

CLIMATE INVESTMENT FUNDS

June 8, 2017

**[APPROVAL BY MAIL]: LIBERIA: RENEWABLE ENERGY PROJECT (AFDB)(SREP)-
XSREL032A**

COMMENTS FROM SWITZERLAND

Thank you for your answers to our questions and comments.

We have some follow-up questions:

A) (Q) (re. answer Nr.9): We do not quite understand how the financial viability data (NPV, IRR and payback) can be equal to the economic viability data. Could you please provide the computations in Excel format.

B) (Q) (re. answer Nr.13): Besides the costs associated with the Environmental and Social Management Plan covered by the Government of Liberia, does the project budget include DRR (disaster risk reduction) measures to protect the investment (e.g. from flooding)?

C) (Q) (re. answer Nr.16): Could you please give us a more specific indication (link) on the WB webpage where the information can be found and, if not self explanatory, give us your interpretation as to how and to what extent the Sector Strategies and Policies Risk is effectively mitigated by the WB Liberia Renewable Energy Access Project.

D) (Q) (re. answer Nr.21): We acknowledge the possibility to import electricity from Côte d'Ivoire [8 MW capacity] when needed by Liberia but to what extent is this capacity already used by present demand and is this supply really resilient to the dry season, given that Côte d'Ivoire also relies heavily on hydroelectricity?

E) (Q) (re. answer Nr.21): From the project document, your answers to our questions and the earlier appraisal of the WB Liberia Renewable Energy Access Project, we gained the impression that the capacity of 9.34 MW for this plant is geared more to river potential, available budget and expected demand in the future than present demand. This impression is also supported by the lack of clarity regarding the financing of grid extensions and mini-grids to be used to feed yet unconnected communities. Is our impression correct? What options regarding the sale of electricity have been explored to assure an economically sound operation of a plant of this size, also during the wet (i.e. peak producing) season? Is there the possibility to supply industrial or agricultural enterprises and thereby substitute diesel generation, in the time until the grid extensions and mini-grids are implemented?

F) (Q) (re. answer Nr.22): We understand from your answer that a possible PPP would be limited to an O&M contract or a concession to operate the plant for a determined number of years and that an investment from a private operator is not considered feasibly or desirable. Is our conclusion correct? Unfortunately the answer was truncated. Please provide the rest of your answer.