

February 17, 2017

# CLIMATE INVESTMENT FUNDS

**[APPROVAL BY MAIL]: VANUATU: RURAL ELECTRIFICATION PROJECT (SREP) (WORLD BANK)-  
XSREVVU040A-  
COMMENTS FROM THE UNITED KINGDOM**

Dear Mafalda,

The UK has some additional questions for this proposal, which we like clarification on before approving please.

- As the proposal states, the key element that success hinges in is affordability. The proposal rightly goes into some depth in assessing the affordability as part of the economic analysis. However, we have two questions that would enable us to put our minds at rest regarding this issue. These are:
  - How are the retail prices determined?
  - Is there a risk that vendors, knowing that a third of the retail price will be subsidised, hike up their prices?
  - Other than competition, what mitigates against this happening?
  - Have the proposed prices of Solar Home Systems been tested with potential end users during the consultation process? If so what were the responses?

Sorry for the delay in providing these, we've had some IT issues this week and some absences during the half-term holidays.

I also attempted to access the comments link provided at the bottom of the email below, but am getting an Access Denied page come up, (I also tried on my home PC - not linked to the DFID network to see if that was the cause, but get the same message). So apologies for providing the questions by email.