

September 16, 2015

**Approval by mail: Dedicated Private Sector Programs (DPSP) II - Renewable Energy Mini Grids and Distributed Power Generation - Haiti: Modern Energy Services For All Project (World Bank) CTF-
Comment from the UK**

Mafalda,

Thank you for this proposal, we'd like highlight that we think it this is a very well worked up and particularly clear proposal.

Please see below some comments and questions from the UK. We would like to receive responses to these questions before we give our approval.

- The PAD does not contain explicit information on how the project meets the additional investment criteria applicable to private sector programs, which is mandatory for all DPSP projects (i.e. financial sustainability, effective utilisation of concessional finance, mitigation of market distortions, and risks), please could the project team provide this?
- Some of the business lines suggested foresee the use of results-based grants. How is this compatible with minimum concessionality principle under the CTF's private sector approach and the ambition to revolve the proceeds of the fund through the Fund's 10-year lifetime?
- It is unclear why this project is classified as a public sector programme when the Fund manager will be a competitively selected private sector entity?
- We note that when describing the compliance with the CTF investment criteria in the Development Impact section of Annex 7 (p109) there is mention of the development of local industry. Are you able to quantify the number of jobs created and is there a reason why this metric is not included in the Results Matrix?

Kind regards,
Kate