# **Comments on the six projects to be discussed before September the 24th**

Philippines Renewable Energy Accelerator Program ("REAP") – IFC – 20M$

Establishing a feed-in tariff pricing is key to settle the level of concessionality. We have two remarks on this point: on the one hand, (i) we share the German and UK concerns on this regard about the link between the publication of the FIT levels and the assumptions made in the proposal. On the other hand, (ii) would the FIT chosen allow for a real replication of the project and translation into second and third rounds?

(iii) The assumptions leading to the proposed levels of concessionality, rather high, and the use of the different mechanisms such as mezzanine and equity, are not clearly explained, need to be detailed.

(iv) The project is targeting 2-3 projects with a high concessionality. This could lead to a strong distortive effect, especially on local banks. How will such a distortion be prevented?

Vietnam - IFC: Sustainable Energy Finance Program (V-SEF) – 50 M$

(i) Is there any condition on the use of the concessionality by the participating IF? Should they use it to limit collaterals for example? Is there any "condition" on the report of part of this concessionality on the end user (only the banks seem to benefit from the concessionality proposed)?

(ii) The "output-based aid" system designed is interesting and in a way innovative. We would be interested in some more details regarding the process to define the objectives, to choose the partners, and the impact on the CTF.

(iii) Some actors have launched pilot project on the field in Vietnam with the banking sector, is there any specific study of these projects in order to try to replicate the lessons learnt from them?

(iv) What is the process to select the participating IF?

(v) The advisory service component (grant program) seems relevant to us, but would it be possible to have an idea of the way it will be allocated between banks and activities?

Thailand - IFC: Sustainable Energy Finance Program (T-SEF) – 28,5 M$

(i) Regarding the concessionality, is there any condition on the use of the concessionality by the participating IF? Should they use it to limit collaterals for example? Is there any "condition" on the report of part of this concessionality on the end user (only the banks seem to benefit from the concessionality proposed)?

(ii) The mix between the three financial instruments is interesting. Would it be possible to be provided with some more details on the guarantee mechanism: size, eligibility criteria, targets and loss management, assumptions leading to the anticipated range (50-80%) of the first loss (as outlined also by the US) impact on the CTF?

(iii) The project is targeting various sectors: industries, SMEs, buildings, municipalities, etc. Is it fully relevant for a first step? Why not pushing for more targeted products?

(iv) Other DFIs have launched thematic projects on the field in Thailand (building, renewable), is there any specific coordination?

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| CTF – South Africa : Sustainable Energy Acceleration Program |
| South Africa - IFC – AfDB: Solar Water Heating Program, - 50 M$ |
| South Africa - IFC - AfDB: Energy Efficiency Program - $15 M$ |
| South Africa - IFC - AfDB: South Africa Sustainable Energy Acceleration Program – 85 M$ |

- **South Africa - IFC - AfDB: Energy Efficiency Program - $15 M$**

(i) According to our understanding of the situation on the field and unlike what is stated in the document (p.2), there seem to be a lack of coordination with the financial actors already active on the field. AFD in particular was not associated to the design of the project and no harmonization of financial conditions (level of concessionality, eligibility criteria, etc) was sought (contrary to what the document states p.6).

(ii) Moreover, we share the German concerns regarding the value added of this programme (15M$) compared to the ongoing programmes of AfD, KfW and IDC (Industrial Development Bank of SA) for 220 million USD.

(iii) Is there any local partner (public or private)?

(iv) Regarding the concessionality, is there any condition on the use of the concessionality by the participating IF? Should they use it to limit collaterals for example? Is there any "condition" on the report of part of this concessionality on the end user (only the banks seem to benefit from the concessionality proposed)?

(v) We support German reservation on the request for an unconditional letter of commitment for the entire amount of funds.

- **South Africa - IFC - AfDB: South Africa Sustainable Energy Acceleration Program - 85 M$**

(i) Would it be possible for the AfDB and the IFC to provide us with an analysis of the barriers to investments? We have indeed some concerns regarding the rational for such financial incentives. Is there any insurance that these new incentives (following recent change in tariff pricing) could have significant impact on private involvement?

(ii) The level of concessionality proposed for Independent Power Producer projects seems rather high, while this type of project allow usually for some benefits. How was it defined?

- **South Africa - IFC – AfDB: Solar Water Heating Program, - 50 M$**

(i) What is the articulation between the national policies (DBSA initiatives on this matter) and this specific project?

(ii) Would it be possible to specify the ventilation between the two components of the project?

(iii) We also share the UK concerns on the low level of leverage. What is the reason for such figures?