

CLIMATE INVESTMENT FUNDS

SREP/SC.4/CRP.1
November 8, 2010

Meeting of the SREP Sub-Committee
Washington, D.C.
November 8, 2010

**LETTER FROM THE GOVERNMENT OF MONGOLIA
REGARDING THE SELECTION OF SREP PILOTS**



MONGOLIA
MINISTER
FOR MINERAL RESOURCES AND ENERGY

2010.11.05

No. *aj/3505*

Mrs. Ter-Grigoryan and Mrs. Cuendet

The Co-Chairs of the Scaling Up Renewable Energy Programme Sub-Committee
c/o The Climate Investment Funds
The World Bank
1818 Pennsylvania Avenue
Washington, DC 20433. USA

Subject: Mongolia's De-Selection as a Pilot Country by the SREP Sub-Committee

Dear Mrs. Ter-Grigoryan, dear Mrs. Cuendet

As you know, Mongolia applied to the CIF Administrative Unit in April 2010 to be included as a pilot country in the Scaling-Up Renewable Energy Programme.

In its report published on 4 June 2010, the expert group recommended Mongolia to be selected as a pilot country. In the pilot list published on the CIF website on http://www.climateinvestmentfunds.org/cif/srep_pilot_countries however, Mongolia is not mentioned as a pilot. According to the co-chair summary of the committee meeting published on 22 June 2010, Mongolia is now a reserve country, and has thus changed its place with Nepal, which was recommended as a reserve country by the expert group in its report, but is a pilot country following the decision of the committee. No explanation is given for this change, and no other change was made to the country listing.

The government is concerned about the outcome of this selection process, because we believe it does not adequately reflect neither the great efforts that have already been made by the authorities in Mongolia in co-operation with their development partners to further the development of renewable energy supply in the country, nor the commitment of the government to continue pursuing this agenda, both of which were clearly laid out in the report of the expert group. Mongolia has already undertaken work laying the foundations for renewable energy growth in the country. This includes a wind atlas, and there is large potential for the exploitation of hydro, solar, and wind energy resources, and the positive impact of this, e.g. on air quality in UlaanBaatar, would be significant. Allocating funding to scale up these efforts now would make the difference needed to ensure that the renewable energy industry can grow and contribute to the economic growth of the country.

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The government finds it very confusing not to be able to assess the reason for this rejection of the suggestion of the Expert Group. We believe that the recommendations by the Expert Group were sound, and have not seen anything that would indicate otherwise. We also believe that Mongolia very clearly qualified for participation in the SREP based on the conditions laid out in the call for Expressions of Interest.

We would therefore like to ask the subcommittee to revisit its decision at the next possible opportunity, which it believes is at the subcommittee meeting on 8 November, and to add Mongolia to the current list of pilot countries which are eligible for funding. This would enable Mongolia to move ahead with the further development of the relevant regulatory and legislative frameworks and support, together with our partner MDBs, the investments required to make renewables a reality in Mongolia.

With sincere regards,



D.ZORIGT
MINISTER

cc: Country Directors ADB

EBRD

IFC

IBRD

World Bank Executive Director for East-Asia and Pacific Region