

October 23, 2015

**Approval by mail: Dedicated Private Sector Programs (DPSP) I: Utility-Scale Geothermal - Colombia:
Financing and Risk Transfer Program for Geothermal- XCTFCO506A- (IDB)-
Comment from the US**

Dear CIF Administrative Unit,

Thank you for the opportunity to review and comment on the DPSP Colombia Geothermal project. While we are encouraged by the progress of the DPSP Geothermal program, we have concerns about its applicability in this context. We would like the IDB to answer the following questions:

1. From the project description, the project itself is public and both private and public entities will be eligible to submit projects. If public firms can apply for the program, why is it being submitted through the DPSP? Why is there not more of a targeted focus on private sector geothermal activities?
2. The proposal indicated that the project will generate up to \$190 million in co-financing from private sources, yet it provides no information about from where this co-financing will come? Are there funders currently ready to make investments in geothermal activities that may result from this program? If not, how will the IDB attract such partners?
3. The description of the potential for geothermal power in Colombia is very vague throughout the proposal. Without a clear description of the geothermal fields or a pipeline of projects, it is difficult to anticipate what kind of success this project may have and what sort of environmental impacts may result from drilling activities. Please provide a more-thorough description of Colombia's geothermal potential and specific areas where this project will occur. If potential geothermal fields have not been identified, then please explain why the project has been brought forward for approval at this time.

We look forward to reviewing the responses. Thanks again for the opportunity to review.

danny