

FROM : INTL. FINANCE CORP. MANILA

Mar. 23 2006 08:43PM P2



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09 December 2005

**MR. VIPUL BHAGAT**  
 Country Manager  
 Philippines & Thailand  
 IFC World Bank Group

**Subject: IFC/GEF Sustainable Energy Commercial Finance Program**

**Dear Mr. Bhagat:**

We are pleased to endorse the IFC/GEF proposed project on Sustainable Energy Commercial Finance Program which aims to complement the Department of Energy's (DOE) current initiatives of identifying various barriers in the development of the energy efficiency industry and application of energy performance contracts.

Notwithstanding, however, we support the recommendations of the DOE for the inclusion of the following components/items in the final project document, to wit:

1. Technical or training assistance to stakeholders, in general, as a necessary component of all transactions to facilitate the development of the Industry
2. Sufficient financial and technical support to accredited ESCOs for the conduct of energy audits particularly in mitigating the risk of non-viability of the project and at the same time promote sustainability in the industry and avert dependency on subsidies.

Considering the country driven feature of this project and to ensure full ownership of this undertaking, we likewise suggest that the Department of Energy be the co-implementing agency of this project.

Sincerely yours,

*Analiza R. Teh*  
**ATTY. ANALIZA R. TEH**  
 Assistant Secretary and  
 GEF Operational Focal Point