



Geothermal Development Lending Facility (GeoDELf)

Country / Region: **Turkey** | Project Id: **PCTFTR507A** | Fund Name: **CTF** |

MDB : **European Bank for Reconstruction and Development**

Comment Type	Commenter Name	Commenter Profile	Comment	Date
Comment 1	Jennifer Purves	Canada	<p>Thank you for the opportunity to comment on the project proposal entitled, Turkey: Geothermal Development Lending Facility, submitted by the EBRD for CTF financing. We are pleased to review this project under the Dedicated Private Sector Program, notably the efforts to bring in new private sector entrants into Turkey's renewable energy sector, and we support the project's positive requirements for sponsors to contribute substantial equity resources to ensure a maximum level of financial viability and investment is achieved. We note, however, that CTF approval is being sought for a very high risk investment, including: (1) CTF agreement to remove the cap on CTF funds of 20% of the total invested volume during the exploration stage, (2) CTF consent to the utilization of CTF funding prior to and independently from the disbursement of EBRD financing, noting that if the resource exploration for phase I is unsuccessful, the EBRD will not be providing any co-financing and all of the CTF loan may be lost; (3) CTF consent to utilize funds in a manner consistent with the structure described in the project proposal, even though under its internal policies the EBRD is not permitted to provide such financing; and, (4) authorization for the EBRD to recycle CTF investments after the first repayments for a second investment. Due to the high risk level associated with this proposed investment, we do not see it as being consistent with the CTF matched funding principle. Accordingly, we cannot support the proposed project in its current form, unless it is sourced from grant and/or capital contributions. We would also appreciate if the Trustee could provide clarification on the recycling of CTF investments, namely whether this is consistent with the CTF's agreed financing terms and procedures for private sector operations.</p>	Nov 05, 2014