

# CLIMATE INVESTMENT FUNDS

July 10, 2017

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**[APPROVAL BY MAIL] ST. LUCIA RENEWABLE ENERGY SECTOR DEVELOPMENT PROJECT  
(DPSP II) (IBRD) (CTF) - XCTFLC620A**

**WORLD BANK RESPONSE TO COMMENTS FROM GERMANY**

[Q1] Are there any potential legal disputes or licensing issues with regard to the potential drilling locations?

[A1] Exploration will require a license under the Minerals Vesting Act Cpt 5.08 which is issued by the Governor General of Saint Lucia, and the GOSL has indicated that it sees no potential problems in obtaining this license. As stated below, the area does not fall within any protected management (including the PMA), so there is no other authority to approach besides the Development Control Authority (DCA).

Three general zones appropriate for drilling and with minimal access issues were identified in Areas 1a and 1b during the initial work by the pre-feasibility consultants. The most accessible of these zones is in a gently sloped lightly populated area containing grasses and shrubs with minimal trees with light land use consisting of low-intensity farming. The other two general zones identified are also lightly populated but have a more limited number of accessible potential drilling sites because of steeper terrain. Each of these potential drilling zones has minimal access issues and are lightly populated by members of the local communities. GOSL has a land valuation procedure that has worked for decades and does not anticipate any disputes once the Bank safeguards are in place for land compensation.

[Q2] Were the particular challenges with regard to environmental and social issues in the context of developing geothermal in a small island nation taken into account (impact on particularly fragile ecosystem, local populations, potential impact on tourism as one of the main industries, etc.)?

[A2] The project is addressing environmental and social safeguards issues by contracting a comprehensive ESIA. The TOR includes attention to indirect effects to the status of the Piton Management Area (a UNESCO World Heritage site) in the analysis to ensure aesthetic/visual factors are addressed that could potentially impact tourism, among other issues. The ESIA will also include social concerns in the analysis and planning for more extensive public consultation efforts.

[Q3] Have you foreseen any additional safeguards to cope with this particularly sensitive circumstances?

[A3] Yes. The project is not considering any drilling within the PMA (Area 2), and is focused on Areas 1a and 1b, which is outside the PMA, with only a small overlap with the edge of the buffer zone.