

April 27, 2010

**Comments from the Netherlands
on the documents reviewed at the March 2010 SREP Sub-Committee Meeting**

Dear Patricia,

Our apologies that we missed the deadline of April 13. We would like to inform you as follows:

- we have strong reservations to finance hybrid energy systems with SREP funding. While investments in hybrid energy may be needed for sound economic development, it should not be sourced by funding dedicated for renewable energy. The Netherlands has, in principle, no objections if these hybrid energy systems are financed by other sources within the Bank.
- on TA we are with the UK of the opinion that capacity building and TA support (except for the initial development of investment plans) should be integrated into, and central to the delivery of, the investment outcomes desired (including private sector investment). TA support must not be laid down in the hands of one organisation. The Netherlands is against a monopoly in this field. The desired TA support depends on the needs per specific, local context and as a result, different TA partners are able to provide specific knowledge.
- recipient countries must have a choice in selecting TA partners. If the UN would like to position itself in this field, we strongly recommend a "One UN" approach, as opposed to an agency specific approach.
- we would like to emphasize that the costs of TA must be linked to a case-by-case, context-specific approach to TA needs. It is thus hard to pre-determine a maximum threshold level. While the Netherlands concurs that SREP is about investments, and we want to yield fast results, we would clearly not want to rule out the participation of countries in the lower bracket of the LDCs that may have a higher need for accompanying TA than others. In other words - we plead for flexibility, with the TA component maximized to 5-10%. We suggest that the upper threshold may be revisited after some time within the SREP SC - when we have more experience and a much better view of the TA needs in this field.
- we support the UK on the issue of grants for project preparation. The Netherlands wishes to stress that SREP should not operate in isolation, but seek synergy with other available funding for capacity building, such as ASTAE and ESMAP.
- with regard to the appropriateness of using concessional loans to LICs the Netherlands has strong reservations. More information is needed in order to take a final decision, and we will await the report of the CIF Admin Unit in this regard.

With kind regards,

also on behalf of Mrs. Kitty van der Heijden, Dep. Director DME,

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