

May 6, 2010

Comments from Australia

Approval of CTF Funding for project entitled - Egypt: Wind Power Development Project (IBRD)

Colleagues

Thank you for the opportunity to comment on the proposed Egypt Wind Power Development Project. Australia is pleased to support the project and congratulates the design team on a strong Project Appraisal Document that demonstrates the transformation potential of this CTF investment. The brief points we provide below are for noting only.

§ Australia's strongly supports the project's approach to harness Egypt's high potential wind resource through private investment and it is pleasing to see that private capital comprises 57% of total investment in this project. The provision of electricity transmission infrastructure along with technical assistance to support competitive tendering for identified wind power sites will provide a good foundation for further private investment following this project. *We note the additional analysis on this prepared by the project team in response to comments from Japan.*

§ The Project Document highlights the substantial efforts of the Government of Egypt to incentivise wind power investment, including through the new electricity law pending parliamentary approval, ambitious renewable energy targets, tariff subsidies and other measures to reduce the cost of wind power development. Implementing these commitments will be crucial to ensure sustained private investment in wind power, however, this is not identified as a potential risk to project objectives in the document. We would encourage the project team to closely monitor the implementation of these commitments to understand their impact on project success.

Regards

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