

CLIMATE INVESTMENT FUNDS

October 24, 2016

**[APPROVAL BY MAIL] PSSA: MALI: SEGOU SOLAR PV PROJECT (SREP) (AfDB)--
PSREML502A**

COMMENTS RECEIVED FROM THE UNITED KINGDOM

Dear Mafalda,

Thank you for this proposal. We have a number of comments and queries that we hope the project team can answer. These are:

- This project generally seems quite high risk and we can see why concessional finance is required. It appears that with regard to the off-taker risk, EDM is in a weak fiscal position with a low credit rating, which means further TA/capacity building support is needed to ensure EDM is able to take forward their obligations under this proposal. The proposal mentions some technical assistance that has been provided previously (1.12-1.18) but doesn't make clear that there is specific TA available for this project and given it is the first of its kind in the county it seems that there could be a need for it. Is this the case?
- We would suggest that support for EDM and also for the government could be required as it highlights that although the GoM does have regulatory support in place, there are key policies missing e.g. feed in tariff or other market supporting policies. It seems that with additional support, the impact of this project could be much greater. Is this the case?
- Can the project team clarify how and why this particular site has been chosen? The proposal mentions that the site is some 240km north-east of Bamako, is 2.8km from a nearby substation. While linked to the national grid, we assume that it will provide power to a local communities (Segou and others?) and hence the public consultations in the project area? We also note that the National Energy Policy has a guiding principle based on decentralisation. We assume that the location of the site fulfils this requirement? Also, the proposal briefly mentions that the project site is currently being farmed by 55 people (households?) and that it has been agreed that they will be given land-for-land. Can the project developer/AfDB ensure that these people have been fully consulted and have freely agreed to the compensation as proposed? Is there a reason why this specific site is required by the project? Were there alternatives and if so, why were they not chosen instead?
- It is unclear what the significance of the peace-keeping roles that women play in relation to this project?
- How have the figures for the number of people with improved access to electricity been derived?
- The proposal mentions that the project will utilise 129,888 solar polycrystalline PV panels. How much scope is there for local manufacture of components such as metal frames etc that would create additional local jobs?

Kind regards,

Simon

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