

CLIMATE INVESTMENT FUNDS

March 23, 2016

**[APPROVAL BY MAIL]: DPSP II KENYA: CONCESSIONAL FINANCE PROGRAM FOR
GEOTHERMAL GENERATION (CTF) (AfDB) - PCTFKE604B- DEADLINE EXTENDED**

Comments from United Kingdom

Dear Mafalda,

The UK is now content to give approval to this proposal, with one key condition. We remain concerned about the lack of detail on the concessionality of the CTF funds. Therefore our approval is conditional on the AfDB informing us of the final terms proposed for the CTF funds vs. their own funds – i.e. final interest rate, duration of any grace period and any other relevant loan parameter they may decide to add, such as interest capitalisation – as and when due diligence is completed on each project.

In general we thought this proposal was lacking in detail in some important areas and we therefore had to follow up with a number of questions to seek further information and clarifications. We did however appreciate the AfDB's swift and helpful responses to our questions.

Thanks,

Lawrence