

CLIMATE INVESTMENT FUNDS

May 23, 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 your answers to our questions and responses to our comments.

We have some follow-up questions (Q) and comments (C):

I. Re. Answer to 2.b: From your explanation, we understand that Project I will be limited to a demonstration project in a still to be selected isolated grid from EDH with a capacity of 5 MW (without the reinstatement of the \$1.38 million reduction of SREP contribution) which should demonstrate to EDH that adding solar PV on its grids is possible and reduce private sector risks for replication.

a. (Q) Is our understanding correct?

b. (C) The overall cost of \$15.5 million seems very high for a solar PV plant with 5 MW installed capacity, even with battery storage. Please provide details on the projected budget for this plant.

c. (Q) (also re. to answer to 2c) Please explain how the private sector risk for replication will be reduced by that project.

II. Re. Answer to 2.d: Sorry, the question got truncated. It reads: "What is the absorption capacity of the EDH isolated grid for a scaling up of RE such as the one foreseen beyond the SREP financed project?"

III. Re. Answer to 3c: (C) We understand from your answer that you give priority to (improved) energy access over increased electricity generation from RE. We do not object to this given the particular situation of Haiti but would like to remind that SREP is primarily about scaling-up renewable energy, not energy access.

IV. Re. Response to 4: (C) We did object to the split-up of project applications in the framework of the updated SREP Pipeline Management Policy and we consequently also object to the proposed reinstatements of \$1.38 million for Project I and \$1.5 million for Project II. In the latter case, we would also have trouble to support a reallocation of a grant component from an IFC project which was clearly intended to motivate private sector investments to an IBRD project which is not (at least in the proposed configuration). Besides, the IFC project to which this grant pertains is not part of the sealed pipeline and thus has no priority on other projects in the reserve pipeline.