

CLIMATE INVESTMENT FUNDS

SREP/SC.1/4
January 20, 2010

Meeting of the SREP Sub-Committee
Washington, D.C.
February 3, 2010

CRITERIA FOR SELECTING EXPERT GROUP MEMBERS UNDER THE PROGRAM FOR SCALING UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES

Proposed Sub-Committee Decision

The Sub-Committee reviewed document SREP/SC.1/4, *Criteria for Selecting Expert Group Members under the Program for Scaling Up Renewable Energy in Low Income Countries, Terms of Reference and Working Modalities*, and approves the proposal for establishing the expert group and the modalities and schedule for the work of the group. The Sub-Committee requests the Administrative Unit to collaborate with the MDB Committee to solicit nominations for the expert group and to prepare a proposal for the composition of the group that is consistent with the selection criteria. The proposal should be submitted to the Sub-Committee for review and approval by mail.

The Sub-Committee further requests the Administrative Unit to inform eligible countries, through the country offices of the MDBs, of the SREP program and to invite interested governments to submit a brief expression of interest to be considered as a pilot country. Countries submitting an expression of interest should be given priority consideration by the Expert Group in formulating its recommendations for country and regional pilots.

I. BACKGROUND

1. The Climate Investment Funds (CIF) are a unique pair of financing instruments designed to support low-carbon and climate-resilient development through scaled-up financing channeled through the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and World Bank Group.

2. The two CIF funds are the Clean Technology Fund (CTF), financing scaled-up demonstration, deployment and transfer of low-carbon technologies for significant greenhouse gas (GHG) reductions within country investment plans, and the Strategic Climate Fund (SCF), financing targeted programs in developing countries to pilot new climate or sectoral approaches with scaling-up potential. Three programs have been designed under the SCF: the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP), and the Program for Scaling Up Renewable Energy in Low Income Countries (SREP).

3. Low income countries are well endowed with renewable energy resources, though they use a tiny fraction of their potential. To tap into this potential, the SREP has two primary objectives. First, it is designed to support low-income countries in their efforts to expand energy access and stimulate economic growth through the scaled-up deployment of renewable energy solutions. Second, it will contribute to transforming the renewable market through a programmatic approach that involves support for market creation, private sector implementation, and productive energy use.

II. OBJECTIVES AND PURPOSE OF SREP

4. The aim of the SCF Program for Scaling-up Renewable Energy in Low Income Countries (SREP) is to pilot and demonstrate, as a response to the challenges of climate change, 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.

5. As the foundation of economic growth, the private sector has a significant role to play in promoting renewable energy. In pursuing a strategy that will combine public sector and private sector actions, the SREP should seek to overcome economic and non-economic barriers in order to scale-up private sector investments contributing to the objectives of the SREP.

6. SREP should assist low income countries to initiate a process leading towards transformational change to low carbon energy pathways by exploiting their renewable energy potential in place of fossil-based energy supply and inefficient use of biomass.

7. Transformational change could occur through improved market and financial conditions and increased investor confidence. It leads to greater public and private sector investments in renewable energy necessary for large scale replication. This requires a better understanding of existing impediments and a focus on concrete actions to remove barriers. SREP should

demonstrate that renewable energy provides a feasible pathway for economic growth and development.

8. SREP should provide experience and lessons in scaling up renewable energy, should promote sharing of lessons at the national, regional and international levels, and should increase public awareness of the opportunities for renewable energy.

9. SREP should also lead to economic, social and environmental co-benefits. Using renewable energy in place of conventional fuels could simultaneously address local air pollution reductions while reducing greenhouse gas emissions, contributing to climate resilience, and enhancing energy security.

10. SREP financing should be blended with co-financing from multilateral development bank (MDB) lending programs and national and international, public and private funding to invest in renewable energy technologies for electricity use and thermal energy generation in low income countries.

III. SREP DESIGN PRINCIPLES

11. Building on the aim and the objectives above, SREP should:

- (a) be country-led and build on, and draw benefit from, national policies so that renewable energy is fully integrated into national energy plans. SREP should assist countries in developing or strengthening policies for renewable energy;
- (b) take a programmatic and outcome-focused approach for investing in renewable energy as an alternative to conventional sources, such as fossil fuels and inefficient use of biomass. An SREP program should consist of both renewable energy investments (including infrastructure to supply and deliver renewable energy), and technical assistance, together with support for policy changes to greatly increase the use of renewable energy;
- (c) give priority to renewable energy investments that create “value added” in local economies. SREP should target proven renewable energy technologies that allow for the generation and productive use of energy, as well as community services such as health, education and communication;
- (d) commit sufficient funding and leverage significant additional financing from MDBs, bilateral agencies/banks and from other public and private sources to achieve large scale renewable energy impacts;
- (e) work in a small number of low income countries selected on the basis of objective criteria, to maximize its impact and the demonstrative effect;
- (f) encourage private sector investments to significantly increase renewable energy capacity in a country’s energy supply;

- (g) target the entire value chain, by utilizing the transformational potential of the private sector and civil society groups (including financial intermediaries) to achieve economic development and support long-term social and environmental sustainability;
- (h) seek wider economic, social and environmental co-benefits, such as reduced local pollution, increased energy security, enterprise creation, and increased social capital, particularly greater involvement and empowerment of women and other vulnerable groups;
- (i) be designed and implemented with the full and effective participation and involvement of, and with respect for the rights of, indigenous peoples and local communities, building on existing mechanisms for collaboration and consultation; and,
- (j) proactively seek to build on synergies with other programs in the field of renewable energy, including those of the MDBs, GEF and other development partners.

IV. EXPERT GROUP TASK AND COMPOSITION

12. An Expert Group is to be established by the SREP Sub-Committee to make recommendations on selection of country, and if appropriate, regional programs to the SREP Sub-Committee. The SREP Sub-Committee should provide to the Expert Group criteria and guidance (see, Criteria for selecting Country and Regional Pilots under SREP). The Expert Group should make recommendations to the SREP Sub-Committee on a list of country or regional pilots based on the agreed criteria.

V. GENERAL PRINCIPLES FOR SELECTING THE EXPERTS

13. It is important to emphasize that this group is being appointed to serve as an expert advisory group. Therefore, the experts should be internationally recognized senior professionals, acting in their personal capacities, chosen on the basis of their expertise, technical and operational experience and knowledge of renewable energy sector development in low income country situations and diversity of perspectives, including knowledge of engineering and technology, economics and financing, environment and climate change, economic and social development, the private sector, market development, and governance and institutional issues including policy and regulatory frameworks.

14. The Expert Group should include experts from both developed and developing countries and reflect a regional and gender balance.

15. The Expert Group should be an inter-disciplinary team in order to reflect the wealth of knowledge and experience on climate change and renewable energy practices in developing countries with a focus on areas such as renewable energy policy and regulatory issues, energy technologies, rural and urban electrification, and power systems. The terms of reference and modalities for the Expert Group are described in sections VII and VIII.

VI. SPECIALISTS TO BE INCLUDED IN THE EXPERT GROUP

16. While meeting the above general principles, it is proposed that the group include experts with in-depth knowledge in different disciplines related to the renewable energy sector and development. It is recommended that the Expert Group consists of a maximum of 8 members, and preference would be given to experts who could combine more than one profile as described below:

Energy Finance

Expertise in the public and private financing of renewable energy technologies and sustainable financing models and issues: analytical skills pertaining to economic and financial costs, carbon finance, fiscal/financial incentives including subsidies, and cross-sectoral issues (e.g. biofuels); micro-enterprise development; micro-credit and financing models.

Environment and Climate Change

Expertise in environmental impact assessments of energy projects including those of renewable energy technologies (RETs); experience in assessing environmental co-benefits of clean energy projects including impacts on related sectors such as agriculture, water, natural resource management and infrastructure; familiarity with the latest methodologies and applications to promote RETs as part of climate action including Kyoto Flexible Mechanisms (CDM); familiarity with climate risk assessment. Other useful skills include knowledge of ongoing international, regional and national activities at policy and operational level and familiarity on capacity needs assessments and preparation of capacity building work programs in the renewable energy sector.

Governance/Institutional Frameworks

Expertise in: policies and regulations aimed at promoting renewable energy; institutional and organizational issues underlying climate change action and renewable energy promotion; and, institutional issues underlying delivery of development resources for clean energy. Knowledge of rules, procedures and practices as well as accountability structures that shape intergovernmental processes and relations between key sectors would be useful.

Private Sector Experience

Experience with private sector and issues pertaining to promotion of renewable energy in low income countries; expertise in policies, incentives, enabling environment and institutions required for conducive investment environment for private sector. Prior experience in private sector in generation of energy and delivery of energy services to the poor is preferable.

Renewable Energy Technologies

Technical expertise in grid-based as well as off-grid renewables such as small hydro, biomass, wind, CSP, solar PV and/or geothermal; expertise in renewable energy technologies that allow

for the generation and productive use of energy as well as community services such as health, education, and communication; familiarity of technical issues involved in installation, inter-connections, operations, maintenance, capacity enhancement, and hybrid systems in developing country situations.

Rural and Urban Electrification

Familiarity with rural and urban electrification programs in developing countries including best practice in grid extension; connectivity and dispatch issues; utilization of RETs including mini-grids and off-grid systems; distributed generation; and policies and regulatory frameworks.

Social and Gender Development

Expertise in social and community issues, including indigenous peoples issues and rights, in promoting RETs especially in remote rural areas; strong understanding of the socio-economic and gender dimensions of energy access and sustainable energy development; experience in promoting RETs for socially and economically productive applications.

VII. TERMS OF REFERENCE

17. Once the Expert Group has been appointed by the SREP Sub-Committee, it is to prepare, for consideration by the SREP Sub-Committee, a list of recommended country or regional pilots to be developed under the SREP. Consistent with the criteria for the selection of country and regional pilots, and following the working modalities described below, the Expert Group is invited to recommend the number of country or regional pilots agreed by the Sub-Committee at its first meeting. Recommended pilots should meet the criteria and other considerations agreed by the Sub-Committee. The Expert Group is also invited to propose a list of up to [x] additional countries to be considered by the Sub-Committee should funds become available to finance additional pilots or should some of the selected pilots prove not to be feasible.

18. The Expert Group is to submit to the Sub-Committee, together with its recommendations, a report on the methodology and analysis that led to its recommendations.

VIII. WORKING MODALITIES FOR COMPLETION OF THE WORK OF THE EXPERT GROUP

19. The following steps and working modalities are to be followed.

20. The first step in the process is for the SREP Sub-Committee to agree upon the number of pilots to be financed with the available resources, the criteria for selecting the Expert Group as well as the terms of reference and working modalities proposed in this paper. The SREP Sub-Committee is also to agree upon *Criteria for Selecting Country and Regional Pilots under the SREP*.

21. Once the criteria and terms of reference are approved, the CIF Administrative Unit will issue a call for nominations of experts. This call will be posted on the CIF website and direct outreach inviting nominations will be made to:
 - a) SREP Sub-Committee members,
 - b) SCF Trust Fund Committee members,
 - c) Active observers to the SCF Trust Fund Committee and the SREP Sub-Committee, and,
 - d) MDBs.
22. Nominations for experts should include an expression of interest, the expert's name, contact information, area of expertise (taking into account the areas of discipline outlined in paragraph 16) and a resume.
23. The CIF Administrative Unit and the MDB Committee will review all the nominations received for which information listed in paragraph 22 has been provided and prepare a proposal, using the criteria as guidance, to present to the SREP Sub-Committee for review and approval. The MDB Committee will endeavor to satisfy the requirements of the criteria. The CIF Administrative Unit will confirm, prior to including an expert in the final proposal, that the expert would be available to work with the Expert Group as foreseen in the schedule below (paragraph 32).
24. Once the composition of the Expert Group is approved by the Sub-Committee, the CIF Administrative Unit will contract the experts and organize the first meeting of the expert group.
25. Once the *Criteria for Selecting Country and Regional Pilots* has been approved, the CIF Administrative Unit will inform eligible countries, through the country offices of the MDBs, of the SREP program and invite interested governments to submit a brief expression of interest to be considered as a pilot country. Countries will be invited to submit an expression of interest in advance of the working meeting of the Expert Group. All expressions of interest received by the Administrative Unit will be submitted to the Expert Group for its consideration. Countries submitting an expression of interest will be given priority consideration by the Expert Group in formulating their recommendations for country and regional pilots.
26. The first organizational meeting of the Expert Group will be virtual. At the first meeting, the group will be requested to:
 - a) select two co-chairs: one co-chair of the Expert Group should be a national from a developing country and one co-chair should be from a donor country.
 - b) confirm arrangements for the Expert Group to meet for a week to undertake its analysis and work; and
 - c) agree on the preparatory work, including collection of relevant information, to be undertaken by Expert Group members, MDBs or the CIF Administrative Unit in advance of the meeting.
27. Following the organizational meeting, the Expert Group will meet for five days to carry out its technical analysis and review of eligible countries and to formulate its recommendations

to the SREP Sub-Committee on the selection of country or regional pilots. Countries submitting an expression of interest should be given priority consideration by the Expert Group in formulating their recommendations for country and regional pilots.

28. The Expert Group will be assisted by the CIF Administrative Unit during the course of its work. Arrangements will be made for the Expert Group to meet with the MDBs to discuss, on a regional basis, countries and their potential to be included in the SREP and to review the country and regional energy portfolios of the MDBs. In particular, the MDBs will be expected to share their experience and knowledge with respect to the potential capacity of the country to implement a SREP pilot program.

29. At the end of its meeting, the Expert Group will agree on a consultative process for reviewing and reaching agreement on its report and recommendations to be submitted to the SREP Sub-Committee. The Expert Group should agree upon one of its members to serve as the lead author of its report. The report and recommendations should be prepared and agreed within two weeks of the conclusion of the meeting.

30. The report and recommendations of the Expert Group will be submitted to the CIF Administrative Unit for transmittal to the SREP Sub-Committee. The Co-Chairs of the Expert Group will be invited to present the report to the Sub-Committee and to respond to questions from Sub-Committee members. The report and recommendations should be made publicly available at the same time as the report is submitted to the SREP Sub Committee for consideration.

31. If necessary, the Sub-Committee may request the Expert Group to undertake further work before it reaches a final decision on the selection of country and regional pilots.

IX. TIMELINE

32. The following timeline for the work of the Expert Group is proposed:

- a) Week of February 1, 2010:
SREP Sub-Committee approval of criteria for selecting Expert Group members, terms of reference and working modalities.
- b) March 1- April 30, 2010:
CIF Administrative Unit will invite expression of interest from countries.
- c) February 8- March 5, 2010:
Period for submissions of nominations of experts.
- d) March 22-April 9, 2010:
Preparation of proposal for composition of Expert Group by MDB Committee and confirmation of availability of proposed experts.

- e) April 12-26, 2010:
Circulation of proposal for approval by SREP Sub-Committee. Such approval will be by mail in accordance with the rules of procedure for the Sub-Committee.
- f) April 26-May 5, 2010:
Recruitment of Expert Group members.
- g) April 29, 2010:
Organizational meeting of Expert Group (virtual).
- h) May 17-21, 2010:
Meeting of Expert Group (in person).
- i) June 4, 2010:
Submission of the recommendations and report to the CIF Administrative Unit for distribution to the SREP Sub-Committee to assist its selection of country and regional pilots.
- j) Week of June 21, 2010:
SREP Sub-Committee meeting to approve a provisional list of potential countries or regions to be considered for financing under the SREP.
- k) June 28-July 23, 2010:
CIF Administrative Unit will invite countries selected to confirm their interest to participate in the program.
- k) July 26-August 9, 2010:
Confirmation by the SREP Sub-Committee of final list of countries or regions. Such approval will be by mail in accordance with the rules of procedure for the Sub-Committee.

X. EXPECTED OUTPUTS

33. In reporting to the SREP Sub-Committee, the Expert Group should include information on:
- a) methodology and analysis leading to the group's recommendations regarding proposed country and regional pilots;
 - b) an assessment of key issues and challenges for the recommended pilots; and
 - c) conclusions and recommended list of country or regional pilots that meet the agreed number, criteria and other considerations agreed by the Sub-Committee. The Expert Group is also invited to propose a list of up to [x] additional countries to be considered by the SREP Sub-Committee should funds become available to finance additional pilots or should some of the selected pilots prove not to be feasible.

33. The recommendations and the report of the Expert Group will be submitted to the SREP Sub-Committee for consideration in advance of its meeting during the week of June 21, 2010.