

**APPROVAL BY MAIL: KAZAKHSTAN: EBRD REQUEST FOR CHANGE IN ALLOCATION IN
APPROVED PROJECTS FOR KAZAKHSTAN**

Comments Received from the United Kingdom

Dear Mafalda,

Thank you for this proposal. Generally we think the suggestions in the proposal seem sensible, however before we give our approval we'd like responses to the below questions about the information in Table 2:

- For Kazakh Railways, the CTF Investment is reduced by 87% as a result of the proposal, but the CO2 Savings are only reduced by 35% to 50,000 tCO2/yr. Is there an explanation for this non –linearity? Also we think that the cost effectiveness should then be 0.93 USD/tCO2 with the proposed allocation, is this correct?
- For KazREFF, how has the cost effectiveness ratio been calculated? We have attempted to replicate this, but have come up with slightly different results:
$$\frac{\text{USD}29,500,000}{(270,000 \times 20 \text{ years})} = 5.46 \text{ (instead of 5.28)}$$
$$\frac{\text{USD}41,700,000}{(390,000 \times 20 \text{ years})} = 5.35 \text{ (instead of 5.29)}$$
- For the Yereymentau WPP, what is the P95 scenario referenced in the footnote? What is the reason for the increase in cost per tonne of CO2?

Kind regards,

Kate