

# CLIMATE INVESTMENT FUNDS

SREP/SC.10/3  
October 8, 2013

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Meeting of the SREP Sub-Committee  
Washington D.C.  
October 31, 2013

Agenda Item 3

## **SREP SEMI-ANNUAL OPERATIONAL REPORT**

**(SUMMARY)**

## **PROPOSED DECISION**

The SREP Sub-Committee reviewed document SREP/SC.10/3, *SREP Semi-Annual Operational Report*, and takes note of the steps that have been made to advance work in the SREP pilot and reserve countries. The Sub-Committee urges the MDBs to work closely with governments and other stakeholders in the pilot countries to expedite the preparation and implementation of SREP-funded projects and programs.

## **I. INTRODUCTION**

1. This report provides an update to the Sub-Committee on the status of SREP activities. The report covers the period from March 16 to September 15, 2013.

## **II. ENDORSEMENT OF INVESTMENT PLANS AND FUNDING APPROVALS**

2. To date, investment plans from seven of the eight pilot countries have been endorsed by the Sub-Committee, with a total indicative allocation of USD 290 million in SREP funding. The most recent investment plan from Tanzania was endorsed through decision by mail on September 10, 2013. Liberia, the eighth pilot country, is expected to submit its investment plan to the Sub-Committee for review and endorsement at the upcoming meeting at the end of October 2013.

3. Except for Mongolia, the other three remaining SREP reserve pilots, namely (in the order of the Sub-Committee's agreed priority) Yemen, Armenia, and the Pacific Program (involving Solomon Islands and Vanuatu), have made progress in advancing the preparation of their investment plans with SREP funding and MDB support.

4. As of September 15, 2013, 20 percent of the total SREP indicative allocation under the seven endorsed investment plans has been approved by the Sub-Committee, including USD 45.9 million for projects and USD 12.6 million for investment plan preparation grants and project preparation grants.

5. Since the last semi-annual report, the Sub-Committee has approved three project preparation grants totaling USD 1.7 million, all under the Tanzania investment plan. In total, as of September 15, 2013, USD 11.35 million in SREP funding has been approved by the Sub-Committee for project preparation.

6. To date, a total of USD 2.47 million in SREP funding has been approved by the MDB Committee for the preparation of investment plans in eight SREP pilot and reserve countries. During the current reporting period, an investment plan preparation grant to prepare the regional knowledge management component was approved for the Pacific regional program with ADB.

7. Looking ahead, for FY14 the MDBs envisage 17 projects and programs with USD 160.8 million in SREP funding to be submitted to the Sub-Committee for approval.

## **REASONS FOR RECENT DELAYS IN PROJECT DEVELOPMENT**

8. To date, all six initial pilot countries with investment plans endorsed between September 2011 and October 2012 have moved to project development. However, so far only four project proposals (two of them submitted as a joint program) have been submitted and approved by the Sub-Committee. During the current reporting period, no projects were submitted.

9. The MDBs submitted updates on the projects and programs under the endorsed investment plans and provided reasons for delays. In addition, at the SREP Pilot Countries Meeting in May 2013, pilot countries also provided inputs on reasons for delays in project

delivery (see SREP/SC.10/Inf.2). Reasons for delay vary from political issues, investment climates, site selection problems and inexperience with procedures and technologies.

10. There are signs, however, that the SREP pipeline has started to move. Subsequent to the cut-off date of the current reporting period, a number of project proposals were submitted or were almost ready for submission to the Sub-Committee for funding approval.

### **III. TRACKING PROJECT DELIVERY**

11. Of the 26 projects and programs in the current SREP pipeline, 21 are included in the traffic light system. Among the 21 projects being tracked, two projects (jointly submitted by ADB and IFC as one program, *Nepal Small Hydropower Development*) have been approved by the Sub-Committee but are awaiting MDB approval. The traffic light has turned red for both projects in meeting the next milestone of MDB approval. For the 19 projects that have yet to be submitted to the Sub-Committee for funding approval, the traffic light is green for 4 projects, yellow for 7 projects, and red for 8 projects.

### **IV. RESULTS REPORTING**

12. The CIF Administrative Unit, in close collaboration with the MDBs, is currently developing a toolkit for SREP monitoring and reporting. A revised proposal (*Proposal for Enabling Environment Assessment for Sustainable Energy Sustainable Energy Investment in SREP Countries*, June 19, 2013) was approved by the Sub-Committee in July 2103. The SCF Trust Fund Committee approved in August 2013 an additional allocation of USD 340,000 to be included in the FY14 CIF Administrative Budget.

### **V. SREP SET-ASIDE**

13. A set-aside has been established for each of the three targeted programs under the Strategic Climate Fund (SCF) as an incentive to increase engagement with the private sector in the eligible pilot countries. In response to the *Call for Proposal* issued in April 2013, 12 proposals were received for the six initial pilot countries, including three regional projects. The expert group will present a report of its work and its recommendations to the Sub-Committee at the meeting in October 2013 (see document SREP/SC.10/7).