

**JOINT MBD MISSION TO PREPARE THE REVISION
OF THE CTF CHILE INVESTMENT PLAN**

TERMS OF REFERENCE

I - Background

The [Clean Technology Fund Investment Plan for Chile](#) (CTF IP) was prepared by the Government of Chile with the collaboration of the Inter-American Development Bank (IDB) and the International Finance Corporation (IFC). It was endorsed by the Trust Fund Committee of the CTF on May 3, 2012.

The IP included four projects, to be executed by the two multilateral development banks (MDBs), as follows:

Component	MDBs	CTF Resources (USD million)
Concentrated Solar Power Project (CSPP)	IDB	100
Large-Scale Photo-Voltaic Program (LSPVP)	IDB and IFC	50
Renewable Energy Self-Supply and Energy Efficiency (RESSEE)	IDB and IFC	49
Preparation Grant for RESSEE	IDB and IFC	1
TOTAL		200

The May 2012 endorsement decision of the TFC includes the following text:

[...] The Trust Fund Committee also notes the request for USD 200 million in CTF funding to finance the proposed projects and programs, recognizing that resources pledged to the CTF are largely allocated to early investment plans and that endorsed investment plans for Nigeria and India are not yet funded. The Committee agrees that CTF funding for the projects and programs proposed in Chile investment plan will be contingent upon the availability of funds beyond what is planned in the current pipeline.

The Trust Fund Committee requests the contributors, other countries, MDBs and other development partners to seek to mobilize additional resources so that the Governments of Nigeria, India, and Chile, working in collaboration with MDBs, may move forward to develop the proposed projects and programs for approval of CTF funding.

During the same May 2012 meeting of the TFC, new contributions to the Fund were announced, and the Committee approved the release of one tranche of indicative funding allocation (USD 416 million) for the three Phase II countries (Nigeria, India, and Chile). These resources were distributed among the three countries proportionally to the full amount requested in their respective investment plans. The amount available for Chile was USD 68 million.

Subsequently, the Government of Chile decided what priority projects would be funded with the available resources, on the basis of its priorities and project readiness. It decided to allocate USD 1 million for the RESSEE Prep Grant, and USD 67 million for CSPP. Both projects were submitted and approved respectively on August and September, 2012.

As more resources became available, the LSPVP Program was submitted, and it was approved on March 2013. The RESSEE Program is currently being prepared, and is scheduled for TFC approval in June 2014.

The following table summarizes the CTF Chile projects that have been approved or that are scheduled for approval. As the original IP foresaw USD 100 million for the CSPP, but only USD 67 million were approved, the remaining amount of USD 33 million remains unassigned.

Component	TFC approval	CTF Resources (USD million)		
		IDB-executed	IFC-executed	TOTAL
CSPP	Sept 2012	67		67
LSPVP	March 2013	25	25	50
RESSEE	June 2014	24.5	24.5	49
RESSEE Prep Grant	Aug 2012	0.7765	0.2235	1
<i>Unassigned</i>				33
TOTAL				200

In June 2013 the Government of Chile informed the MDBs that it is proposing allocating the unassigned amount of USD 33 million to a new geothermal exploration risk mitigation project, and invited the banks to participate in a Joint Mission on July 25 and 26, 2013. IFC has indicated that it is not able to join the mission because of a conflict in dates as well as no immediate pipeline of geothermal projects in Chile that could be put forward as part of the CTF program. They remain interested to support the government's effort within CTF or outside of it as the geothermal program takes shape. The IDB and the International Bank for Reconstruction and Development (IBRD, World Bank) will participate in the mission.

II - Joint Mission Objectives

The main objective of this CTF Chile Joint Mission is to support the GoCh in the revision of its IP. The specific objectives are:

- (i) to discuss the general characteristics of the geothermal exploration risk mitigation project, to be included on the Revised IP;
- (ii) to meet civil society and private sector representatives to exchange ideas on the ongoing and planned projects;
- (iii) to define a timetable for the presentation of the revised IP to the CTF TFC;

III - Joint Mission Dates

The Joint Mission is proposed for July 25-26, 2013.

IV - Joint Mission Coordination and Focal Points

The Joint Mission will be coordinated by the GoCh through the Energy Ministry, which serves as technical focal point to the CTF.

GoCh focal point:

Tatiana Molina, Economic Advisor to the Minister, Energy Ministry
(tmolina@minenergia.cl)

MDB focal points:

- IDB: Claudio Alatorre (calatorre@iadb.org)
- IBRD: Migara Jayawardena (mjayawardena@worldbank.org)

V - Expected Results

The main expected results at the end of the Joint Mission are:

- Contributions of the different stakeholders for the Revised IP.
- An aide-memoire that describes the main activities carried out during the Joint Mission, conclusions or agreements, recommendations, and next steps.

VI – Joint Mission Composition

IDB:

- Claudio Alatorre, Senior Climate Change Specialist and CTF focal point, mission leader
- Gisela Campillo, Climate Change Expert
- María Isabel Haro, Capital Markets and Financial Institutions Expert
- Alfredo Idiarte, CIF Focal Point for the Private Sector
- Elizabeth Robberechts, Senior Investment Officer
- Xavier Perezcano, Geothermal Finance Expert

IBRD:

- Migara Jayawardena, Senior Energy Specialist
- David Reinstein, Senior Energy Specialist
- Gerry Hutter, Geothermal Resource Specialist
- Bianca Sylvester, Energy Specialist

VII – Preliminary Agenda

Venue: Energy Ministry, Alameda 1449, torre 2, piso 14 - sala 5

Thursday, July 25, 2013	
9:00 am – 11:30 am	Revision of the status of CSPP, LSPVP, and RESSEE
12:00 pm – 2:00 pm	Revision of the IP with civil society organizations
2:00 pm – 3:30 pm	Lunch
3:30 pm – 5:30 pm	Situation of geothermal power in Chile. Presentations by Luciano González, Rubén Muñoz and María Soledad Barrios (MinEne), Verónica Martínez (CER), Diego Morata (Centro de Excelencia en Geotermia de Los Andes)
Friday, July 26, 2013	
9:00 am – 10:00 am	Geothermal power in Chile. Private sector viewpoint. Presentations by Cristián Flanagan (Longavi Geothermal Project), Gonzalo Salgado (HotRock), and Juan Pablo Hiribarren and Brian Heaphy (Marsh)
10:00 am – 12:00 pm	Presentations by IDB and IBRD. Global/regional experience in addressing geothermal resource risks and proposals for Chile
12:30 pm – 2:00 pm	Lunch
2:00 pm – 6:30 pm	Group discussion about possible financial instruments to mitigate geothermal exploration risks in Chile