

# CLIMATE INVESTMENT FUNDS

April 12, 2010

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Summary of the Co-Chairs  
Meeting of the Sub-Committee for the Program for Scaling Up Renewable Energy in  
Low Income Countries

March 17, 2010

Co-Chairs  
Adrine Ter-Grigoryan, Armenia  
Brigitte Cuendet, Switzerland

## **OPENING OF THE MEETING**

1. The meeting was opened by Ms. Brigitte Cuendet, the elected Co-Chair and Sub-Committee Member from Switzerland.

## **ELECTION OF THE CO-CHAIR FROM RECIPIENT COUNTRY MEMBERS**

2. The Sub-Committee Members elected Ms. Adrine Ter-Grigoryan, the Sub-Committee Member from Armenia, as a Co-Chair. Ms. Cuendet and Ms. Ter-Grigoryan will serve as the Co-Chairs of the Sub-Committee through its fourth meeting to be held in November 2010.

## **ADOPTION OF AGENDA**

3. The meeting adopted the provisional agenda set forth in document SREP/SC.2/1.

## **ELEMENTS OF PROGRAMMING MODALITIES AND OPERATIONAL GUIDELINES**

4. The SREP Sub-Committee reviewed document SREP/SC.2/3, *Elements of programming modalities and operational guidelines*, and provided comments and guidance to the CIF Administrative Unit and the MDB Committee for the finalization of a paper based on the elements to be submitted to the next SREP Sub-Committee meeting. The SREP Sub-Committee requests the CIF Administrative Unit and the MDB Committee to enhance the proposed operational guidelines by, among other things:

- a) underscoring that the goal of the SREP is to 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;
- b) stressing that SREP should demonstrate that renewable energy provides a feasible pathway for economic growth and development and that the creation of economic opportunity should be an outcome of SREP investments;
- c) highlighting the importance of gender considerations as an investment criteria so as to ensure that SREP investments do not have negative impacts on women and seeking to strengthen the capacity of women to be active participants in the economic sector;
- d) confirming the importance of technical assistance and capacity building as integral components of the investment plans and investment projects with a view to enhancing the enabling environment and capacities necessary to make investments viable and sustainable;
- e) recognizing a logical sequencing of activities that include as part of up-front efforts: i) analysis of potential resources, ii) fit with economic development

- strategy, iii) compilation of existing activities, including those of other development partners such as bilateral organizations, UN and NGOs, and iv) assessment of the enabling environment;
- f) ensuring that stakeholder consultations are an integral part of preparing an investment plan;
  - g) including in the investment plan, as annexes if appropriate, information on: i) assessment of country's absorptive capacity, ii) stakeholder consultations, iii) co-benefits, and iv) existing activities in the field of renewable energy, particularly activities of other development partners.
5. The Sub-Committee invites its Members to submit additional written comments to the CIF on the elements by April 13, 2010.
6. The CIF Administrative Unit, in collaboration with the MDB Committee, are requested to prepare additional background information, for consideration at the next meeting of the Sub-Committee, on the rationale for including or excluding investments in hybrid systems.

#### **ELEMENTS OF FINANCING MODALITIES**

7. The Sub-Committee reviewed the document entitled, *Elements of Financing Modalities* (document SREP/SC.2/4); and provided comments and guidance to the CIF Administrative Unit and the MDB Committee for the finalization of a paper based on the elements to be submitted to the next SREP Sub-Committee meeting. The SREP Sub-Committee requested the CIF Administrative Unit and the MDB Committee to enhance the proposed operational guidelines by, among other things:
- a) elaborating upon the use of grants and innovative uses of grant resources, including to support market mechanisms such as advanced market commitments and performance-based grants;
  - b) reexamining the appropriateness of using concessional loans to provide assistance to low income countries;
  - c) exploring other innovative tools that may make use of SREP resources;
  - d) elaborating on how to create markets to bring in private sector resources.
8. The Sub-Committee invites its Members to submit additional written comments to the CIF Administrative Unit on the financing modalities elements by April 13, 2010.
9. The CIF Administrative Unit, in collaboration with the MDB Committee, is requested to prepare additional background information, for consideration at the next meeting of the Sub-Committee, on the use of subsidies as a financial tool under the

SREP. The Sub-Committee also requests that a background note be prepared examining the appropriateness of using concessional loans under the SREP and the requirement that SREP resources be blended MDB lending. The Sub-Committee requests that the background note be circulated to the Members in May for their comments by mid-May.

#### **PROPOSAL FOR SREP RESULTS MEASUREMENT FRAMEWORK**

10. The Trust Fund Committee reviewed document, CTF-SCF/TFC.4/3, *Harmonization of CIF Results Frameworks*, and took note of the SREP results framework. The meeting requests the CIF Administrative Unit and the MDBs to elaborate a performance measurement strategy and refine further the indicators for the SREP results framework with a view to ensuring that results measurement is simplified and anchored within the programs and projects at the country level. In developing indicators, the Sub-Committee invites the CIF Administrative Unit and the MDB Committee to consider how to capture the SREP objective of adding value in local economies and producing energy for productive use and economic growth.

#### **OTHER BUSINESS**

11. The Sub-Committee reviewed and approved, subject to the amendments agreed by the Sub-Committee, the *Criteria for Selecting Expert Group Members under SREP*, document SREP/SC.2/5, and *Criteria for Selecting Country and Regional Pilots under SREP*, document SREP/SC.2/6.

#### **CLOSING**

12. The meeting was closed on March 17, 2010.