

March 21, 2014

Comments from Canada—Approval by mail: Renewable Energy Mini-Grids and Distributed Power Generation Program (India, Indonesia, Philippines) ADB - CTF - Dedicated Private Sector Programs

Dear Patricia and colleagues,

Thank you for the CTF DPSP program proposal in support of Renewable Energy Mini-Grids and Distributed Power Generation Program in India, Indonesia and the Philippines. The program has strong potential to catalyze growth in access to electricity by addressing the financial barriers to private sector-led development of renewable energy-based mini grids, which is a particularly acute issue for rural areas without access to national electricity grids. We also recognize the positive and transformative development impacts of the program on those beneficiaries without access to modern, commercial forms of energy.

We do, however, have concerns regarding the request for CTF DPSP financing described under this program and, in this regard, we support the comments made by Germany and Brazil. In addition, we note that the mini-grid program proposal includes CTF stand-alone financing, which is not consistent with the *CTF Private Sector Operations Guidelines* requirement for MDB co-financing (as per section 11.F). Should a case be made for the Committee to reconsider this part of the Guidelines, it should be done separately and brought to the Committee as a new item for discussion.

In terms of how best to move forward on the mini-grid program, we agree that an informal Committee teleconference with the ADB would be useful to discuss the concerns identified, and we request that the CIF Admin Unit organize one in the near future. Given the substantive concerns identified, we are not in position to support the proposed program at this time and suggest that, following the teleconference, the ADB revise its proposal and resubmit it for consideration within the normal approval timelines.

Kind regards,

Michelle

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