

# CLIMATE INVESTMENT FUNDS

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## Overview of the Program for Scaling up Renewable Energy in Low Income Countries

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# Climate Investment Funds

# CIF

**Clean Technology Fund (CTF):** Finances demonstration, deployment, and transfer of low carbon technologies



**Strategic Climate Fund (SCF):**  
Targeted programs to pilot new approaches and scale-up

**To pilot and demonstrate 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**

- Initiate a process leading towards **transformational change**
- Overcome barriers to **scaling up** public and private sector investments
- Facilitate **knowledge sharing** and exchange
- Lead to economic, social and environmental **co-benefits**
- Demonstrate a feasible pathway for **economic growth and development**

## **Investments**

- Targeted investments leading to the deployment of different renewable energy technologies and their operational management.

## **Capacity building and advisory services**

- Development of energy policies and legislation
- Assessment of technical resource potential
- Strengthening governance and institutional capacity
- Creation of incentive scheme to improve financial viability of renewable energy technologies

# Pledges

- 10 countries have made pledges to the SREP.
- Total pledges are \$364 million.

<b>Contributor Country</b>	<b>Million USD eq.</b>
Australia	8
Denmark	12
Japan	40
Korea	6
Netherlands	76
Norway	54
Spain	4
Switzerland	20
United Kingdom	93
United States	50
<b>Total</b>	<b>364</b>

- **6 representatives from contributor countries:** Japan/Korea, Netherlands, Norway/Spain, Switzerland/Denmark, United Kingdom/Australia, United States
- **6 representatives from eligible recipient countries:** Armenia, Ethiopia, Honduras, Kenya, Nepal, Yemen
- **Observers:** 4 civil society, 2 Indigenous Peoples, 2 private sector, GEF, UNDP, UNEP, UNFCCC

# Initial Pilot Countries



Pilot Countries	Joint Mission	Endorsement of Investment Plan
Ethiopia	September 2011	March 2012 (expected)
Honduras	August 2011	November 2011
Kenya	May 2011	September 2011
Maldives	September 2011	TBD
Mali	September 2011	November 2011
Nepal	July 2011	November 2011

## **Initial allocation**

\$25-50 million base allocation per pilot (up to \$240 million for all six countries)

- Honduras and Maldives: \$25 – 30m
- Mali and Nepal: \$25 – 40m
- Ethiopia and Kenya: \$25 – 50m

## **Reserve**

Countries may request additional funding from the reserve (established at \$60 million).



Six additional pilots (5 countries and 1 regional program) have been invited to develop investment plans.

- **Armenia**
- **Liberia**
- **Mongolia**
- **Pacific regional program**
- **Tanzania**
- **Yemen**

Another 18 countries have submitted an expression of interest to the CIF for SREP support, including:

- Bangladesh
- Cambodia
- Djibouti
- Congo DR
- Georgia
- Ghana
- Guyana
- Haiti
- Lao PDR
- Malawi
- Moldova
- Nicaragua
- Rwanda,
- Sri Lanka
- Senegal
- Tajikistan,
- Timor Leste
- Zambia

# Key Decisions from the November 2011 SC Meeting

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- **Distribution of grant vs. capital resources**
  - For countries with low risk of debt distress, no more than 70 percent of the indicative funding should be drawn from the grant contributions.
  - For pilot countries with moderate or high risks of debt distress, all indicative funding can be drawn from the grant contributions, except for private sector projects which could be drawn from the capital contributions.
- **Criteria for allocation of funding reserve**
  - Readiness to effectively absorb additional resources and country ownership; and
  - Project design in terms of engaging and leveraging investment of the private sector and utilizing diverse and innovative approaches and instruments
  - No more than three projects and no more than one project per investment plan
  - SC to revisit the process to be followed for selecting projects in May 2012 and decide on the projects to be funded in November 2012
- **Allocation of funding to new pilots**
  - Countries on the reserve list invited to develop investment plans, recognizing that resources may not necessarily be available to finance those plans under the SREP but that financing may be available through other sources of climate finance
  - Up to \$300k to each of the country pilots and up to \$600k for the regional pilot may be provided to develop investment plans.

# Key Items for the Intersessional SC Meeting (March 8-9, 2012)

- Investment Plans
  - Ethiopia to present for endorsement
  - Maldives to give an update
  - Mali to provide additional information
  - Nepal to provide an update
- Prioritization of new pilots
- Proposal for the scope of a Pacific regional program
- Proposal for revised results framework
- Presentation by Energy+