

April 3, 2014

Comments from United Kingdom on the Approval by Mail: CTF Nigeria: Line of Credit for Renewable Energy and Energy Efficiency Project (AfDB)

Dear Patricia,

The UK has the following questions regarding the above project for the AfDB team:

- How was Stanbic IBTC identified as the recipient of this line of credit?
- How will AfDB ensure that the LOC results in lower financing costs for Stanbic's clients?
- Can you provide additional evidence related to the factors that are likely to move the RE and EE markets in Nigeria?
- Why is there no room for leveraging additional debt finance for the supply side EE project identified in the pipeline?
- How did AfDB arrive at the 153,000 MWh per annum energy savings figure for the supply side EE project? Was this calculated based on the expectation of 3% reduction in distribution losses? If so, is this loss reduction entirely attributable to the \$28M investment?
- Please could you confirm that any credits sold to the carbon market will be reported?
- Other CTF financial intermediation projects include a technical assistance component. Why is this not required with this project?
- What is your view on the replication potential within local financial institutions in Nigeria following successful demonstration through Stanbic?

Kind regards

Simon Ratcliffe | Energy Advisor | Department for International Development |