

May 26, 2010

**Comments from the United Kingdom
IFC's Thailand Renewable Energy Accelerator Program**

Dear both,

Apologies, I mean to add that depending on when you are able to respond to the below, this may effect our ability to meet the deadline.

Regards,

Phil

From: Phil Lewis

Sent: 26 May 2010 12:27

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Subject: RE: IFC's Response to the UK Questions - IFC's Thailand Renewable Energy Accelerator Program

Dear Patricia,

Many thanks for responses to the questions we raised regarding the Thailand Renewable Energy Accelerator Programme.

We had one more questions from the UK before we can signal our approval or otherwise.

Whilst we understand that CTF funding is not expected to be subordinated, as the proposal seeks to retain flexibility to use subordinated debt structures without the need for re-approval by the Trust Fund Committee we need to ensure that the reasoning is robust enough to cover this eventuality.

Would you be able to confirm a cap which we could set for the maximum amount of CTF funding for the Thailand programme which could be used in a subordinated position? If this cap needed to be exceeded, then this would need to be brought before the Trust Fund Committee for justification and re-approval. The current proposal that 1 in 4 projects may need to rely on subordinated debt is not satisfactory from our perspective, because the size of CTF financing used in subordinated position would obviously depend on the size of the project. Thus, if there were 3 small projects without subordination and 1 large one with, quite a substantive share of CTF financing may be exposed to subordination. It would be more helpful if we could set an indicative cap on subordinated funds - say, 25% of the project. Would this work?

Regards,

Phil