Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

10 January 2011

Ms. Patricia Bliss-Guest
Head, CIF Administrative Unit
CTF Trust Fund Committee
1818 H Street NW
Washington, DC 20433, USA

Subject: Clean Technology Fund (CTF): Update Investment Plan for the Philippines

Dear Ms. Bliss-Guest:

First of all, we would like to thank the CTF Committee for their support and valuable feedback in the earlier draft CTF Investment Plan Update.

Attached please find the Philippines CTF Investment Plan update (CIP-U) which has been revised pursuant to the discussion on 4 November 2011 and subsequent comments received. All comments have been addressed to the extent possible; a comments matrix is also attached for quick reference. Government of the Philippines (GoP) believes that comments have been adequately addressed at the Investment Plan level. Further detailed comments can be addressed going forward at the project appraisal stage.

GoP would like to emphasize the following main points:

(i) The Updated CIP will achieve a better balance between supply and demand side investments, without crowding out private sector investment in renewable energy and without compromising the Philippines energy reform objectives for affordable and sustainable energy security.

(ii) The proposed projects will result in greater and more cost-effective GHG emissions than proposed in the original CIP, with enhanced development impacts. Cost effectiveness is consistent with other approved CTF investment plans and projects.

(iii) The Philippines RE program is still alive and well. CTF support for RE will continue through IBRD and IFC programs, and ADB will continue to support GoP EE and RE programs.

(iv) Project processing schedules have been adjusted to reflect Energy Efficient Electric

Vehicles (EEEVs) project anticipated ADB Board approval in 2012; this change in schedule will require some balancing of GoP annual borrowing which will push the EE appliances project approval into early 2013.

(v) A comments matrix is included which explains where questions have been addressed in the main document.

(vi) Any further project-specific questions will be addressed going forward at the appraisal stage when draft Board documents are presented for funding approvals.

We look forward to receiving favorable consideration by the CTF Trust Fund Committee for the endorsement of this Investment Plan Update. GoP will be happy to address any further questions or comments.

Sincerely,

ROSALIA V. DE LEON
Undersecretary
International Finance Group

Cc: **Sec. Jose Rene D. Almendras**, *Department of Energy*
Mr. Neeraj Jain, *Director, Philippines Country Office, ADB*