

June 12, 2014

**Approval by mail: Egypt: Wind Power Development Project - Restructuring Paper
- IBRD (CTF) - Response Posted**

Dear Patricia,

Thank you for re-submitting this project which the UK approves on the basis that we will have chance to review the \$10m proposed for REF in future.

We agree with IBRD's choice to revise expected GHG savings downwards (from those claimed from 2500 MW) and set the boundary of analysis at the end of the project's lifetime. This is in accordance with the set out BAU and in line with demonstrating the additionality of CTF funding. However we would still ask that the expected financial leverage have the same boundary of analysis, especially since the pipeline of projects is already known and the expected investments from private and public resources can already be approximated. This approach would be consistent with the results framework of CTF's other transmission project approved in India and would result in meaningful and comparable cost-effectiveness indicators.

In addition IBRD's response to the first round of UK comments contains contradicting information on the expected source of funding for the forthcoming 790 MW capacity. While response #2 claims that the additional 540 MW will be donor financed, response #5 claims that no climate financing is expected to be used for the financing of the wind farms. Could IBRD please clarify the sources of funding within the expected private and public financial leverage to eschew any possibility of double counting?

Best regards

Simon

Simon Foster
Department for International Development | 22 Whitehall London SW1A 2EG | T: + 44
(0)20 7023 1416