

# CLIMATE INVESTMENT FUNDS

February 2, 2017

---

**[APPROVAL BY MAIL]: MONGOLIA: UPSCALING RURAL RENEWABLE ENERGY- SOLAR PV  
(WORLD BANK) (SREP)- XSREM056A**

**RESPONSE RECEIVED FROM SWITZERLAND**

#1, #2 and #3 understood/OK.

#4: How is it possible that NPV is still positive if IRR is 4.3% at a discount rate of 6%?

#5a: not taken! According to the CTF website the expected CO2 savings of endorsed CTF activities (i.e. investment plans) is 1.5 billion tons. With the total funding of CTF being \$ 5.8 billion, that is \$ 3.86 per ton of CO2, far from the the \$200 you state in your answer. And CTF funding is not even all grant!

In fact the proposed project fails with regards to effectiveness in respect to all objectives:

1. \$500 (grant part only) per person to benefit from improved access to electricity
2. \$80 (grant part only) per ton of CO2 avoided or saved
3. With a leverage ration of 1:1, far from the SREP average of 1:6.4

On that background, a good description of the way the project is supposed to lead to the scaling-up described in the results framework is necessary. Please provide such a description and enact the corresponding activities in the frame of the project.

SECO/WEIN/mnd 2 February 2017