

U.S. Comments on the Dedicated Private Sector Program – Phase II Draft Paper

- We appreciate efforts to make the CIF more accessible to private projects which have the potential to bring transformational technologies and business models to new countries, in particular (but not limited to) geothermal, distributed energy and energy efficiency.
- In order to compare the projects and make a good decision in June, it would help our decisionmaking to get comparative estimates of their impact according to CTF criteria – such as the amount of co-financing mobilized per CTF\$, the expected GHG reduction impact, the potential for scale up and replication, the cost in CTF terms of each ton of GHG reductions and what would differentiate this intervention from status quo in CTF or general MDB financed private sector activities.
- As a grant contributor to CTF, we are comfortable with the use of CTF finance in a variety of financial instruments (including equity and subordinated debt) and contexts, provided that there is a compelling argument for the overall impact of doing so.
- We hope that worthy proposals are not excluded from the June papers simply to avoid challenging discussions about portfolio management and risk.
- It would help the committee decision-making to get a sense of the relative risk of each of these interventions and drivers of risk (technology, regulation, business model, target market, sponsor, instrument etc.).
- In order to make good decisions within the CIF framework, we would like responses in two areas
 - o How do the MENA proposals in the DPSP relate to proposed update of the MENA regional IP? Why are these proposals included here rather than in the IP update?
 - o What is the relationship between the proposed uses of funds in SREP countries or non-CIF countries that could be SREP candidates?
 - o Could some of these projects be funded via SREP?

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