

October 16, 2013

**Comments from Spain on Approval by mail: Honduras: Sustainable Rural Energization (ERUS) Part I & III: Promoting Sustainable Business Models for Clean Cook stoves Dissemination (IDB) SREP**

Dear Patricia,

Thank you for the opportunity comment on the *Sustainable Rural Energization (ERUS) ? Part I & III: Promoting Sustainable Business Models for Clean Cookstoves Dissemination* and also our apologies for the delay in sending this comments. **We are glad to approve the project** mentioned, we only want to share some views and ask for some clarifications, so it the approval should not suffer any delays. Although we are sending the comments on behalf of Spain, we have discussed them with Norway and they have no objections to them.

Developing and disseminating cleaner cookstove technologies is a priority, particularly in rural areas, so we think the project is going to have a very positive and necessary impact in the region.

We have the following comments:

Regarding Part I : Promoting Sustainable Business Models for Clean Cookstoves Dissemination

1. Could you clarify the selection process of the executing agency “Fundación Hondureña de Ambiente y Desarrollo Vida”? We see it has experience in this field and a good reputation, but were there other NGOs interested in getting involved in the project and how did you decide to select Fundación Vida for it? What is exactly going to be the role of this executing agency and what is going to be the amount of the management contract?
2. SREP funding is in a great part dedicated to finance subsidies, microcredits, etc for the acquisition of cookstoves. We want to point out the importance of a very close supervision of the process of selecting the beneficiaries. It also important to ensure transparency in this process. It is not unusual in Honduras to use public subsidies with electoral purposes and there is a lack of visibility in the concession of subsidies/assistance, etc. We emphasize the necessity of ensuring transparency at this point.

Regarding Part III : Operation expenses for investment implementation

1. Ensuring the continuity of the Climate Change Economic and Financial Management Unit (UGEFCC) within the Ministry Of Finance is very important to maintain an adequate coordination in order to achieve the SREP objectives. We therefore find it positive giving this Technical Assistance.

Best regards  
Aize Azqueta Quemada

SG Instituciones Financieras Multilaterales / Deputy Directorate for Multilateral Financial Institutions

Ministerio de Economía y Competitividad / Ministry of Economy and Competitiveness, SPAIN