

April 3, 2014

**Comments from France on Approval by mail - Mexico: Geothermal Financing and Risk Transfer Facility (IDB) CTF**

Dear colleagues,

We would like to support Germany' point. We appreciate the response provided by the trustee specifying that "the loans that are convertible to grants will be sourced from grant contributions" however the trustee also specified that "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".

In order to secure the fact that this type of instrument (loan convertible to grants) does not deteriorate the risk profile of the CTF in particular for loan contributors such as France, Canada and Germany (since all types of donors share defaults pari passu), we would support the IDB's proposal, subject to the understanding that the loans that are convertible to grants will be sourced from grant contributions, **ONLY IF** the resolution stipulates that "losses resulting from the use of this instrument will be borne by grant contributions (in the same manner as e.g. project preparation grants)".

Best regards,

Cécile Pot