

Comments from Canada- Approval by Mail: CTF Nigeria: Line of Credit for Renewable Energy and Energy Efficiency Projects (AfDB)

Dear Patricia,

We have reviewed the response provided by the African Development Bank (AfDB) regarding the project proposal in Nigeria and why Stanbic IBTC was identified as the recipient for the line of credit. The AfDB's response on page 1 notes that, "it was an opportune moment at the Bank to implement the Nigeria investment plan, through financial intermediaries". However, this response does not answer our specific question submitted below regarding the decision to on-lend USD\$20 million per project, via Stanbic IBTC, rather than to directly fund and monitor the projects within the AfDB:

We would appreciate an explanation of why the proposed maximum size of the projects funded by the line of credit is USD\$20 million, which does not seem consistent with the overall USD\$50 million size of the AfDB-CTF line of credit. We note that the indicative pipeline includes two projects, the Utility scale solar farm and the electricity distribution grid, that, if approved, would account for 80 percent, or USD\$40 million, of the line of credit. We would appreciate further background from the AfDB on the proposal to on-lend USD\$20 million per project, via Stanbic IBTC, rather than to directly fund and monitor the projects within the AfDB.

We would appreciate receiving an extension to the project approval deadline, by two business days, upon receipt of a response from the AfDB.

In addition, the project proposal indicates that the estimated CTF investment is USD\$22.5 million (pg 9). If the CIF Admin Unit could please clarify whether the remainder of these funds (USD\$2.5 million) represents the MDB fee that would be greatly appreciated.

Thank you very much for your help with this matter.

Best regards,

Jennifer

Jennifer Purves

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