

May 15, 2014

**Approval by mail: CTF Colombia: Energy Efficiency Program for the San Andrés,
Providencia and Santa Catalina Archipelago Project Preparation Grant IDB**

Dear Patricia,

The UK is happy to approve this Project Preparation Grant.

We recommend that in their PAD for the full project finance IDB should:

- be clear about what the market barriers are to EE investments on the islands and how these have informed project design as well as the wider transformational impacts
- consider how the benefits will improve the lives of the islanders and local businesses, with particular reference to gender issues
- identify exactly who the users of the information generated by the pilot project will be and how this will be effectively disseminated to them
- As per the October 2013 decision in addition to CTF investment per ton of CO₂-equivalent reduced, include an estimate of total project costs (CTF investment plus co-financing) per ton of CO₂-equivalent reduced
- Provide transparent energy and CO₂ related calculations including project boundaries, baselines (early replacement of equipment versus new equipment), lifetime of the investments, estimates on the magnitude of the rebound effect of the EE measures and the emissions conversion factors used for the counterfactual.

Best regards

Simon

Simon Foster

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