

# CLIMATE INVESTMENT FUNDS

May 31, 2017

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Meeting of the SREP Sub-Committee  
Washington D.C.  
Tuesday, June 6, 2017

## **Comments from Switzerland**

Thank you for circulating the documents (Semi-annual operational report; country portfolio) for the upcoming SREP Subcommittee meeting (6th June 2017)

We have the following questions and comments:

1. In paragraph 7 (p.5) of the Operational Report you summarize the overarching expected results under the 19 endorsed investment plans and PSSA. There are clear indications that SREP funding will not be sufficient to finance all these projects. Moreover, we have noticed that certain projects are likely to attain only a fraction of the results foreseen in the IPs (e.g. Menengai geothermal project). On the other hand, certain promise more (e.g. Liberia Renewable Energy Project AfDB). Do you have a summary of projects showing also the updated expectations as to results, based on project approvals and sealed project pipeline vs IP? Such a summary would be useful to situate the SREP portfolio in terms of results that may be realistically expected.
2. On resource availability (Table 1 p.7 of the Operational Report):
  - a. How realistic is it to assume that funds may be released (at all) from the Currency Risk reserves, given last year's currency effects (on GBP)?
  - b. What happens if the actual currency losses exceed the reserves? What is expected in this respect?
  - c. What about any additional contributions (e.g. from Norway)?
3. Referring to the SREP Country Portfolio (Questions to MDDBS):
  - a. Armenia GEDP
    - i. What are the results of the cost analysis and market sounding?
    - ii. Should the project go further ahead or not?
    - iii. If, not, what are the remaining SREP funds and what is proposed to be done with them?
  - b. Ethiopia GSDP
    - i. What is the result of the WB mid-term review in February?
    - ii. Who is the supervision consultant with whom the PIU contracted in November 2016?
    - iii. When shall the drilling contractor be appointed?
  - c. Kenya Menengai Geothermal Development Project AfDB
    - i. We understand that the actual well potential of first phase development of the Menengai site is 150 MW. That compares to an initially expected 200-400 MW. What is the meaning of "first phase"? Is there a chance that the project will fulfill the expectations set out in the SREP Results Framework (of the IP) or should this be revised to reflect the 150 MW? (if it is not already revised).
    - ii. What is exactly meant with "planning for first stage development of 100 MW power generation by end 2017"? has a tender for an IPP been prepared?
  - d. What is the status of Kenya Electricity Modernization Project?
  - e. Liberia Renewable Energy for Electrification in North and Center Liberia Project (Mini-Grids)
    - i. What is the status of procurements (consultants, equipment and services)?
    - ii. Has an operator been selected? By what kind of process? What kind of PPP arrangement?
    - iii. What are the WB's expectation regarding project savings with regards of concluded procurements?
    - iv. When will the mid-term evaluation be made with a proposal regarding the use of project savings?

- v. Have additional funding sources been identified for a scaling-up of the project?
- vi. To what extent have our recommendations about the introduction (at a later stage) for solar PV panels (to reduce the use of diesel) been considered so far?
- f. Maldives ASPIRE Program
  - i. What is the June deadline referred to?
  - ii. Will the remaining contracts be signed before this deadline?
- g. Mali Rural Electrification Hybrid Systems
  - i. What are the procurement issues referred to?
  - ii. Does the WB expect the project to go ahead within reasonable time and to reach the expected results?
- h. When will the Rwanda Renewable Energy Fund be submitted to WB Board for approval or has it been approved in the meantime? (End of May was mentioned during the SC approval process).
- i. Has the Vanuatu Rural Electrification Project now been approved by the WB Board? If not, when will it be submitted and what is the cause for delay?
- 4. As we are getting into a phase where the monitoring of project implementation is getting increasingly important, we would like to discuss the introduction of status reports to be provided by the MDBs on projects of particular interest.
  - a. Such status reports should be provided by the MDBs and based on their internal reporting so that additional efforts to prepare them are kept at a minimum
  - b. They should cover at least the following subjects:
    - i. Disbursements
    - ii. Activated co-financing
    - iii. Results of procurements (What was procured? Who received the contracts? Contract values)
    - iv. Anticipated project savings and proposals on how to use them
    - v. Project implementation schedule
    - vi. Adjustments of anticipated project results (if necessary)
    - vii. Any additional information considered relevant for the SREP Subcommittee
  - c. In our opinion, the following approved projects should be considered of particular interest to the SREP Subcommittee:
    - i. Projects with a large impact on overall SREP results (e.g. Menengai geothermal development)
    - ii. Projects where the SREP contribution to the overall budget is dominant or particularly large (i.e. >50%)
    - iii. Projects with particularly high risks.

We would appreciate if you could send us some answers to questions 1, 2 and 3 ahead of the meeting and put item 4 as a proposal under Other Business onto the Agenda.

Thank you and best regards

Daniel

**Daniel Menebhi**  
Program Manager

Federal Department of Economic Affairs, Education and Research EAER

State Secretariat for Economic Affairs SECO

Infrastructure Financing

Holzikofenweg 36, 3003 Berne

Tel. +41 58 46 22207

Fax +41 58 46 40962

[daniel.menebhi@seco.admin.ch](mailto:daniel.menebhi@seco.admin.ch)

[www.seco.admin.ch](http://www.seco.admin.ch)