

September 23, 2010

**Comments from the United Kingdom on IFC's
Philippines Renewable Energy Accelerator Programme**

Dear Patricia,

With regard to the Philippines Renewable Energy Accelerator Programme proposal we have the following questions that we would require answering before we are able to support the project;

1. It is not clear from the proposal whether the financing proposed will be sufficient to achieve the stated objectives. Is there any analysis that supports the contention that all three of the sectors can be transformed with the envisaged levels of investment? This seems to be a major risk that is not adequately considered. If the investments proved insufficient to transform the target sectors where would this leave the project? Would there not be a greater likelihood of success if the programme focused solely on one of the stated sectors?
2. Like Germany, we are concerned about impact that the publication of the FIT levels has on the assumptions made in the proposal. We think that it would add certainty to the proposal if it were held back until the FIT is announced.
3. The proposal goes into a lot of detail with respect to the Development Impact but doesn't carry this through to the Performance Indicators and baselines. We would propose that these be developed while we wait for the FIT announcement.

We look forward to responses to these questions.

Thanking you,
Simon