October 2, 2013

Approval by mail: Mali: Rural Electrification Hybrid Systems (IBRD)

Dear SREP Sub-Committee members:

Please find attached a project document entitled, *Mali: Rural Electrification Hybrid Systems*, submitted by the Government of Mali and the International Bank for Reconstruction and Development (IBRD), for your review and approval of an SREP allocation of USD 14.9 million in grant funding.

The SREP Sub-Committee is also requested to note the final estimate of USD 428,000 for project implementation and supervision services and approve an amount of USD 228,000 for the final tranche of funding for such costs. The first tranche of USD 200,000 was approved in November 2011.

The Mali Rural Electrification Hybrid System Project aims at expanding rural access to modern energy services and to increase renewable generation in areas with no prospects of becoming connected to the national electricity grid in the next decade. The proposed operation will support the Government of Mali's efforts to scale-up rural electrification through the introduction of hybrid Solar PV / diesel generation in rural mini-grids and installation of stand-alone systems when the cost of mini-grids expansion is not economically justifiable. In addition to infrastructure investments, the project will promote the market for energy efficient products, provide extensive capacity building to rural electricity operators, and contribute to the institutional strengthening of the rural electrification agency, AMADER. The transformational impact of the project will be essential to achieve standardization and scaling-up of least-cost off-grid electrification options in Mali.

IBRD would like to draw the Sub-Committee's attention to the SREP Annex included in the proposal, which describes how the proposed project meets the SREP investment criteria.

The SREP Co-Chair for the contributor countries has requested that, in submitting this project, the World Bank provide an update on the enabling environment for the project in Mali:

> The World Bank wishes to inform the Sub-Committee that following the March 2012 coup d'état, the World Bank triggered Operational Policy (OP.) 7.30 on Dealing with De Facto Governments, suspending disbursements and preparation of new lending operations. However, the World Bank soon thereafter authorized resumption of ongoing operations in Mali (September 2012). With the liberation of the Northern part of the country and the swift adoption by the Malian authorities of a transition roadmap to restore democracy and peace in January 2013, the Board of the World Bank adopted, in June 2013, a new Interim Strategy Note (ISN) together with a budget support operation in Mali. The ISN proposes a framework for the World Bank Group's post-crisis engagement in Mali in FY14 and FY15, which intends to accompany Mali through the political transition to accelerate post-conflict recovery. At the end of the ISN period, the Bank Group will prepare a full Country Partnership Strategy (CPS). Peaceful presidential elections in July/August 2013 resulted in the democratic election of Mr. Ibrahim Boubacar Keita for a period of five years. Parliamentary elections will follow and are expected to take place before the end of 2013.

The SREP Sub-Committee is requested to approve the following decision:

> **The SREP Sub-Committee approves USD 14.9 million in SREP grant funding for the project document entitled, *Mali: Rural Electrification Hybrid Systems,* submitted by the Government of Mali and the International Bank for Reconstruction and Development (IBRD).**
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> **The SREP Sub-Committee notes the final estimate of USD 428,000 for project implementation and supervision services and approves USD 228,000 for the final tranche of funding for such costs.**

For your information the following table summarizes the allocation of resources for the endorsed investment plan for Mali. The Trustee has confirmed that there are sufficient resources available for the commitment requested.

Mali: SREP Investment Plan		USD million
SREP Allocation (endorsed November 2011)		40.000
Approved Investment Plan Preparation Grant		0.200
Approved Project Preparation Grants		3.650
Solar Photovoltaic IPP	0.495	
Solar Photovoltaic IPP	0.455	
Rural Electrification Hybrid Systems	0.250	
Rural Electrification Hybrid Systems	0.250	
Micro and Mini Hydro Power Plants Development (PDM	0.735	
Development of Micro/mini Hydroelectricity for Rural Electrification in Mali	1.465	
Project Submitted for Approval		
Rural Electrification Hybrid Systems		14.900
Total approved funding if above project is approved		***18.750***
Total allocation remaining		***21.250***

Figures as of September 26, 2013

If we do not receive an objection to this proposed decision by close of business on **October 16, 2013**, the decision will be approved.

Sincerely,

Patricia Bliss-Guest
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