

# CLIMATE INVESTMENT FUNDS

SREP/SC.IS.1/CRP.2  
September 8, 2011

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Intersessional Meeting of the SREP Sub-Committee  
Washington, D.C.  
September 8, 2011

**COMMENTS ON KENYA'S INVESTMENT PLAN  
SUBMITTED BY SUB-COMMITTEE MEMBER FROM SPAIN**

September 6, 2011

**Comments on SREP Investment Plan for Kenya - Spain**

Dear CIF Administration Unit,

Please find attached some comments that Spain has in relation with the approval of the Investment Plan for Kenya that is meant to be discussed this Thursday, September 8. We would be grateful if they could be addressed during the inter-sessional meeting.

From our point of view, the Investment Plan for Kenya reflects, in an extensive and detailed way, the situation of the energy sector in Kenya, as well as the country's priority needs in the area. Accordingly, the selection of the financed projects seems to adapt to the needs described in the document. The Investment plan for Kenya also describes a good embedding of this plan in the country's long term development strategy, Vision 2030, and the activities, projects, and objectives previewed in it. We would therefore like to thank the GoK for the impressive work behind this document.

We enclose a couple of questions we would like to pose:

- The major challenge we foresee is related to the role that the Geothermal Development Company (GDC) will develop in the geothermal plan. It is stated in the document that in 30 years 200MW capacity was installed in the country, while the objective is to install 5,000 MW by 2030, mainly reducing project development to five years and trying to maximize replication in the 14 geothermal fields identified along the Rift Valley. The GDC is responsible for this scale-up in geothermal development in Kenya, and the achievement of the described goals mostly rely on it.

We would like to have a bit more detailed information on the specific tasks and activities that the GDC is developing in order to be ready to adopt the proposed leadership in this energy sub-sector; also how all the knowledge and expertise needed has been, or is being, transferred to this institution. We would therefore wonder whether some of this knowledge transfer could be funded through SREP funds.

- Also, an important part of the project (USD 25 million) in the geothermal area is planned to be funded through the reserve fund. To the extent that 6 countries may be *competing* for an initial amount of USD 60 million, it would be advisable to ensure that this second part of the geothermal project is independent from the initial works and that, in any event, it could be financed through funds other than the SREP funds.
- Finally, under the *Solar Water Heating* project, it is pointed out (page 32) that "*The project will have three components: a) financing scheme; b) capacity building (...); and c) awareness creation.*" We would appreciate if we could have further information on the financing scheme that it is planned to be used.

Best regards,

**Marta García Fernández**

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