

May 26, 2010

**Comments from Japan
IFC's Thailand Renewable Energy Accelerator Program**

Dear Colleagues

We would like to thank IFC colleagues for response to our comments.

Japan has no objections to endorse this program with following notes.

1. effective utilization of concessional finance and avoiding market distortions

In accordance with the operational guideline, it is important to ensure that CTF concessional funding should (i) only be used when the project wouldn't go forward without CTF resources, (ii) minimize or avoid distorting markets. In this context, we would request IFC to report on progress of each project under this program occasionally to explain especially the following points:

- (a) detail description of each project
- (b) justification with quantitative analysis why the CTF concessional funding is needed
- (c) explanation that the CTF funding does not distort the market condition

2. collaboration with all stakeholders including bilateral institutions
Japanese public finance has supported renewable energy sector in Thailand (e.g. Climate Change Program Loan, capacity building projects for Bangkok city public sector).

Also, there is a possibility that Japanese bilateral institutions and/or Japanese companies be involved in renewable energy projects in Thailand. In this context, we would like to ask for close collaboration and information sharing with all stakeholders during missions.

Sincerely,

Shoko Ikarashi