

CLIMATE INVESTMENT FUNDS

SREP/SC.6/CRP.6
November 1, 2011

Meeting of the SREP Sub-Committee
Washington, D.C.
November 1, 2011

DECISION ON DISTRIBUTION OF RESOURCES TO SREP PILOT COUNTRIES TAKING INTO ACCOUNT GRANT AND CAPITAL CONTRIBUTIONS

Draft decision on distribution of resources

The Sub-Committee reviewed document SREP/SC.6/4Rev.1, *Distribution of Resources to SREP Pilot Countries taking into account Grant and Capital Contributions*, and takes note of the proposal. Based on the discussions at the meeting, the Sub-Committee agrees to the following approach in distributing resources to SREP pilot countries:

- (1) For pilot countries with low risk of debt distress, no more than 70 percent of the indicative funding agreed to by the Sub-Committee should be drawn from the grant contributions.
- (2) For pilot countries with moderate or high risks of debt distress, all indicative funding agreed to by the Sub-Committee can be drawn from the grant contributions, except for private sector projects which could be drawn from the capital contributions since they do not increase the sovereign debt of the country. SREP funds used in private sector investments should adhere to the principles outlined in SREP Financing Modalities.
- (3) For the purpose of assessing a country's risk of debt distress, the latest available debt sustainability analysis from IDA and/or the relevant Regional Development Bank at the time of the endorsement of the proposed investment plan should be used.