

April 30, 2010

**Comments from Japan  
On  
Approval of CTF Funding for project entitled - Egypt: Wind Power Development Project  
(IBRD)**

Dear colleagues,

Thanks for sending the project document entitled, Wind Power Development Project (the Project) to approve a CTF allocation of \$150 million.

We would like to provide with you following comments;

1. The CTF aims to finance transformational investments for the development of low-carbon technologies, while the CTF funding component of this Project is a construction of conventional 500kV transmission line. Although we understand that this Project will support the development of wind power projects, we would like to see if there are any new transmission systems/components using energy-efficient technologies. Appreciate your explanation in the project document.

2. We have a concern on the large share of the CTF funding in the Project cost (\$150mil CTF out of \$345mil of transmission project) since it's purpose is to cover the identifiable and additional cost of the investment to make the investment financially viable with maximizing limited CTF resource. As stipulated in the para 25, 26 of the Investment Criteria, we would like to request an additional information (i.e. financial analysis of the transmission project) to justify the amount of \$150mil by showing with and without CTF resource cases ("without case" will be based on IBRD financing for CTF portion) in addition to the current economic analysis. In order to see the financial viability of the transmission components, transmission charge would be taken into consideration to cover the capital costs.

Kind regards,

Keisuke Sasaki

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