



Renewable Energy Accelerator Program (REAP)

Country / Region: **Philippines** | Project Id: **PCTFPH064A** | Fund Name: **CTF** |

MDB : **International Finance Corporation**

Comment Type	Commenter Name	Commenter Profile	Comment	Date
Comment 1	Jean-Bernard Carrasco	Australia	<p>Generally, the proposal does not clearly identify how the project relates to other renewable energy projects underway or planned in the Philippines, including those to be supported under the CTF Investment Plan in the Philippines. In addition to this IFC project, the Investment Plan identifies an IBRD project focusing on long-term credit access and an ADB solar project. As foreshadowed in the current proposal, the Committee will also be asked to consider a further \$10 million in CTF funding to the Philippines Sustainable Energy Finance Program. Given the scope of activity in this area and the need to maintain a coherent program under the CIP, it would be helpful for this proposal to articulate its comparative contribution to the Philippines energy sector.</p> <ul style="list-style-type: none">• The scale of the project is unlikely to be sufficient to transform the market for three renewable energy technologies (wind/solar/biomass). While first-mover projects have an important role to play in reducing perceived investment risk and testing new regulatory structures, the project would be likely to have a greater impact if it focused on one technology or if a second round of IFC investments were planned, as is suggested by the project's independent reviewer.• The advisory services component of the project is a welcome and necessary inclusion in encouraging deployment of renewable energy projects at scale. There appears to be a clear need for advisory services to support the GoP in implementing its new feed in tariff scheme, the design of which the proposal identifies as the highest potential risk to renewable energy investment in the Philippines. There is scope in the proposal for the IFC to provide advisory support to the GoP in this area. If the GoP is receptive, we would encourage the IFC to work with the Department of Energy to mitigate this potential risk. Any IFC advisory support would need to be carefully tailored to the needs of GoP as we understand other donors are already active in this area.• The non-capital risks to renewable energy investment could have been explored more fully in the proposal. For example, the proposal refers to issues related to biomass feedstock on p15 as a potential barrier to biomass energy production. Given that this could not be resolved with finance alone, it would be helpful to know if the IFC has explored this with the GoP and whether any measures (donor or otherwise) are in place to help address this.	Sep 29, 2010