

CLIMATE INVESTMENT FUNDS

June 20, 2018

Summary of the Co-Chairs
Meeting of the Sub-Committee of the
Scaling up Renewable Energy in Low Income Countries Program (SREP)
June 6, 2018
Washington, DC

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 the CIF Manager, Ms. Mafalda Duarte.
2. The contributor countries were represented by Mr. Frank van der Vleuten from the Netherlands as Co-Chair of the SREP Sub-Committee. The elected Co-Chair for the recipient countries, Mr. Chimeddorj Demchigjav from Mongolia, confirmed he was no longer working on CIF matters and consequently, no longer a member of the SREP Sub-Committee. Therefore, in accordance with paragraph 27 of the Rules of Procedure for Meetings of the SCF Trust Fund Committee, the eligible recipient countries elected Mr. Nicolas Allien from Haiti to serve as Co-Chair of the SREP Sub-Committee.

AGENDA ITEM 2. ADOPTION OF AGENDA

3. The SREP Sub-Committee adopted the provisional agenda set forth in document SREP/SC.19/1, taking up Item 6 in conjunction with Item 3.

AGENDA ITEM 3. SREP SEMI-ANNUAL OPERATIONAL REPORT

4. The SREP Sub-Committee reviewed document SREP/SC.19/3, *SREP Semi-Annual Operational Report, SREP Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the SREP in the pilot countries.
5. The Sub-Committee appreciates the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on achievements, resource availability, pipeline review, and portfolio updates.
6. The Sub-Committee requests the CIF Administrative Unit, working with the MDBs, to explore options to help accelerate project funding approvals and disbursements of approved funds.
7. The Sub-Committee requests the CIF Administrative Unit to include detailed information on disbursements at the project-level (Annex D in the CIF Disbursement Report) in subsequent SREP Semi-Annual Operational Reports and highlight projects with elevated implementation risks.
8. The Sub-Committee requests the CIF Administrative Unit to include in reporting on leverage information on the used methodology for calculating leverage.
9. Taking into consideration a portfolio approach, the Sub-Committee requests the CIF Administrative Unit, working with the MDBs and Trustee, to present at its next meeting an analysis, including an estimate of overall funding availability, project potential cancellations and

disbursements, to enable a more accurate understanding of the total funding available for remaining project approvals.

10. The Sub-Committee also requests the CIF Administrative Unit, working with the MDBs and Trustee, to prepare and submit an updated sealed pipeline to the Sub-Committee.

AGENDA ITEM 4. INVESTMENT PLAN FOR MADAGASCAR

11. The SREP Sub-Committee, having reviewed document SREP/SC.19/4, *SREP Investment Plan for Madagascar*, endorses the investment plan as a basis for the further development of the projects and programs foreseen in the plan. The Sub-Committee takes note of the request for a total of USD 21.4 million in SREP funding,¹ including

- USD 2 million grant and USD 10 million non-grant for the project entitled *Rural Electrification by Renewable Energy Plants and Mini-grids* (World Bank);
- USD 2 million grant and USD 6 million non-grant for project entitled *Hybridization of JIRAMA Isolated Centers* (African Development Bank); and
- USD 1.4 million grant for preparation of the project entitled *Hybridization of JIRAMA Isolated Centers* (African Development Bank).

12. The Sub-Committee requests the Government of Madagascar, 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, 2018, and to respond in writing to questions raised during the meeting and in subsequent written comments.

13. 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) reaffirms its agreement that with the endorsement of the investment plan, the projects identified therein can enter the SREP pipelines. Recognizing that the SREP currently does not have sufficient resources to fund all projects in the pipelines, the Sub-Committee encourages the Government of Madagascar and the relevant MDBs to seek other funding sources to support the implementation of the investment plan and the projects.

¹ This does not include the investment plan preparation grant.

AGENDA ITEM 5. STOCKTAKING REVIEW OF SREP MONITORING AND REPORTING SYSTEM

14. The SREP Sub-Committee, having reviewed document SREP/SC. 19/5, *Stocktaking Review of SREP Monitoring and Reporting System*, recognizes the importance of an effective SREP results framework and welcomes this assessment of the effectiveness, relevance and utility of the SREP M&R system.

15. The Sub-Committee notes the progress that has been made in advancing the SREP monitoring and reporting framework and appreciates the inclusive, participatory and consensus-based approach used during this review.

16. The Sub-Committee endorses the conclusions and recommendations of the stocktaking review and approves the revised results framework with an understanding that the revised framework will take into account comments made at the meeting and written comments submitted by Sub-Committee members. The Sub-Committee requests the CIF Administrative Unit to circulate the final version of the revised results framework to the Sub-Committee.

AGENDA ITEM 6. SREP RISK REPORT

17. The SREP Sub-Committee reviewed document SREP/SC.19/6, *Risk Report of the SREP*, and received an update from the CIF Administrative Unit and MDBs on assessments of the risk exposures facing the SREP.

18. The Sub-Committee appreciates the work conducted so far by the CIF Administrative Unit and MDBs to develop processes for implementing a fraud risk reporting framework and requests the CIF Administrative Unit to finalize these processes with all MDBs.

19. The Sub-Committee requests the CIF Administrative Unit to follow up formally with MDBs on all projects highlighted as crossing threshold risks and report back on their planned mitigation actions to the Sub-Committee.

AGENDA ITEM 7. OTHER BUSINESS

20. The representative from Norway announced the preparation of a potential additional financial contribution to the SREP.

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

AGENDA ITEM 8. CLOSING

22. The meeting was closed on Wednesday, June 6, 2018.