

# CLIMATE INVESTMENT FUNDS

December 18, 2015

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**APPROVAL BY MAIL: INDIA: GRID-CONNECTED ROOFTOP SOLAR PROGRAM (CTF)  
(WORLD BANK) (XCTFIN211A)**

Comments Received from Germany and the United States

## Comments from the United States, December 17, 2015

Dear CIF AU,

Thank you for the opportunity to comment on the Grid-connected Rooftop Solar Program proposal. We are heartened by the ambitious of this project and intrigued by the potential outcomes. We have a few questions we would like to raise:

- Based on the size of the project, we're surprised to see that there are not multiple commercial banks involved. Why is SBI the only commercial bank involved in the project?
- We echo Germany's request to include local content requirements in the risk matrix. We also note that when reviewing the revised Investment Plan, we inquired about the status of LCRs in forthcoming projects and the World Bank recommended that they be discussed on an individual project basis. The proposal, however, provides no mention of possible LCRs. We request a more in-depth discussion about LCRs and how they may affect the project.
- While the proposal indicates that it has "a focus on mobilizing private sector investments and commercial lending," it requests a significant amount of public sector resources without much specificity as to the source or nature of that private sector financing. What sources of private sector investment does the proposal seek to tap? Primarily equity from project developers and aggregators? Have future partners already been identified? Please provide some additional discussion on this topic.
- The proposal targets commercial lending in the rooftop sector. Will solar rooftop count against existing concentration limits for the energy sector? If not, why not?
- Have structures been contemplated as to how to finance grid connected rooftop PV? What phase of the proposed program will the deal structures be considered? Has there been any thought given to structuring these transactions with a securitization in mind, which would involve standardizing documents and credit enhancements to get bond holders comfortable with investing?
- There appears to be a discrepancy between the estimated costs of CO2 reduction between the main document and the Annex. Can the World Bank please clarify which figure is correct?

Danny

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## **Comments from Germany, December 16, 2015**

Dear colleagues from CIF AU and IBRD,

Given the high level of Indian GHG emission und the lack of access to reliable power supply, we strongly support India's ambitions to produce 200 GW from solar power.

We have therefore no objections to the World Bank proposal.

We have two remarks to the project concept:

1. Please ensure the reliable mechanisms will be in place for batteries that have exhausted their lifetime to be collected/recycled to avoid environmental hazards.
2. We would also suggest to include in the risk matrix the issue of local content requirements in order to get access to the 30% subsidy provided by the Indian government.

As far as we know there is currently a court case initiated by the US against India at WTO, which in the first hearing has been decided against India.

Kind regards

Romeo