

4/15/2014

**Comments from the United Kingdom--CTF Chile: Geothermal Risk Mitigation Program
(IDB)**

Pamela, Natalia

Cc: CIF AU

This email is just to clarify the email from Japan below rather than to delay approval.

I wanted to double check my understanding following our teleconference and the Trustee's additional response. I had understood that only the grant contributions would be used to finance the contingent loans within these projects on the basis that the Trustee would treat these instruments conservatively.

In Tomo's email below, he suggests that grant / equity contributions will be treated in the same way. I interpret equity contributions as relating to our capital contribution. I am not sure if Tomo is aware that capital contributions cannot be used to finance grants under the CTF Standard Provisions and whether this needs to be brought to his attention?

Related to this, it is clear that under the separate management of grant and loan contributions as proposed in Tomo's email, we would have to clarify what this means for capital contributions (i.e. Spain and the UK). We will have a think about this.

Separately, Patricia noted that we may face a potential shortfall in the CTF in Q1/2 of FY2015. I wanted to double check if the Trustee is able to commit funds to project approvals on the basis of unencashed promissory notes as well as cash held in the Trust Fund?

thanks

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