

4/9/2014

Comments submitted by the Trustee-- Approval by Mail: CTF Chile: Chile Geothermal Risk Mitigation Program (IDB)

In response to your question, the outgoing contingent recovery grants and/or the loans that are convertible to grants will be sourced from grant contributions, consistent with the Principles regarding contributions to the CTF. However, since contributions to the CTF are commingled in a single trust fund, it is not possible to attribute a specific project to a contributor type of financing in the decision. The compliance with the principles is monitored in the Trustee's internal systems.

Additional response:

Pursuant to the Principles regarding contributions to the CTF, defaults on outgoing loans from the CTF will be shared by all contributors on a pro-rata basis proportional to their overall contributions to the CTF (excluding the portion, if any, used for grants). As explained earlier, loans convertible to grants would be sourced from grant contributions. This means that such instruments will be excluded from the loss sharing calculation-- just as any other grant funding. In line with CIF practice, Principles regarding contributions to the CTF are not included in the text of a TF Committee decision.