

CLIMATE INVESTMENT FUNDS

February 28, 2019

Summary of the Co-Chairs
Meeting of the Sub-Committee of the
Scaling up Renewable Energy in Low Income Countries Program (SREP)
Ouarzazate, Morocco
February 1, 2019

Co-Chairs
Mr. Nicolas Allien, Haiti
Mr. Frank van der Vleuten, the Netherlands

AGENDA ITEM 1. OPENING

1. The meeting of the SREP Sub-Committee was opened by Mr. Nicolas Allien from Haiti, representing the recipient countries, and Mr. Frank van der Vleuten from the Netherlands, representing the contributor countries.

AGENDA ITEM 2. ADOPTION OF AGENDA

2. The SREP Sub-Committee adopted the *provisional agenda* set forth in document SREP/SC.20/1/Rev.2.

AGENDA ITEM 3. SREP OPERATIONAL AND RESULTS REPORT

3. The SREP Sub-Committee reviewed document SREP/SC.20/3, *SREP Operational and Results Report*, and welcomes the progress that has been made in advancing the work of the SREP in the pilot countries.

4. The Sub-Committee appreciates the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on achievements and results, resource availability, pipeline review, and portfolio updates. The Sub-Committee members' comments and suggestions for improvements on the report were noted and will be taken into account in the preparation of the next SREP Operational and Results Report.

5. The Sub-Committee appreciates greater clarity given by the MDBs on the timing and scale of disbursements and cancellations and looks forward to continuing to receive this information on a regular basis.

AGENDA ITEM 4. SREP RISK REPORT

6. The SREP Sub-Committee reviewed document SREP/SC.20/4, *Risk Report of the SREP* and welcomes the report.

7. The SREP Sub-Committee requests MDBs, in consultation and coordination with the respective recipient countries, to provide the CIF Administrative Unit with (i) details of the rationales for the implementation delays in projects flagged under implementation risk; (ii) details of actions taken to address the implementation delays in projects flagged for implementation risk as well as a workplan for ensuring that disbursements under these flagged projects will increase to a level where the projects will no longer be flagged for this risk; and (iii) estimates of the dates by which disbursements will increase to levels such that these projects will no longer be flagged for implementation risk. The SREP Sub-Committee requests the CIF Administrative Unit to share with the Sub-Committee any information provided by the MDBs under this decision.

8. The SREP Sub-Committee requests that MDBs provide any information regarding fraud and sexual exploitation and abuse in SREP projects implemented by such MDBs to the extent that such information is provided to their own MDB boards and subject to any necessary legal/confidentiality arrangements prior to providing some information.

9. The Trust Fund Committee requests that the CIF Administrative Unit include in the risk report risk trends.

AGENDA ITEM 5. SREP RISK APPETITE STATEMENT

10. The SREP Sub-Committee reviewed the document SREP/SC.20/5, *SREP Risk Appetite Statement*, and agrees:

- a) that the risk appetite/tolerance levels proposed in the document accurately reflect the Sub-Committee's appetite/tolerance for each risk outlined in the document; and
- b) that those parties in roles best placed to manage each risk exposure should make every effort to manage these risk exposures within the Sub-Committee's corresponding risk appetites/tolerances outlined in this document.

AGENDA ITEM 6. SREP INVESTMENT PLAN FOR KIRIBATI

11. The SREP Sub-Committee, having reviewed document SREP/SC.20/6, *SREP Investment Plan for Kiribati*, endorses the investment plan as a basis for the further development of the projects and programs foreseen in the plan and takes note of the request for a total of USD 4.7 million in SREP funding, including:

- a) USD 3.7 million grant for the project entitled *South Tarawa Renewable Energy Project* (Asian Development Bank); and
- b) USD 1.0 million grant for preparation of the project entitled *South Tarawa Renewable Energy Project* (Asian Development Bank).

9. The Sub-Committee requests the Government of Kiribati, in the further development of the proposed project, to take into account comments made at the meeting and any additional written comments submitted by Sub-Committee members by February 15, 2019, and to respond in writing to questions raised during the meeting and in subsequent written comments.

10. The SREP Sub-Committee reaffirms:

- a) 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, and sufficient justification of required project preparation grants, subject to the availability of funds; and its agreement that with the endorsement of the investment plan, the projects identified therein can enter the SREP pipeline.
- b) Recognizing that the SREP currently does not have sufficient resources to fund all projects in the pipeline, the Sub-Committee encourages the Government of Kiribati and the relevant MDB to seek other funding sources to support the implementation of the investment plan and the project.

AGENDA ITEM 7. SREP INVESTMENT PLAN FOR ZAMBIA

11. The SREP Sub-Committee, having reviewed document SREP/SC.20/7, *SREP Investment Plan for Zambia*, welcomes the investment plan and takes note of the request for a total of USD 19.1 million in SREP funding, including:

- a) USD 1.4 million grant for preparation of the project entitled *Energy Access in Rural and Peri-Urban Areas* (World Bank);
- b) USD 10.0 million grant for the project entitled *Energy Access in Rural and Peri-Urban Areas* (World Bank);
- c) USD 2.1 million grant for the project entitled *Wind Power Promotion* (MDB to be determined); and
- d) USD 5.6 million grant for the project entitled *Investment in Geothermal Development* (MDB to be determined).

12. Based on the review of the investment plan, the Sub-Committee made several notes and comments for improvement of the investment plan. In addition, the Sub-Committee invites its members to submit any further written comments and questions by February 8, 2019.

13. The Sub-Committee requests the Government of Zambia to further develop the investment plan, taking into account comments made at the meeting and any additional written comments submitted by Sub-Committee members, and to submit an updated investment plan for endorsement by mail prior to the next Sub-Committee meeting, including any request of approval of the grants for preparation of the projects under the investment plan.

AGENDA ITEM 8. KNOWLEDGE AND LEARNING UPDATE

14. The Sub-Committee took note of an update on the various knowledge and learning activities related to the SREP.

AGENDA ITEM 9. OTHER BUSINESS

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

AGENDA ITEM 10. CLOSING

16. The meeting was closed on Friday, February 1, 2019.