

CLIMATE INVESTMENT FUNDS

SREP/SC.5/2
June 8, 2011

Meeting of the SREP Sub-Committee
Cape Town, South Africa
June 21, 2011

Agenda Item 2

ANNOTATED PROVISIONAL AGENDA

AGENDA ITEM 1. OPENING

1. The meeting will be opened by the elected Co-Chair Ambassador Colin Beck, the Sub-Committee Member from the Solomon Islands.

AGENDA ITEM 2. ADOPTION OF AGENDA

2. A *Provisional Agenda* for consideration by the meeting of the Sub-Committee has been circulated as document SREP/SC.5/1/Rev.1. The meeting is invited **to adopt** the agenda.

AGENDA ITEM 3. ELECTION OF CO-CHAIR FROM CONTRIBUTOR COUNTRY TO REPLACE MS. BRIGITTE CUENDET

3. In accordance with paragraph 29 of the Governance Framework for the SCF, “each SCF Sub-Committee will elect its own Co-Chairs for a six-month term. One Co-Chair will be a representative of a contributor country, and the other Co-Chair will be a representative of a recipient country.”

4. At its November 2010 meeting, the Sub-Committee elected Ambassador Colin Beck, Solomon Islands, and re-elected Ms. Brigitte Cuendet, Switzerland, to serve as Co-Chairs of the SREP Sub-Committee from the end of the meeting through the end of the SREP Sub-Committee meeting in June 2011.

5. Ms. Brigitte Cuendet notified the Sub-Committee of her resignation due to a new position in the government of Switzerland. Paragraph 27 of the rules of procedure provides: “If during the Meeting any of the Co-Chairs should not longer be able to serve in that capacity, the SCF Trust Fund Committee shall elect a replacement from the Members of the group that is entitled to such position to serve as the Co-Chair.” The Sub-Committee is invited **to elect** a new Co-Chair from a contributor country to serve until the term of Ms. Cuendet expires.

AGENDA ITEM 4. REPORT FROM THE SREP PILOT COUNTRY MEETING

6. The second meeting of the pilot countries participating in the SREP will take place on Monday, June 20, 2011, in Cape Town, South Africa. It will focus on monitoring and evaluation, the development of investment plans and integration into national strategies, gender considerations, financing modalities and renewable energy policies and technologies.

7. The results of the pilot country meeting will be presented to the Sub-Committee by a country representative participant in the meeting. A power point presentation capturing the main highlights will be circulated at the meeting.

8. The SREP Sub-Committee is invited **to take note** of the outcomes of the second SREP pilot country meeting and **to provide** comments to enhance the programming activities at the country level.

AGENDA ITEM 5. UPDATE ON OPERATIONS

9. *Agenda item 5 (a), Semi-annual operations report on SREP.* The *Semi-Annual Report on SREP Operations* (SREP/SC.5/3) has been prepared to provide the SREP Sub-Committee with a report on the status of SREP activities, including information on the joint missions to SREP pilots. In reviewing the operational report, the Sub-Committee may also wish to take into account the information provided in two documents prepared for the SCF Trust Fund Committee *Progress Report on Targeted Programs* (SCF/TFC.6.3) and the *Trustee Report on the Financial Status of the Strategic Climate Fund* (SCF/TFC.6/4).

10. The Sub-Committee is invited **to review** the semi-annual operational report and **to provide** the MDBs with guidance and feedback on the operations of the SREP.

11. *Agenda item 5 (b), (c) and (d), Updates by representatives from Honduras, Maldives and Mali.* Representatives from the Governments of Honduras, Maldives and Mali will report on progress in developing their investment plans.

12. *Agenda item 5 (e), Update by representative from Kenya.* The Government of Kenya will present its draft investment plan. The investment plan presents the priority activities to be undertaken to support Kenya's effort to scale up renewable energy. The draft has been reviewed by an independent reviewer and the review is attached to the plan. The government has requested an opportunity to present the draft investment plan with a view to seeking feedback from the Sub-Committee. Based on this feedback, the government will prepare a final plan to be submitted to the Sub-Committee for endorsement through a decision-by-mail.

13. The Sub-Committee is invited to provide comments on the draft investment plan to be presented by a representative of the Government of Kenya.

AGENDA ITEM 6. QUALITY REVIEW OF SREP INVESTMENT PLANS

14. Based on the discussions at the SCF Trust Fund Committee Meeting in November, the CIF Administrative Unit, in collaboration with the MDBs, prepared a proposal for the process and criteria for the preparation of an independent technical review of SCF investment plans and strategies and circulated it to the SCF Trust Fund Committee on March 29, 2011, for approval by mail. A number of comments were received from Members of the Trust Fund Committee on the proposal. On the basis of these comments, a revised version of the proposal has been prepared for review and approval by each SCF Sub-Committee, since the Sub-Committees may wish to agree on different procedures in each of the three programs.

15. The Sub-Committee is invited to review and approve the proposed procedures for preparing independent technical reviews of investment plans under the SREP.

AGENDA ITEM 7. USE OF SUBSIDIES UNDER SREP

16. In reviewing the document, *Elements of Financing Modalities* (SREP/SC.2/4), at its meeting in March 2010, the Sub-Committee requested the Administrative Unit, in collaboration

with the MDB Committee, to prepare a background note for consideration at the next meeting of the Sub-Committee on the use of subsidies as a financial tool under the SREP.

17. At its November 2010 meeting, a note on subsidies was made available. The note discusses various issues pertaining to how subsidies have been used in the past for scaling-up renewable energy, type of subsidies, their rationale and role, and their applicability to grid and off-grid applications with some country examples.

18. The MDB Committee recommended that an additional note be prepared that would include recommendations on how subsidies might be used in SREP programs, the rationale for supporting certain schemes, and the impacts of subsidies as part of a broader enabling policy framework in the specific context of SREP countries.

19. In order to obtain further feedback from the Sub-Committee, a presentation has been prepared by the MDB Committee on the potential role of subsidies in SREP countries. The SREP Sub-Committee is invited **to review and comment** on the presentation with a view to providing guidance for the preparation of a final paper to be presented at the next meeting of the Sub-Committee.

AGENDA ITEM 8. CRITERIA FOR ALLOCATION OF THE RESERVE RESOURCES UNDER SREP

20. At its November 2010 meeting, the SREP Sub-Committee discussed the *Proposal for Allocation of SREP resources to Pilot Programs* (SREP/SC.4/5) and agreed upon the principles to be followed in allocating SREP resources.

21. The SREP Sub-Committee agreed that a reserve amount of the current pledges to the SREP should be established and the allocation of this reserve should be decided by the SREP Sub-Committee after all investment plans have been endorsed. The SREP Sub-Committee requested that criteria for the allocation of the reserve be discussed at its June 2011 meeting.

22. Consistent with this request, the CIF Administrative Unit, in collaboration with the MDB Committee, prepared the document SREP/SC.5/5, *Proposal for the allocation of the reserve funding under SREP*. The paper presents two options for the Sub-Committee to discuss.

23. The Sub-Committee is invited **to review** the document SREP/SC.5/5, *Proposal for the allocation of the reserve funding under SREP*, and **to provide** feedback on the options presented in the document to be taken into account in a revised version to be consider by the Sub-Committee at a future meeting.

AGENDA ITEM 9. RESULTS-BASED FINANCING INSTRUMENTS

24. At the request of one Sub-Committee Member, a representative from the Energy Sector Management Assistance Program (ESMAP) of the World Bank has been invited to make a presentation on results-based financing instruments and their potential role in SREP countries.

AGENDA ITEM 10. ELECTION OF CO-CHAIRS

25. In accordance with the agreed procedures, the Sub-Committee generally elects its Co-Chairs for a term of six months at the end of each meeting. The current terms of the Co-Chairs ends at the conclusion of this meeting.

26. In this regard the Sub-Committee should recall that as provided in the design documents for the SCF and the targeted programs, consultations among contributor countries will be held as part of the Partnership Forum to identify the members of the Sub-Committee who will serve until the end of the 2012 Partnership Forum.

27. Recognizing that the composition of the Sub-Committee is expected to change, it is recommended that the Sub-Committee postpone the election of the Co-Chairs until after the Partnership Forum. Such elections could be carried out through a decision-by-mail. It is further proposed that the terms of the current Co-Chairs be extended until the new Co-Chairs have been elected.

AGENDA ITEM 11. OTHER BUSINESS

28. Members and the Co-Chairs may raise any other business under this agenda item.

AGENDA ITEM 12. CLOSING

29. The meeting is scheduled to close at 6:30 p.m. on Tuesday, June 21, 2010.

PROVISIONAL TIMETABLE

Tuesday, June 21, 2011

8:30-9:00	Agenda Item 1	Opening
	Agenda Item 2	Adoption of agenda
	Agenda Item 3	Election of Co-Chair from contributor country to replace Ms. Brigitte Cuendet
9:00-10:00	Agenda Item 4	Report from SREP pilot country meeting
10:00-1:00	Agenda Item 5	Update on Operations <ul style="list-style-type: none">a. Semi-Annual Report on SREP Operationsb. Update by representative of Hondurasc. Update by representative of Maldivesd. Update by representative of Malie. Update by representative of Kenya
2:30-3:30	Agenda Item 6	Quality review of SREP investment plans
3:30-4:00	Agenda Item 7	Use of subsidies under SREP
4:00-5:00	Agenda Item 8	Criteria for allocation of the reserve resources under SREP
5:00-5:45	Agenda Item 9	Results-based financing instruments
5:45-6:00	Agenda Item 10	Election of Co-Chairs
6:00-6:30	Agenda Item 11	Other business
6:30	Agenda Item 12	Closing