

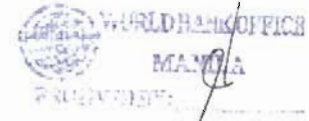


Development Bank of the Philippines

President & Chief Executive Officer

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By Loida Faustino at 5:37 pm, Jun 29, 2011

28 June 2011

**MR. BERT HOFMAN**

Country Director, Philippines  
East Asia and Pacific Region  
The World Bank-Manila Office  
23<sup>rd</sup> Floor, Taipan Place, F. Ortigas Jr. Road  
Ortigas Center, Pasig City

Subject: **USD1.0 million Clean Technology Fund Project Preparation Grant (PPG)**

Dear **Mr. Hofman**:

As a means to sustain its role as the country's premiere development finance institution committed to achieve a sustainable economic growth, the Development Bank of the Philippines (DBP) has integrated in its over-all development strategy the fostering of a low-carbon emissions trajectory with emphasis on energy efficiency and renewable energy generation. Being the core elements of the December 2009 Clean Technology Fund (CTF) Investment Plan, we envision the scaling-up of clean energy generation and energy efficient activities which are thankfully being supported by the World Bank (WB). The addition of CTF funds will help DBP to accelerate the pace of such low-carbon investments.

The CTF opportunity comes at a time of significant policy and regulatory evolution in the country. The Philippines is presently implementing a new investment framework for renewable energy, including feed-in tariffs and a renewable portfolio standard. In parallel, the national government and its regulatory agencies are making a big push for performance improvement in the electric cooperative sector, which is central both for mainstreaming renewable energy and for achieving household electrification targets.

Within the abovementioned rapidly evolving environment, the DBP wants to urgently develop the Philippines Renewable Energy Project (PhRED). As a new project, we want to ascertain that the CTF is efficiently utilized, both from the standpoint of maximizing the impact to development of clean energy, energy efficiency and in terms of leveraging private sector investment into the sector. Thus we want to request WB's assistance in mobilizing a \$1.0 million CTF Project Preparation Grant (PPG).

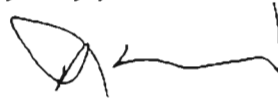
DBP, with the concurrence of the Department of Finance (DOF) agreed that WB will administer the grant and DBP will focus on the technical aspects of the project preparation.

Attached for your reference is the concurrence on the foregoing arrangement by the  
DOF Secretary, Hon. Cesar V. Purisima.

Your assistance in mobilizing the PPG will be most appreciated.

Thank you for your continuing support. Kindest regards.

Very truly yours,

A handwritten signature in black ink, consisting of a stylized initial 'F' followed by a horizontal line that ends in a small vertical hook.

**FRANCISCO F. DEL ROSARIO, JR**

Att.: a/s



Development Bank of the Philippines

President & Chief Executive Officer

30 May 2011

HON. CESAR V. PURISIMA  
Secretary  
Department of Finance  
6/F DOF Bldg., BSP Complex,  
Roxas Boulevard, Manila

Attention: **Undersecretary Rosalla V. De Leon**

Dear **Secretary Purisima**:

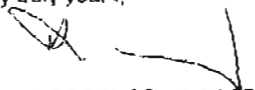
We wish to signify our interest to tap the CTF's \$1 Million Project Preparation Grant (PPG). The PPG will facilitate, by way of an in-depth feasibility study, DBP's access to IBRD's \$150 Million proposed project, the Philippine Renewable Energy Development Project (PhRED), and the \$50 Million Clean Technology Fund (CTF). During this challenging times when the country needs more investments in the power sector, access to the PhRED and the CTF will be crucial because the blended rate of the two funds will result in lower pass-on rates to would-be investors in power projects.

It has been agreed that to mobilize the PPG, World Bank shall be the administering agency in coordination with DBP. This arrangement however, has to be concurred in by DOF, for and in behalf of the National Government.


In view of the significant preparation work to be done on the renewable energy sector, we hope to secure your concurrence to this request at the earliest possible time.

Thank you for your continuing support. Warmest regards.

Very truly yours,

  
FRANCISCO F. DEL ROSARIO, JR.  
President and Chief Executive Officer

With My Concurrence:

  
CESAR V. PURISIMA  
Secretary, Department of Finance  
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