

CLIMATE INVESTMENT FUNDS

May 17, 2017

[APPROVAL BY MAIL]: HAITI: RENEWABLE ENERGY AND ACCESS FOR ALL (WORLD BANK) (SREP) (XSREHT047A) AND HAITI: RENEWABLE ENERGY FOR THE METROPOLITAN AREA (WORLD BANK) (SREP) (XSREHT050A)

COMMENTS FROM SWITZERLAND

Thank you for circulating the decisions regarding the projects SREP / Haiti RE for Metropolitan Area and SREP /Haiti RE and Access for All.

We have the following questions (Q) and Comments (C):

1) General

The two projects are listed as separate entries in the “Sealed Pipeline” for SREP with respective grant allocations of \$8 million for Project I (RE for Metropolitan Area) and \$13 million for Project II (RE and Access for All). The submission simultaneously in the format of a program with two components in the PAD but also two approval requests regarding SREP.

- a. (C/Q) Given the separate approval requests for SREP funding, we understand that each request shall be handled separately. Is this also the understanding of the WB and GoH?
- b. (Q) Please explain why the requested SREP contributions were shifted from Project II to Project I.
- c. (Q) Please explain how these SREP contributions relate to the endorsed IP, which has 5 components and includes non-grant contributions to be managed by IFC.
- d. (Q) What happens now to these non-grant contributions?

2) Project I (Renewable Energy for Metropolitan Area)

- a. (C/Q) We understand that Project I corresponds to Component I of the IP. Is our understanding correct?
- b. (Q) With regards to the business model (PAD Annex 2: para.16, p.46) we understand that the initially planned PPP model is considered not feasible and that a publicly financed solar investment will be implemented under Project I instead. In table A2.5 (p.49) several examples of investments along three sites and different scenarios regarding the level of PV share are listed. Which is the combination selected for Project I?
- c. (Q) How will a replication be driven once and if the demonstration project is re-alized?
- d. (Q) What is the grid absorption capacity for
- e. (Q) In the IP and related answers to questions you referred to an EDH recovery program. What is the status of this program and to what extent was/is it successful?
- f. (C) We noticed that the financial leverage for Project, in the (most probable) worst case scenario is 1:0.4 This is far below the expectations for SREP and also not consistent with SREP IP where a leverage factor between 1:1 and 1:5 was anticipated.
- g. (Q) What is the alternative to this SREP co-financed project for EDH to rein-state power to its grids?

3) Project II (Renewable Energy and Access for All)

- a. (Q) We understand that Project II is co-financed by the CTF Off-Grid Energy Fund. Is this fund now approved and operational?
- b. (Q) According to your statements a failure to get additional SREP grant funding of \$1.38 million for which you propose to defer application to June 2017, would affect the installed RE generating capacity by 5 MW (PAD Annex 7: Box A7.1 p.134-5). This is far more than the possible shortfall of \$1.5 million for component I would affect (1 MW). How do you explain such a difference?
- c. (Q) Why do you propose to allocate this possible (and probable) shortfall to sub-component 2b, if the impact on installed RE generating capacity is so substantial? A reduction on sub-component 2c which is to a larger extent co-financed by CTF OGEF would likely have a lesser (negative) impact.

4) Procedural comment (C): In a more general sense we consider the proposed application in two stages (May 2017 and June 2017), under which missing SREP contributions due to unavailability of SREP funds (grants) will be sought/reinstated if other projects fail to come forward, problematic and not in line with our understanding of the revised pipeline management system.