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Subject **RE: Ang. Turkey: Commercializing Sustainable Energy Finance Program [SEC=UNCLASSIFIED]**

Dear colleagues,

Our apologies also for a late response. Australia welcomes and supports this proposal from the IFC for CTF co-financing.

- In line with comments from others, we see a focus on the monitoring, quantification and reporting/verification of results over time as an essential element of this activity (potentially including the use of proxy indicators to assess whether this work has, or is likely to, catalyse the development and uptake of similar products beyond the direct scope of the activity). This is particularly important given the relatively short duration of the activity.
- We encourage ongoing communication and exchange of lessons learned, and the consideration of opportunities for any efficiencies, between this program and the already approved CTF/IBRD EE/RE project in Turkey (noting others comments on the desire to target a separate group of financial institutions).
- An AusAID technical assessment of this proposal queried the applicability of the proposed approach to renewable energy technologies, suggesting that the activity might most appropriately focus on energy efficiency

(excepting cases where EE and RE are part of a combined solution such as solar water heating and low grade heat applications) rather than renewable energy for electricity generation.

- The technical assessment also questioned the applicability of this model to the residential sector, where transaction costs are often too high for gains to be made. The assessment recommended considering targeting the commercial SME space, and removing focus on the residential sector.

Kind regards,

Melissa

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