

April 9, 2015

Comments received from Switzerland--Approval by mail: Tanzania: SREP Mini-Grids Project (IFC)

Dear Mafalda,

Thank you for circulating the decision text and the project document and for granting us the 48 hours extension to give our approval.

We are supporting the project which is in line with the endorsed SREP investment plan for Tanzania and in our eyes constitutes a valuable complementary measure to the other programs leading to the accelerated deployment of renewable energy in Tanzania.

We have the following questions and comments which we would like to be addressed:

1. (Q) Under component 1.2 it is mentioned that two specific pilot mini-grid projects shall receive advisory support going as far as the financial closing. Have these "specific" projects already been identified and if yes, which are these projects and how have they been selected among possible candidates?
2. (Q) It is noted that under component 2.1 (development of a transaction advisory services facility) the activities do not cover the financial closing, unlike under component 1.2 (support to selected pilot mini-grid projects). Why is this? To what extent has the consideration of also providing advisory services linked to the financial closing been considered in the project?
3. (C) We noticed a certain disproportion in the allocated budgets between general information and awareness raising activities (rather high budgets) and specific project oriented advisory services (rather low budgets except for the two pilot projects, where the allocation seems very high in relation to the transaction advisory services facility).
 - a. (Q) What proportion of SREP grant and capital is foreseen and to what component(s) is the capital contribution allocated? Is it foreseen that the capital is flowing back to the Transaction Advisory Services Facility, e.g. from successfully closed projects?
 - b. (C) In order to actually generate the expected 20-25 investments, we believe that the proposed facility for transaction advisory services is underfunded. We would recommend to consider an increase of the budget for of the latter, for instance through an investment from the IFC or from other development partners.
4. (Q) What is the scope, content and objectives of the monitoring & evaluation activities justifying the \$450'000 budget.

Please transmit these questions and comments to IFC and the GoT.

Thank you and best regards

Daniel

Daniel Menebhi
Program Manager

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