

CLIMATE INVESTMENT FUNDS

SREP/SC.11/Inf.6
June 24, 2014

Meeting of the SREP Sub-Committee
Montego Bay, Jamaica
Friday, June 27, 2014

UK POINTS FOR CONSIDERATION IN ADVANCE OF THE UPCOMING SUB-COMMITTEE MEETING

Thank you for the recent series of communications in advance of the SREP Sub-Committee. We have a number of issues we would like to raise with you on some items in the upcoming SREP Committee Meeting Agenda as follows:

- **Selection of New Pilot Countries**
 - We would like to request the expert group's evaluations of the non-selected countries be published alongside the evaluations of the selected countries for transparency and defensibility reasons
 - We are prepared to be convinced, however we have some concerns regarding the funding of the maximum of "up to 12" incoming countries given the costs associated, the creation of expectations, and the expected shift to the GCF etc. We would appreciate discussion in the meeting on how any such investment would be futureproofed against potential changes in the climate finance architecture.
 - We have some concerns regarding the inclusion of very small states with narrow projects, and would welcome discussion on whether such countries could be bundled with others in a regional programme.

- **Solomon Islands Investment Plan**
 - We welcome the use of output-based payment approaches and it is good to see a coherent range of approaches (including island mini-grids) being applied to expand both energy access and renewables deployment. Although more detail is required in full project proposals, the presentation of the results and key programme dimensions in the Executive Summary are very useful in assessing the project.
 - The questions we would have at this stage would be around the relatively low leverage expected and to ask the proponents to review the extent to which any more leverage can be achieved, particularly private sector leverage, through reconsidering approaches or business models. We would also value some more information on the baselines and targets regarding demand growth etc, as a basis for assessment of the impact of the proposed generation, as well as climate impacts.

- **Armenia Investment Plan**
 - We understand that an updated version is on its way with an explanation of what has been done to address our and other SC member comments. We look forward to this, but clearly this will be a very short time to review the IP.

- **Private Sector Reserve**
 - We would endorse Daniel's suggestion from Switzerland that the PS reserve window be discussed in the sub-committee. You will be aware that ourselves, the US and Switzerland have all raised similar comments about the process (particularly the lack of applications) which we think should be addressed. Daniel's point regarding the concentration of SREP resources in Kenya and Honduras is also of concern, and a review of this outcome

against the original terms of the call regarding how the fund might be split between countries would be welcome.

With best wishes,
Steven

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