

# CLIMATE INVESTMENT FUNDS

August 28, 2017

---

**[APPROVED BY MAIL]: COLOMBIA: CLEAN ENERGY DEVELOPMENT PROJECT  
(CTF)(WORLD BANK)--XCTFCO113A-**

**WORLD BANK RESPONSE TO COMMENTS FROM UNITED STATES**

- Will this project involve financing / providing guarantees for large hydropower plants in Colombia, or is this limited to wind and solar investments?

(Team response): The project will not support or contribute to the financing of large hydropower plants. In the long list of potential projects to be supported there is one small hydro and a few biomass projects (which do not involve the co-firing or reduction of coal).

- Has any E&S due diligence been provided thus far, such as a framework for environmental and social impact?

(Team response): Yes, an initial due diligence was carried out to assess the potential nature and magnitude of E&S impacts, particularly for large scale wind in the La Guarija region, as well as the capacity of the counterpart (FDN) for managing them. Also, small and medium scale EE and co-generation projects involving coal were preliminary assessed and ultimately excluded from the long list. A full-fledged due diligence on E&S issues is underway, and to be completed during appraisal.

- What track record does FDN have in managing social risk? Does FDN have a resettlement policy?

(Team response): FDN is a competent financial institution, which abides by the Equator principles. The International Finance Corporation (IFC) is a shareholder of FDN, consequently, FDN adopted IFC's Environmental and Social Performance Standards and developed the organizational platform necessary to manage social and environmental risks. ([https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afd998895a12/IFC\\_Performance\\_Standards.pdf?MOD=AJPERES](https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afd998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES)) The capacity of FDN to manage social and environmental risk has been tested in many of the projects supported by the institution under the 4G road program, which involves the construction of a large network of roads. FDN has been able to manage E&S issues satisfactorily.

- Will the project have any third party monitor?

(Team response): We assume the question on monitoring relates to environmental and social safeguards. FDN has developed solid internal procedures to manage E&S risk. Under the CTF project, FDN will develop a detailed Environment and Social Management System, with support from World Bank E&S Specialists. In addition, standard WB supervision and monitoring during the implementation of the project will be in place.