

October 15, 2013

Comments from Switzerland 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,

Please receive below our position and comment regarding the approval of ERUS Part I and Part III by the SREP Subcommittee:

Switzerland is happy to support the approval by the SREP Subcommittee of USD 2.947 million in grant funding (USD 2.435 million for Part I and USD 512,000 for Part III), for the project document entitled, *Honduras: Sustainable Rural Energization (ERUS) – Part I & III: Promoting Sustainable Business Models for Clean Cook stoves Dissemination*, submitted by the Government of Honduras and the Inter-American Development Bank (IDB).

We thank the Government of Honduras and the Inter-American Development Bank for answering our questions.

We have the following comment:

We welcome the introduction into the cook stoves investment component of a sub-component that establishes a pilot microloan program to the benefit of end-users. We believe that such a microloan program, which we understand is an innovative financing instrument in this context in Honduras, has the best chances to satisfy the needs particularly of the poorer beneficiaries. If the pilot program is successful, we would support measures to favor it in the future against the cost-share subsidy, as it is more focused and will permit a higher leverage of SREP funds, particularly if taking into account the revolving character of the funding.

An extension in size of the microloan program would also improve the ratio of administrative costs, which at the present rate of 50% of reimbursements looks very high.

Please transmit this to the concerned MDBs and Honduras.

Thank you and best regards

Daniel Menebhi
Program Manager

Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO
Infrastructure Financing