

# CLIMATE INVESTMENT FUNDS

June 30, 2016

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Summary of the Co-Chairs  
Meeting of the SREP Sub-Committee  
Oaxaca, Mexico  
Friday, June 17, 2016

Co-Chairs

Mr. Erastus Wahome, Kenya  
Mr. Frank van der Vleuten, Netherlands

## **AGENDA ITEM 1. OPENING**

1. The meeting of the SREP Sub-Committee was opened by the Co-Chairs, Mr. Erastus Wahome from Kenya, representing the recipient countries, and Mr. Frank van der Vleuten from the Netherlands, representing the contributor countries.

## **AGENDA ITEM 2. ADOPTION OF AGENDA**

2. A provisional agenda for consideration by the meeting of the Sub-Committee was circulated as document SREP/SC.15/1. In approving the agenda, the Sub-Committee agreed to consider the *SREP Semi-Annual Operational Report* before the Report on Strategic Discussion from the Joint Meeting.

## **AGENDA ITEM 3. REPORT ON THE STRATEGIC DISCUSSION FROM THE JOINT MEETING**

3. The SREP Sub-Committee appreciates the analysis presented in the Strategic Directions paper on the specific context, lessons learned, and continued value proposition of the SREP.

4. The SREP Sub-Committee notes the decision of the joint meeting on the Strategic Directions for the CIF to continue to monitor the developments in the international climate finance architecture to inform a discussion on the sunset clause in December 2018 at the earliest, and take a decision on this issue in June 2019, in particular on if and when the Trustee should stop receiving new contributions for the Clean Technology Fund and/or the Strategic Climate Fund.

5. The Sub-Committee agrees on the need to enhance cooperation between the SREP and other entities and mechanisms in the climate finance architecture, in particular the Green Climate Fund (GCF), through, inter alia:

- a) Improved coordination at the country level led by the SREP focal points and GCF's national designated authorities, including in cooperation with MDBs when requested, for mobilizing funding and implementing investment plans;
- b) Enhanced efforts by all stakeholders of the SREP to share lessons learned, including through the CIF evaluative and learning special initiative; and
- c) Exploring joint training and learning sessions for SREP and other multilateral climate finance mechanisms.

6. The Sub-Committee recognizes that the SREP is still in an early stage of implementation of its investment plans and projects and encourages SREP pilot countries, supported by MDBs, to take measures to expedite the implementation.

7. The Sub-Committee also requests the CIF Administrative Unit to explore modification to the SREP private sector mechanisms to increase the mobilization of private sector investments in SREP pilot countries for consideration by the Sub-Committee at its next meeting.

8. The Sub-Committee invites the contributors in a position to do so to provide financial resources for the implementation of the investment plans for the new SREP pilot countries and also

invites the SREP pilot countries, in cooperation with the MDBs, to design and/or adapt investment plans and projects in a manner that enables access to other funding channels, in particular the GCF.

9. The Sub-Committee requests the CIF Administrative Unit to present at its next meeting an assessment as to whether and how project preparation grants could be provided for endorsed investment plans for which implementation funding may not be available.

#### **AGENDA ITEM 4. SREP SEMI-ANNUAL OPERATIONAL REPORT**

10. The SREP Sub-Committee reviewed document SREP/SC.15/4, *SREP Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the SREP in the pilot countries, in particular progress on gender related issues and progress made in new SREP countries to develop investment plans.

11. The Sub-Committee expresses concerns over the delays in project approvals and related disbursements and requests the CIF Administrative Unit, in collaboration with the MDBs and the Trustee, to include detailed information on implementation progress on a project-by-project basis as well as the reasons for delays.

12. The Sub-Committee urges the MDBs to work closely with the governments and other stakeholders in the SREP pilot countries to accelerate the development and implementation of the projects and effective use of resources. The Sub-Committee reiterates its request to the CIF Administrative Unit, in collaboration with the Trustee, to include information on resource availability and over-programming when submitting investment plans and projects for endorsement or approval by the Sub-Committee.

13. The Sub-Committee requests the CIF Administrative Unit, working with the MDBs and the Trustee, to prepare a pipeline management policy for the SREP, taking into account the circumstances of SREP pilot countries, for consideration by the Sub-Committee at its next meeting. The pipeline management policy should consider, inter alia, issues related to readiness criteria, over-programming, cancellation, and SREP results targets.

#### **AGENDA ITEM 5. SREP INVESTMENT PLAN FOR CAMBODIA**

14. The SREP Sub-Committee, having reviewed document SREP/SC.15/5, *SREP Investment Plan for Cambodia*, endorses the investment plan as a basis for the further development of the projects and programs foreseen in the plan<sup>1</sup> and takes note of the request for USD 30 million in SREP funding.<sup>2</sup>

15. The Sub-Committee recalls its decision on the distribution of grant and non-grant resources to the SREP new pilot countries and reaffirms that the amount of SREP grant funding for the implementation of the investment plan should not exceed USD 13.5 million.

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<sup>1</sup> The United States abstained from endorsing this investment plan, but did not wish to block the consensus of the rest of the SREP Sub-Committee.

<sup>2</sup> This includes SREP funding previously approved for the preparation of the investment plan.

16. The Sub-Committee requests the Government of Cambodia, in the further development of the proposed projects and programs, to take into account comments made at the meeting and any additional written comments submitted by Sub-Committee members by July 1, 2016, and to respond in writing to questions raised during the meeting and in subsequent written comments.

17. The SREP Sub-Committee

- a) reaffirms that all allocation amounts are indicative for planning purposes and that approval of funding will be on the basis of high-quality investment plans and projects, subject to the availability of funds;
- b) notes that in case projects under the investment plan cannot be funded with SREP resources, the development of high-quality renewable energy projects could be a basis to seek funding from other climate finance sources, such as the Green Climate Fund;
- c) approves USD 650,000 as preparation grant for the project entitled, *Accelerating Solar Power through Private Sector* (Rooftop Solar and Solar Farms) (ADB);
- d) approves USD 650,000 as preparation grant for the project entitled, *Solar Energy Development* (Solar Home Systems and Mini-grids) (ADB);
- e) approves USD 400,000 as preparation grant for the project entitled, *Biomass Power Project* (ADB);
- f) takes note of the estimated budget of USD 428,000 for MDB project preparation and supervision services for the project entitled, *Accelerating Solar Power through Private Sector* (Rooftop Solar and Solar Farms) (ADB), and approves USD 128,000 as a first tranche of funding for such services;
- g) takes note of the estimated budget of USD 428,000 for MDB project preparation and supervision services for the project entitled, *Solar Energy Development* (Solar Home Systems and Mini-grids) (ADB), and approves USD 214,000 as a first tranche of funding for such services;
- h) further takes note of the estimated budget of USD 428,000 for MDB project preparation and supervision services for the project entitled, *Biomass Power Project* (ADB), and approves USD 214,000 as a first tranche of funding for such services.

#### **AGENDA ITEM 6. OTHER BUSINESS**

18. No other decision items were raised by the SREP Sub-Committee.

#### **AGENDA ITEM 7. CLOSING**

19. The meeting was closed on Friday, June 17, 2016.