

January 6, 2015

**Approval by mail: Proposal for Allocating Resources to the SREP New Pilot Countries (SREP)—
Comments from Switzerland**

Dear Mafalda,

First, please let me transmit our best wishes for 2015.

We thank the CIF Administration Unit for the document entitled „Proposal for Allocating Resources to the SREP New Pilot Countries”.

Prior to approving the decision by mail, we have a few questions as follow:

1. Point 7 (table 3): We noticed the proposed upper limits for allocations. Are there any proposed lower limits and, if so, what is the implication of the latter?
We remember that for the original pilot and reserve countries the lower limits were \$25 million. What is the meaning of these lower limits?
2. Point 10: We understand from the wording that Mongolia and Yemen still have priority on the 14 new pilot countries and are not subject to the “First Come, First Served” rule. Is our understanding correct?
What happens if Mongolia and Yemen fail to submit their Investment Plans within a reasonable time frame? What would be a reasonable time frame?
3. Point 12: We took note that the presently available funds (including 30% over-programming) would allow to fund projects and programs from about nine Investment Plans (@ the average of \$40 million upper limit).
Does this mean that the SREP Subcommittee should endorse only up to nine (average) Investment Plans until yet additional funds become available?
Or, how would the funding restriction be handled otherwise?
4. Point 20: Assuming that the additional funds from UK are capital/concessional loans and not grants, we understand that although enough funds would be theoretically available to co-finance projects and programs for 9 (average) Investment Plans, we are likely to face a stringent limitation of grant money. How should the (expected large) discrepancy between needed/requested and available grants be addressed? Is it foreseen/possible that a reallocation of capital vs grant money is also made for existing pilot countries (including Mongolia and Yemen)?
We noticed that the issue is not addressed in the decision text. How does the CIF AU propose to address it?

Thank you in advance for the answers you can provide us regarding these questions.

Best regards
Daniel

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