

December 1, 2010

**SUMMARY OF THE SREP PILOT COUNTRY MEETING
NOVEMBER 11, 2010
WASHINGTON, D.C.**

The first meeting of the SREP Pilot Countries was held in Washington, DC, on November 11, 2010. All of the pilot countries had delegates in attendance, with the exception of the Maldives. Members and observers of the SREP Sub-Committee as well as representatives of all MDBs, the civil society, the private sector and indigenous and local communities also participated in the meeting.

The program focused on the expectations relating to the SREP, looking at issues such as the role of SREP in the national energy context, the development of investment plans and the preparation of joint missions.

The following is a summary of main points raised at the meeting:

Countries are in the very early stages of planning for the SREP. The six countries participating in the program were only recently selected to participate in the program, and the programming and financing documents were only approved at the November 8 Sub-Committee meeting, allowing for operationalization to begin.

Given the immature status of the program, it was important to introduce the SREP programming modalities and operational guidelines and the SREP financing modalities to the participants. The CIF Administrative Unit covered three main areas: a) the current status of the program including the decisions from the SREP Sub-Committee meeting; b) the details of the programming modalities; and, c) the financing modalities.

In the discussion following the presentation, two substantive issues were highlighted. The first was the role of the private sector. It was emphasized by a number of participants—from the country delegates to private sector observers—that private sector participation is critical to success of the program. In this regard, there was great interest in how to mobilize the private sector to become engaged in SREP investments. The second issue revolved around the scope of these investments. The SREP Programming Modalities defines the scope of investments, limiting eligible investments to mainly new and proven renewable energy technologies, though the document provides some flexibility. There was a noted degree of interest in technologies and investments seemingly outside the scope of SREP, such as cook stoves, transmission projects, and development of local manufacturing of clean technology solutions. Countries also indicated they are considering using SREP funds for subsidy programs.

To provide countries with a greater understanding of the procedures of the SREP and design of an Investment Plan, Mr. Arastoo Khan presented the experiences of, and lessons learned by, Bangladesh in the development of an investment plan under the Pilot Program for climate resilience—which, like the SREP and Forest Investment Plan, is a program under the Strategic Climate Fund. He stressed the importance of working together and highlighted the unprecedented level of cooperation among MDBs as well as the nine ministries participating in the program, and other development partners and stakeholders.

The SREP pilot countries presented information on their national energy context and expectations regarding the SREP and provided an updated on preparations for developing their investment plans.

The pilot countries had already given considerable thought to planning for the program and potential investments. They identified a number of challenges they envisioned SREP funds may help them overcome to scale up renewable energy and increasing energy access including lack of access to finance, the need to improve transmission, and removing bottlenecks and other barriers such as weak institutional capacity. There were also expectations SREP resources would be used to tackle a number of other challenges, including limited capacity in low income countries, poor and reactive energy planning, need to include more innovative financing products and the struggle to diversify the energy matrix.

While the challenges are noted, the anticipated benefits the program may bring were emphasized. The message was clear: countries have large, untapped renewable resource potential they intend to use to increase energy access. Strengthening the policy and strategic framework, building institutional capacity will set the stage for successful investments which are expected to result in employment opportunities, improved livelihoods, and other social and environmental co-benefits.

Stakeholder participation will be critical if countries are to reap the anticipated benefits of the program. Nowhere will this be as important as during the joint missions and early stages of investment plan development. The full range of stakeholders—private sector, community organizations, civil society, indigenous peoples, bilateral, and UN agencies—will come together and share inputs for this participatory process.

Similarly, it is at this early stage that countries and MDBs need to identify other sources of finance and co-finance. For SREP to make a substantial impact, leveraging funds from the MDBs, bilateral agencies and the private sector will be key. Participants from numerous stakeholder groups noted that innovative sources of finance will also be important and are worth exploring to increase the leverage ratios.