# Climate Investment Funds

July 29, 2011

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

Co-Chairs

Adrine Ter-Grigoryan, Armenia
Bente Weisser, Norway

## OPENING OF THE MEETING

1. In the absence of the elected Co-Chairs, the Sub-Committee elected Ms. Adrine Ter-Grigoryan, Sub-Committee member from Armenia, and Ms. Bente Weisser, Sub-Committee member from Norway, to serve as the Co-Chairs for the June 2011 SREP Sub-Committee meeting.

2. The representative from the Government of Australia informed the meeting of the country's contribution to SREP of 10 million Australian dollars, complementing its contributions to the CTF Trust Fund and to the SCF Trust Fund, and consistent with its commitment to supporting Least Developed Countries and Small Island States.

## ADOPTION OF AGENDA

3. The meeting adopted the provisional agenda set forth in document SREP/SC.5/1.

## REPORT FROM THE SREP PILOT COUNTRY MEETING

4. A representative from the Government of Nepal presented the outcomes of the second SREP pilot country meeting. The Sub-Committee welcomes the progress being made in the pilot countries and their efforts to exchange information and lessons learned.

## QUALITY REVIEW OF SREP INVESTMENT PLANS

5. The Sub-Committee reviewed document SREP/SC.5/4, *Proposal for the Preparation of Independent Technical Reviews of PPCR and SREP Investment Plans,* and approves the proposed procedures as amended by the Sub-Committee. The Sub-Committee agrees that at the first Sub-Committee meeting of each calendar year, it will consider the content of quality reviews that have been submitted in the last 12-month period based on an overview prepared by the CIF Administrative Unit, in collaboration with the MDB Committee, and will review the agreed procedures with a view to determining the usefulness of the review process and whether it meets the expected objectives, and to revising the procedures, if necessary. The Sub-Committee agrees that resources to finance the expert review should be included in the resources available through the CIF Administrative Budget for country programming, and requests the SCF Trust Fund Committee to enhance funding to cover the costs of the reviews when it considers the proposal for the FY12 CIF Administrative Budget.

## UPDATE ON OPERATIONS

6. *Semi-Annual Report on SREP Operations*. The SREP Sub-Committee reviewed document SREP/SC.5/3, *SREP Semi-Annual Report on SREP Operations*, and welcomes the report on the status of SREP activities, including information on the progress being achieved in preparing investment plans in the pilot countries, and the proposal to include in future reporting a tracking system for delivery of investment plans, projects and programs.

7. *Updates by representatives of pilot countries.* Representatives from the Governments of Ethiopia, Honduras, Maldives, Mali and Nepal reported on progress in developing their

investment plans. The SREP Sub-Committee notes the progress that has been made by the pilot countries in advancing the preparation of their investment plans.

8. *Update by representative from Kenya.* A representative from the Government of Kenya made a presentation on its draft investment plan which has been posted on the country's website. An independent expert had completed a review of the draft plan. The government requested an opportunity to submit its investment plan to the Sub-Committee for endorsement through a decision-by-mail.

9. The Sub-Committee agrees, on an exceptional basis, that the investment plan for Kenya may be considered for endorsement at an inter-sessional meeting to be organized by the CIF Administrative Unit through a video or telephone conference three weeks after the plan is circulated for review and no earlier than August 15, 2011. The Sub-Committee invites members to submit any written comments that they may have on the draft plan to the CIF Administrative Unit and requests the CIF Administrative Unit to post all comments on the CIF website.

10. The meeting notes the information included in the report on operations that investment plans for the remaining five pilot countries are to be submitted for endorsement at the Sub-Committee meeting in November 2011. Should it not be possible to submit all five plans in time for review at the November meeting, the Sub-Committee agrees to consider requesting a meeting of the Sub-Committee in March 2012 in conjunction with the 2012 Partnership Forum.

## USE OF SUBSIDIES UNDER SREP

11. The Sub-Committee requests the CIF Administrative Unit to circulate to its members the presentation on the use of subsidies under SREP, and invites members to review the presentation and submit any comments to the CIF Administrative Unit by July 31, 2011. The Sub-Committee requests the MDB Committee to prepare a final note on the use of subsidies in SREP for submission to the Sub-Committee at its next meeting.

## CRITERIA FOR ALLOCATION OF THE RESERVE RESOURCES UNDER SREP

12. The Sub-Committee reviewed and commented on document SREP/SC.5/5, *Proposal for the Allocation of Funding Reserve under SREP*. The Sub-Committee invites members to submit written comments on the proposal to the CIF Administrative Unit by July 31, 2011. The CIF Administrative Unit, in collaboration with the MDB Committee, is requested to circulate a revised proposal, based on comments provided during the meeting and subsequent written comments. Members should be invited to comment on the second revised draft before a final proposal is circulated to the Sub-Committee for approval by mail.

## RESULTS-BASED FINANCING INSTRUMENTS

13. The Sub-Committee welcomes the presentation on results-based financing instruments and their potential role in SREP countries made by the Energy Sector Management Assistance Program (ESMAP). The Sub-Committee requests the CIF Administrative Unit and the MDB Committee to review the SREP results framework and to inform the next meeting as to how some of the indicators in the framework could be linked to results-based financing.

## OTHER BUSINESS

14. The representative of the Government of Norway announced an additional contribution to SREP of 150 million Norwegian Kroner. She noted Norway's intention that the contribution is being made to allow an additional pilot to access SREP funding, and in particular, to provide increased opportunity for new innovative approaches, including results-based financing.

15. The Sub-Committee's attention was drawn to document CIF/Inf.1, *Development of Learning Briefs for 2012 Partnership Forum* and members are invited to provide written comments to the CIF Administrative Unit on the proposal for an SREP learning brief by July 31, 2011.

## ELECTION OF CO-CHAIRS

16. Recognizing that members of the Sub-Committee to serve for a new term beginning after the 2011 Partnership Forum and associated meetings, which are to conclude on June 30, 2011, are to be agreed by the eligible recipient country group and the contributor country group during consultations to be organized in conjunction with the Partnership Forum, the Sub-Committee agrees to elect its co-chairs through a decision-by-mail once the new Sub-Committee members are identified. The newly appointed recipient country members and contributor country members are requested to inform the CIF Administrative Unit of their nominations for co-chairs so that a decision-by-mail on the election of the two co-chairs may be circulated as early as possible after all Sub-Committee members have been identified.

## CLOSING

17. The meeting was closed on June 21, 2011.