

June 4, 2014

Comments from Canada--Approval by mail: Egypt: Wind Power Development Project - Restructuring Paper - IBRD (CTF)

Dear Patricia,

Thank you for the opportunity to comment on the request to reallocate CTF funds for the project entitled, the Egypt Wind Power Development Project, submitted by the Government of Egypt and International Bank for Reconstruction and Development (IBRD). We support the request to reallocate \$62.1M of the uncommitted CTF loan to finance sub-component A5. We are pleased to see that the proposed restructuring will utilize the significant cost savings to finance additional transmission infrastructure and result in stronger financial and economic rates of return.

Regarding the request to reallocate the remaining \$10M to support the establishment of the Renewable Energy Fund (REF), the proposal indicates that the funds could be used to "support the establishment of the REF and/or other eligible activities". We request that this aspect of the proposal be resubmitted to the Committee for decision once the proposed use of these funds has been determined, accordingly.

Separately, we welcome the steps IBRD has taken to expedite Component C's implementation through the use of credit enhancement instruments. In this regard, we would appreciate an update from the IBRD on the Government of Egypt's decision to use IBRD credit enhancement instruments, as the use of these instruments is an important risk mitigant for this project, as well improving the private sector's participation and risk perception.

Best regards,
Jennifer

Jennifer Purves
Senior Analyst | Analyste principal
Global Environment and Climate Finance | Programmes de financement climatique et
environnemental mondial
Global Issues and Development Branch | Direction générale des Enjeux mondiaux et du
développement
200 promenade du Portage, Gatineau, Québec, Canada, K1A 0G4
jennifer.purves@international.gc.ca
Telephone | Téléphone: (343) 203-6069



Affaires étrangères, Commerce
et Développement Canada

Foreign Affairs, Trade and
Development Canada