

September 8, 2015

Approval by mail: Dedicated Private Sector Programs (DPSP) II - Renewable Energy Mini Grids and Distributed Power Generation - Haiti: Modern Energy Services For All Project (World Bank) CTF – Proposed decision

Dear CTF Trust Fund Committee members:

Please find attached a proposal entitled, *Dedicated Private Sector Programs (DPSP) II - Renewable Energy Mini Grids and Distributed Power Generation - Haiti: Modern Energy Services for All Project*, submitted by the Government of Haiti and the World Bank, for your review and approval of a CTF allocation of USD 16.0 million (USD14.5 million in concessional loans, USD 1.43 million in grants for technical assistance and USD 70,000 for project implementation and supervision services. This proposal is included in the Renewable Energy Mini Grids and Distributed Power Generation Dedicated Private Sector Program (DPSP) Phase II, which was approved by the CTF Trust Fund Committee in June 2014.

The *Modern Energy Services for All Project* will support the Government to achieve universal electricity access by 2030. The objective of the Project is to accelerate private sector-driven, renewable energy-based off-grid electrification in rural and peri-urban areas of Haiti. The proposed Project will provide finance to establish an Off-grid Electricity Fund (OGEF) that offers equity, debt and results-based financing to private sector off-grid energy enterprises serving different consumer segments, as well as technical assistance to improve the enabling environment for the off-grid business. The CTF concessional loan will capitalize the OGEF, which aims at addressing financing barriers for business growth and scaling up private sector engagement in rural off-grid energy markets. The OGEF will be managed by a competitively selected fund manager under the Operating Guidelines. Given the low rural electrification rate below 10% in Haiti, this project will contribute to transforming rural energy markets from the current reliance on kerosene and diesel to service-oriented, renewable energy-based business model and achieving universal access to electricity.

The World Bank would like to draw the Trust Fund Committee's attention to Annex 8 which summarizes how the Project meets the CTF investment criteria.

The CTF Trust Fund Committee is requested to approve the following decision:

The CTF Trust Fund Committee approves USD 14.5 million in concessional loans and USD 1.43 million in grants for technical assistance, for the proposal entitled, *Dedicated Private Sector Programs (DPSP) II - Renewable Energy Mini Grids and Distributed Power Generation - Haiti: Modern Energy Services for All Project*, submitted by the Government of Haiti and the World Bank.

The Committee notes the request for project implementation and supervision services and approves USD 70,000 for such costs.

For your information the following table summarizes the allocation of resources for the DPSP II. The Trustee has confirmed that there are sufficient resources available for the commitment requested.

| Dedicated Private Sector Program Phase II | | | |
|--|--------------------|--------------|---------------|
| | <u>USD million</u> | | |
| | <u>Grants</u> | <u>Loans</u> | <u>Total</u> |
| CTF Allocation for DPSP Phase II (June 2014) | | | 358.50 |
| Utility-Scale Renewable Energy -- Geothermal | | | 120.00 |
| Projects Submitted for Approval | | | |
| Sustainable Energy Facility (SEF) for the Eastern Caribbean (IDB) | 20.00 | | 20.00 |
| <i>Total allocation remaining if above is approved</i> | | | 100.00 |
| Utility Scale Renewable Energy -- Private and Early Stage Renewable Energy Power | | | 35.00 |
| Utility Scale Renewable Energy -- Solar Photovoltaic Power | | | 95.00 |
| Projects Approved | | | |
| Honduras: Utility-Scale Solar PV Sub-Program (IFC) | 0.5 | 19.5 | 20.00 |
| MENA Regional: SEMed Private Renewable Energy Framework (EBRD) | 1.00 | 34.00 | 35.00 |
| Utility Scale Solar Photovoltaic Sub-Program (IFC) | 0.75 | 34.25 | 35.00 |
| <i>Total approved allocation</i> | 2.250 | 87.75 | 90.00 |
| <i>Total allocation remaining</i> | | | 5.00 |
| Renewable Energy Mini Grids and Distributed Power Generation | | | 53.50 |
| Projects Submitted for Approval | | | |
| Haiti: Modern Energy Services For All Project (World Bank) | 1.50 | 14.50 | 16.00 |
| <i>Total allocation remaining if above is approved</i> | | | 37.50 |
| Mezzanine Finance for Climate Change Program | | | 35.00 |
| Energy Efficiency and Self-Supply Renewable Energy Program | | | 20.00 |
| Projects Approved | | | |
| LAC Regional: Energy Efficiency and Self-Supply Renewable Energy Program (IDB) | 4.00 | 16.00 | 20.00 |
| <i>Total allocation remaining</i> | | | 0.00 |
| Total approved DPSP Phase II funding if above submission is approved | | | 146.00 |
| <i>Total DPSP Phase II Allocation Remaining</i> | | | 212.50 |

Figures as of September 4, 2015

If we do not receive an objection to this proposed decision by close of business on **September 22, 2015**, the decision will be approved.

Sincerely,

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