

June 10, 2014

Approval by mail: MENA CSP Technical Assistance Program - CTF (AfDB/IBRD)

Patricia et al.,

Thank you for sharing the MENA CSP TA Proposal. We have significant concerns with the suitability of this project for CTF funding and are not comfortable with supporting it at this juncture. We have the following questions and comments:

- Why has the CTF been identified as a funding source? Have other funding sources been explored, such as the GEF?
- The objective to the CTF is to focus on deployment of low-emission technology. While such deployment could and should spur local investment in the sector to support the technology, CTF does not have an explicit objective of supporting local manufacturing capacity, particularly when such support is separated from project investments.
- It is difficult to see how this project can meet CTF funding criteria for reduced GHG emissions in the electricity sector when the intervention is so indirect.
- The GEF has funded a hybrid CSP/gas plants in Morocco and we believe that it may have also supported similar plants elsewhere in the region. There is no clear justification for why further hybrid plants are needed at a scale that justifies CTF support rather than other funding sources.
- A \$10 million grant is a substantial sized grant for a project that offers no certainty link to investments. CTF project preparation grants have traditionally been more modest in scope. Why is this one proposed at such a level?

Daniel F. Morris
Office of Environment and Energy
US Department of the Treasury
Daniel.Morris2@treasury.gov
202.622.9352 (o)