

# CLIMATE INVESTMENT FUNDS

July 19, 2017

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**[APPROVAL BY MAIL]: BANGLADESH: POWER SYSTEM EFFICIENCY IMPROVEMENT  
PROJECT – ADDITIONAL FINANCING- OFF GRID SOLAR PV: SOLAR IRRIGATION  
(ADB)(SREP)- XSREBD064A**

**COMMENTS FROM SWITZERLAND**

Thank you for your responses to our comments.

Despite the potential upsides introduced by your latest answers and the hopefully possible improvements thanks to a VFM approach also requested by the UK, we are still not convinced that this project should be supported by SREP, on the basis of its results.

However, with regards to the potential for transformative impact and the interest of the Government of Bangladesh, we are ready to refrain from an objection to the approval of this project by the SREP Subcommittee under the following conditions:

1. The adequacy of the budget for solar irrigation systems shall be checked in the (ongoing) due diligence by ADB and, if applicable, the quantities shall be adjusted (i.e. increased).
2. The impact of such an increase of quantities, as well as the reflections introduced in the process of addressing our questions and comments shall be fully reflected in an updated Results Framework.
3. The intention to achieve a transformative impact with this project is key to its approval. Therefore a firm commitment from the Government of Bangladesh is needed to remove subsidies on diesel and/or introduce sustained incentives for solar energy in the irrigation sector going beyond the scope and the duration of the project. These conditions shall thus be introduced into the loan agreement between ADB and the Government of Bangladesh, which as we understand also governs the SREP grant.