

**May 27, 2010**

**IFC's response to UK, Germany and Japan  
IFC's Thailand Renewable Energy Accelerator Program**

**UK**

A cap on subordination reduces the flexibility to structure successful programs and so achieve a successful outcome; however, if required we can accept an indicative cap of 30% for subordination, i.e. no more than USD 12 million will be subordinated under the program.

**GERMANY**

- 1) As part of our appraisal process, we develop financial models and run various sensitives to analyze the project cash flow. We will be structuring the financing terms, including the amortization schedule taking these cash flow projections into account. Thus the amount of debt that the project will be expected and required to service after the end of the adder period will be a small proportion of total debt and far less than the amount serviced during the adder period.
- 2) We will coordinate with the CIF Admin Unit, Trustee and other MDBs and submit an official proposal as soon as possible on how to proceed with the confidentiality agreement based on the Financial Procedures Agreement.

**JAPAN**

- 1) IFC will report on all CTF projects and proposals as required in the CTF
- 2) IFC will seek to ensure cooperation of CTF programs with all relevant sources of multilateral and bilateral development financing.