDM who would be the sole or principal beneficiary?
 - d. What about the benefits to the people of Mali (i.e. the 60'000 households, 158'000 men and 168'500 women)? Do they have any part in this generated economic NPV?

We would appreciate to receive answers to these questions by tomorrow COB and could then give our position on the SREP contribution to this project by Thursday COB.

Thank you and best regards Daniel