

February 15, 2011

**Comments from Germany on the Approval by mail of
CTF Funding for the Philippines Sustainable Energy Finance Program**

Dear Patricia and Lisa,

we warmly welcome this proposal and would like to express our gratitude to IFC and other MDB's for responding to most of our long discussed issues on private sector interventions when drafting this project proposal. This is much appreciated. Please, find detailed comments attached.

We have some questions/observations, which are more general in nature and therefore we thought it inappropriate to burden this excellent project proposal with them. Nonetheless, we would appreciate an answer or reaction in due course. Thank you!

1. We explicitly acknowledge and welcome that the proposal provides more information on the financing terms than was the case in similar proposals in the past. While it is obvious that you have taken the draft document "Further enhancing the efficiency of the private sector projects review and approval process" into account, we would welcome if in future documents you could elaborate some more on the following topics: "In case of subordination of CTF loans relative to the MDB loans, the MDBs will provide sufficient rationale, analysis and quantification of the risks associated with the subordinated CTF funds, including an explanation of what risks, assumptions and caveats have been taken into account in that quantification, [...]".

2. Given the fruitful exchange of thoughts and subsequent work that went into the document cited above and the high level of agreement it received, it would be very much welcomed if the Admin Unit could give us an indication when it intends to share the document with the whole committee in order to approve it officially.

3. Given the challenges regarding M&E (s. attachment) particularly of development impacts, we were wondering about the implementation of the Results Framework and its test period. Would it be possible to provide some background information about the steps that have been undertaken since the Nov. meeting, and next steps you are planning to undertake?

We do hope that you find these comments helpful,
all the best
Annette