

Response Matrix for CTF Program Approval Request			
1. Country/Region	MENA	2. Date	04-11-2014
3. Project/Program Title	SPREF		
Comments from Germany			
However, we consider the proposed targets and especially the timeline as rather ambitious.	We have a strong pipeline for the region, and we believe that these targets and the timeline are feasible. The first projects are currently in the pre-concept stage at EBRD, and are waiting for the programme to be approved.		
We cannot agree to the proposed pricing of 75 bps. As a private sector project, it should be priced at least according to the pricing for private sector projects as agreed upon under the CTF rules.	<p>75 bps is the floor pricing proposed, it is not foreseen as universal pricing. At the level of each project concessionality would be calculated in line with CTF and EBRD rules, to only offer the least concessional conditions required to let the project achieve financial close, and thereby to avoid over subsidisation.</p> <p>It should be noted that the region is well supplied with cheap concessional and grant money for publicly funded renewable energy projects (including from the CTF), and that the private sector will have to compete with this.</p> <p>It should also be noted that the restriction on local currency finance relevant for the region in the CTF may lead to a requirement for lower interest rates to be charged, to make up for the F/X risk. This will be assessed at project level.</p>		
Furthermore, we would like to seek confirmation that if and when EBRD would like to apply equity or quasi equity instruments that such financing would be as per the new risk sharing mechanism coming from grant funds.	This is not for us to decide, but we can prior to each investment being made revert to the Trustee for such a decision, with a suggestion from us based on the criteria to be developed.		