



# Overview of the SREP for the New Pilot Countries

Zhihong Zhang, SREP Senior Program Coordinator  
SREP New Pilot Countries Workshop  
The Hague, February 26-27, 2015



**\$8.1**  
billion†

EXPECTED CO-FINANCING

**\$57**  
billion

CLIMATE-RESILIENT,  
LOW CARBON DEVELOPMENT

**63**  
countries



**CTF**

CLEAN TECHNOLOGY FUND

Scaling up the demonstration, deployment, and transfer of low carbon technologies in renewable energy, energy efficiency, and sustainable transport

**\$5.3**  
BILLION

DEDICATED PRIVATE  
SECTOR FUNDING

**\$508.5**  
MILLION

Chile, Dominica, Colombia,  
Ghana, Haiti, Honduras,  
Indonesia, Mali, Mexico,  
Turkey

CTF COUNTRIES

Chile	Kazakhstan	South Africa
Colombia	Mexico	Thailand
Egypt	Morocco	Turkey
India	Nigeria	Ukraine
Indonesia	Philippines	Vietnam

Middle East and North Africa Region  
(Algeria, Egypt, Jordan, Libya, Morocco,  
Tunisia)



**PPCR**

PILOT PROGRAM FOR CLIMATE RESILIENCE

Mainstreaming resilience in development planning and action investments

**\$1.2**  
BILLION

DEDICATED PRIVATE  
SECTOR FUNDING

**\$75.4**  
MILLION

Bolivia, Cambodia,  
Mozambique, Tajikistan,  
Haiti, Jamaica, St. Lucia

PPCR COUNTRIES

Bangladesh	Mozambique	Tajikistan
Bolivia	Nepal	Yemen
Cambodia	Niger	Zambia

Caribbean Region  
(Dominica, Grenada, Haiti, Jamaica,  
St. Lucia, St. Vincent and the Grenadines)

Pacific Region  
(Papua New Guinea, Samoa, Tonga)



**SREP**

SCALING UP RENEWABLE ENERGY IN  
LOW INCOME COUNTRIES PROGRAM

Demonstrating the economic, social, and environmental viability of renewable energy in low income countries

**\$796**  
MILLION

DEDICATED PRIVATE  
SECTOR FUNDING

**\$92.4**  
MILLION

Honduras, Kenya  
Mali, Nepal

SREP COUNTRIES

Armenia	Kiribati	Nicaragua
Bangladesh	Liberia	Rwanda
Benin	Lesotho	Sierra Leone
Cambodia	Madagascar	Tanzania
Ethiopia	Malawi	Uganda
Ghana	Maldives	Yemen
Haiti	Mali	Zambia
Honduras	Mongolia	
Kenya	Nepal	

Pacific Region (Solomon Islands, Vanuatu)



**FIP**

FOREST INVESTMENT PROGRAM

Reducing emissions from deforestation and forest degradation, sustainably managing forests, and enhancing forest carbon stocks

**\$785**  
MILLION

DEDICATED PRIVATE  
SECTOR FUNDING

**\$31.3**  
MILLION

Brazil, Ghana, Mexico

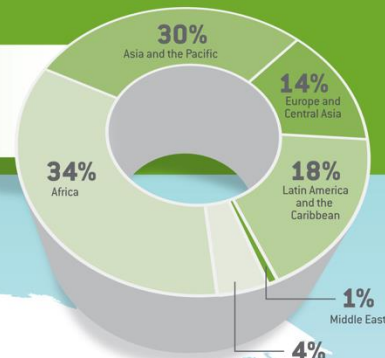
FIP COUNTRIES

Brazil	Indonesia
Burkina Faso	Lao People's Democratic Republic
Democratic Republic of Congo	Mexico
Ghana	Peru

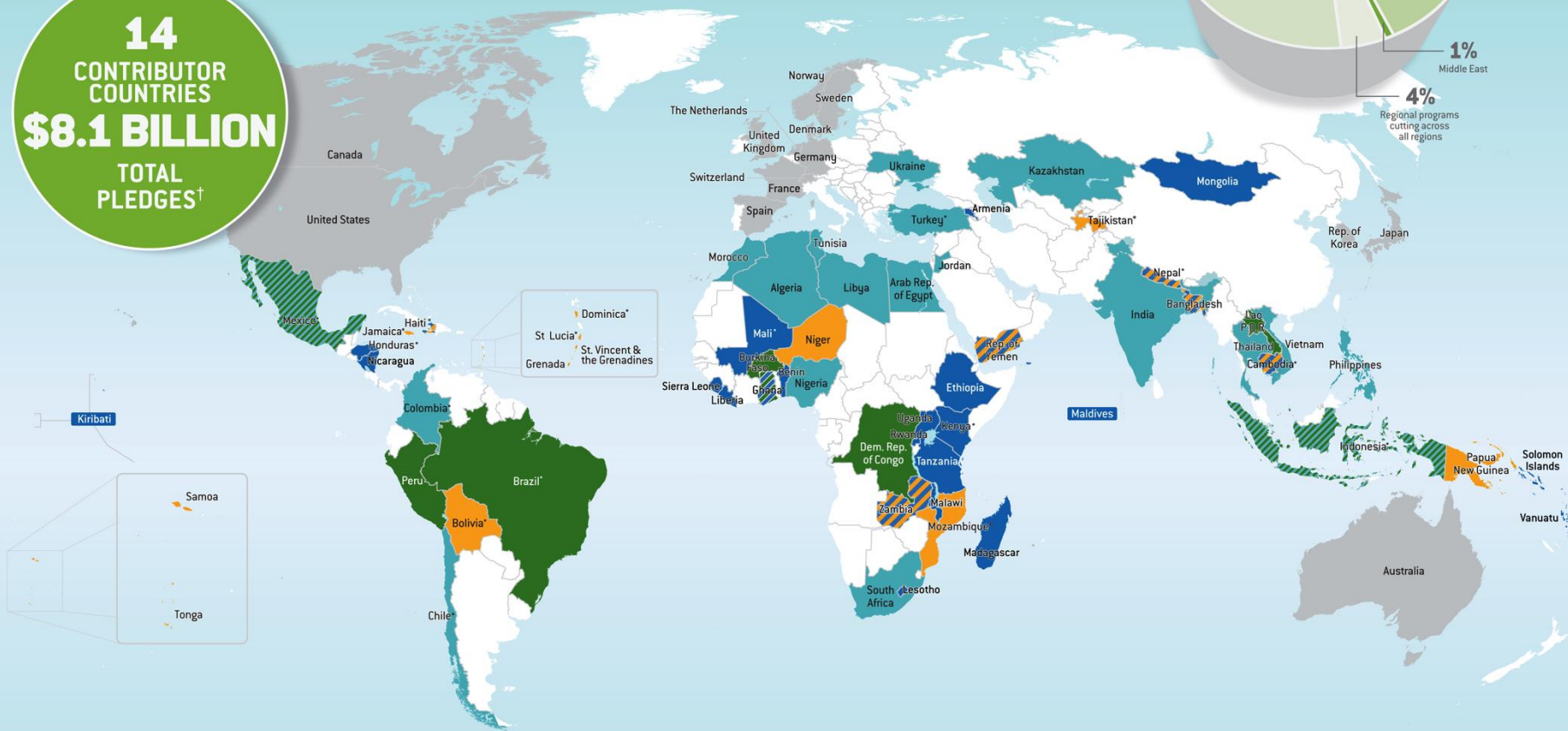
† Fund pledges are based on exchange rates provided by the CIF Trustee in December 2014.

# EMPOWERING TRANSFORMATION

## CIF ALLOCATIONS BY REGION



**14**  
CONTRIBUTOR COUNTRIES  
**\$8.1 BILLION**  
TOTAL PLEDGES†

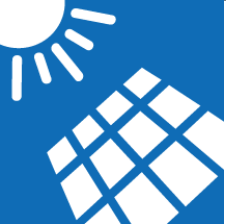


### MDB PARTNERS



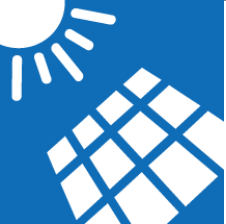
CTF FIP PPCR SREP CTF/FIP FIP/SREP PPCR/SREP CIF CONTRIBUTOR \* Project(s) being supported by CIF dedicated private sector funding.

This map was produced by the World Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.  
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# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

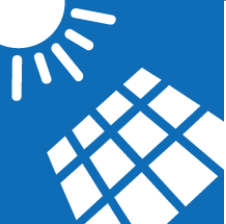
Contributor	Contribution Type	Contribution in million USD eq. (as of Nov 2014)
Australia	Grant	10
Denmark	Grant	12
Japan	Grant	40
Korea	Grant	6
Netherlands	Grant	76
Norway	Grant	98
Spain	Grant	4
Sweden	Grant	44
Switzerland	Grant	26
United Kingdom	Grant/Capital	449
United States	Grant	50
<b>Total</b>		<b>816</b>



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Governance Structure

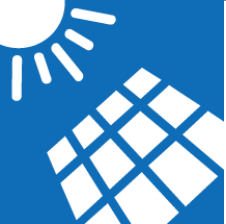
- SREP Sub-Committee
- Administrative Unit
- Multilateral Development Banks (MDBs):  
ADB, AfDB, EBRD, IDB, World Bank Group (WB and IFC)
- Trustee
- Observers  
civil society, Indigenous Peoples, private sector, GEF, UNDP, UNEP, UNFCCC



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Purpose

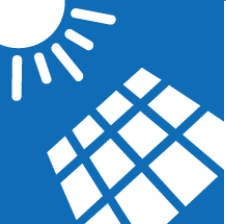
To pilot and demonstrate the economic, social and environmental viability of low carbon development pathways in the energy sector by **creating new economic opportunities and increasing energy access** through the use of renewable energy



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)



Map by Yael Natan  
at [www.yod.info](http://www.yod.info)



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

In June 2014, the SREP Sub-Committee selected 14 new pilot countries to participate in the SREP.

## Africa

Benin

Ghana

Lesotho

Madagascar

Malawi

Rwanda

Sierra Leone

Uganda

Zambia

## Latin America & Caribbean

Haiti

Nicaragua

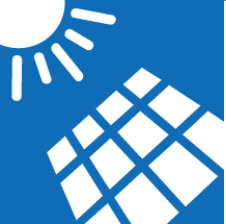
## Asia & Pacific

Bangladesh

Cambodia

Kiribati

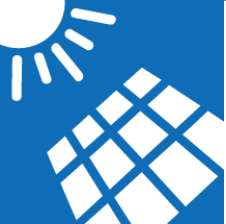




# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Indicative Allocations for the New Countries for Planning Purposes

USD 75 million	USD 50 million	USD 40 million	USD 30 million	USD 5 million
Bangladesh	Madagascar Rwanda Malawi Uganda	Benin Ghana Sierra Leone Zambia	Cambodia Haiti Lesotho Nicaragua	Kiribati



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Procedure for Allocating Resources to New Countries

- **Endorsement of investment plans**

The Sub-Committee agrees to endorse the investment plans from the 14 new pilot countries on a first-come, first-served basis taking into account the quality of the investment plans, regardless of funding availability under the SREP. Funding for the projects and programs proposed in the investment plans will be contingent upon the availability of funds under the SREP.

- **Approval of funding for projects**

For the purpose of pipeline entry of projects and programs identified in the endorsed investment plans from the new pilot countries, the Sub-Committee affirms that up to 30 percent over-programming continue to be applied to the SREP pipeline.



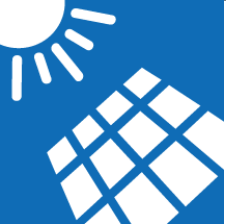
# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Allocation of Grants and Non-Grants

- No decision yet
- Decision to be made based on the type of resources available (grant and capital) and country's risk of debt distress
- Existing guidelines (needs modification for new countries)

For countries with a low risk of debt distress, no more than 70 percent of the indicative allocations should be drawn from the grant contributions.

For countries with moderate or high risks of debt distress, all indicative allocations can be drawn from the grant contributions, except for private sector projects which could be drawn from the capital contributions since they do not increase the sovereign debt of the country.



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Investments

- Eligible Investments:
  - Solar, wind, bio energy, geothermal, small-hydro (<10 MW)
  - Electricity and thermal
  - On-grid, off-grid, mini-grid

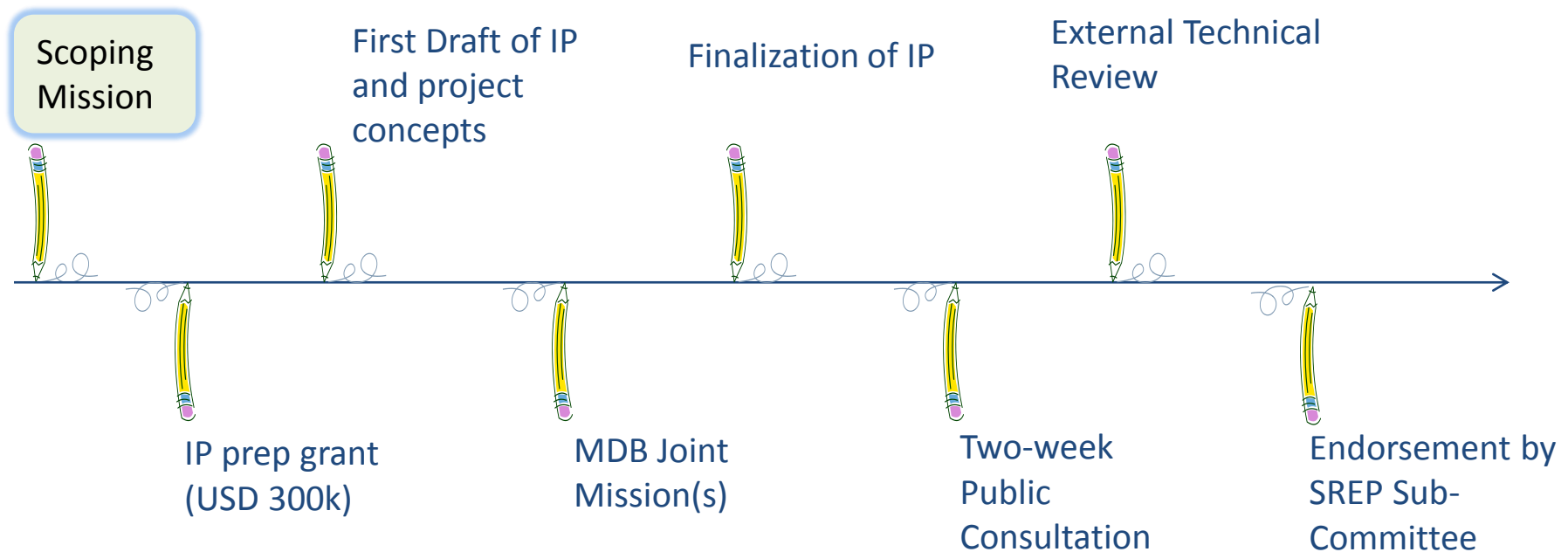
## Capacity Building & Advisory Services

- Development of energy policies and legislation
- Assessment of technical resources potential
- Strengthening governance and institutional capacity
- Creation of incentive scheme to improve financial viability of RETs

# SREP Programming

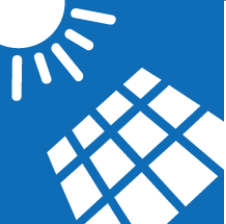
CIF

## Phase 1 (pre-endorsement of Investment Plan)



## Phase 2 (post-endorsement of Investment Plan)

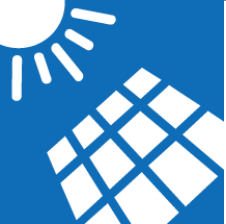
The further processing of projects identified in the endorsed Investment Plan should follow the MDBs' policies and procedures for appraisal, Board approval, and supervision (plus reporting results to the CIF).



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Elements of an Investment Plan

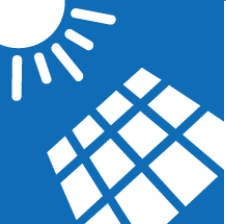
- Country and energy sector context (national strategies, assessment of needs, institutional framework, etc.)
- Renewable energy sector context (status, strategies, potential, barriers, etc.)
- Prioritization of investments
- Program description
- Co-financing, leverage, partnership
- Transformational impact
- Implementation arrangements
- Risk assessment
- Results framework and co-benefits
- Project concept notes for priority investments proposed for SREP financing, including analysis of fulfilment of SREP criteria



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## SREP Investment Criteria (at project level)

- Increased installed capacity from renewable energy sources
- Increased access to energy through renewable energy sources
- Low Emission Development
- Affordability and competitiveness of renewable sources
- Productive use of energy
- Economic, social and environmental development impact
- Economic and financial viability
- Leveraging additional resources
- Gender
- Co-benefits of renewable energy scale up



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Public Sector Loan Terms

- Maturity: 40 years
- Grace period: 10 years
- Service charge: 0.1%
- Principal payment (yr 11-20): 2%
- Principal payment (yr 21-40): 4%

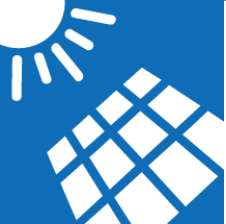




# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Principles for Private Sector Investments

- Minimum concessionality
- Avoiding distortion and crowding out
- Maximum leverage
- Financial sustainability



# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Results Framework: Core Indicators

### Transformational impact:

Support low carbon development pathways by reducing energy poverty and increasing energy security

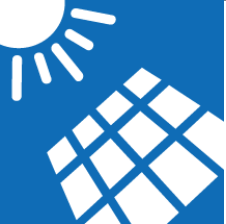
### Program/Project Outcome:

- Increased supply of renewable energy

Indicator: annual electricity output from RE as a result of SREP interventions

- Increased access to modern energy services

Indicator: Number of women and men, businesses and community services benefiting from improved access to electricity and fuels as a result of SREP interventions




# SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES PROGRAM (SREP)

## Results Framework: Development Co-Benefits

- Increased public and private investments
- Gender
- GHG emissions avoided
- Employment
- Others: health, livelihood, energy reliability, RE cost reduction, improved RE polity and regulatory frameworks



# CLIMATE INVESTMENT FUNDS

[www.climateinvestmentfunds.org](http://www.climateinvestmentfunds.org) 

[@CIF\\_Action](https://twitter.com/CIF_Action) 

<https://www.youtube.com/user/CIFaction> 

<https://www.flickr.com/photos/cifaction/sets> 