

A photograph of a group of children playing in a dirt area in a developing area. The children are engaged in various activities: one is jumping, another is standing with arms raised, and a boy is riding a bicycle. The background shows simple, weathered buildings and utility poles. The entire image has a warm, golden-yellow tint.

Meeting of the SCF Trust Fund Committee
Washington D.C. (Virtual)
Wednesday, November 18, 2020

**SREP OPERATIONAL AND RESULTS REPORT
(SUMMARY)**



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SCF/TFC.14/3.2/Rev.2

November 16, 2020

PROPOSED DECISION

The SCF Trust Fund Committee reviewed the document, SCF/TFC.14/3.2, *SREP Operational and Results Report*, and welcomes the progress that has been made in advancing the work of SREP in the pilot countries.

The SCF Trust Fund Committee welcomes the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on achievements and results, resource availability, pipeline review, and portfolio updates.

1 Introduction

1. This SREP Operational and Results Report provides an update on SREP operations; a portfolio analysis of SREP-funded programs and projects under the endorsed investment plans and SREP Private Sector Set-Aside (PSSA); a summary of activities related to gender, risk, and knowledge management; and details on the results of the SREP projects under implementation. Operational reporting covers the period from July 1, 2019 to June 30, 2020 (unless otherwise indicated). Results reporting of projects under implementation covers the period from January 1 to December 31, 2019.¹

2 Strategic issues

2.1 Overview

2. As of June 30, 2020, total funding approved by the SREP Sub-Committee reached USD 601.44 million for 52 projects and programs, including five projects under SREP PSSA. This amount accounts for 86 percent of SREP resource available for programming. Disbursements increased by USD 14 million during the reporting period, reaching USD 131 million in total. Out of the 46 MDB-approved projects, 32 are disbursing.

2.2 Impact of COVID-19 on the SREP portfolio

3. Several projects under implementation experienced disruptions as a consequence of the COVID-19 pandemic. These include delays in procuring and importing equipment and construction materials. Social distancing and travel restrictions have interrupted technical assistance by consultants, interactions with rural communities and local stakeholders, and implementation of physical works. Some planned training programs were either cancelled or postponed for these reasons. Travel restrictions imposed by countries also prevented key personnel from traveling to the field. With project teams working from home, implementation of SREP projects has been slower in general. The MDBs and implementing agencies are responding with mitigation measures, including virtual work and trainings, shifting responsibilities from international to local consultants, extending completion dates and restructuring project implementation.

2.3 SREP Resource Availability

4. By September 30, 2020, SREP had approximately USD 775 million in cumulative funding. The unrestricted fund balance after administrative budget reserves is USD 87.9 million. The total anticipated commitments in the sealed pipeline is USD 84.4 million (see table 1), leaving a surplus of USD 3.4 million. Total anticipated commitments are USD 133.1 million when including both the sealed and reserve pipeline, project preparation grants (PPGs), and MDB project implementation services (MPIS), Meaning that a shortfall of USD 45.2 million (USD 30.1 million in grant and USD 15.1 million in non-grant) remains.

¹ Depending on the MDB, the report year covers the period from January 1, 2019 to December 31, 2019 or from July 1, 2019 to June 30, 2020.

Table 1: Summary of SREP resource availability: sealed pipeline

(USD million, as of September 30, 2020)

		Grant	NonGrant	
Unrestricted Fund Balance (A)		87.9	49.5	38.4
Remaining Anticipated Commitments (FY19-FY21)				
<i>Program/Project Funding and MPIS Costs</i>		84.4	36.4	48.0
<i>Technical Assistance Facility</i>			-	
Total Remaining Anticipated Commitments (B)		84.4	36.4	48.0
Available Resources (A - B)		3.4	13.0	(9.6)
Potential Future Resources (FY19-FY21)				
<i>Release of Currency Risk Reserves</i>	a/	18.0	3.8	14.2
Total Potential Future Resources (C)		18.0	3.8	14.2
Potential Available Resources (A - B + C)		21.4	16.9	4.6

a/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

5. During this reporting period USD 21 million in operations were cancelled, mostly due to restructurings and cancelled project preparation grants. It should be noted that of the USD 5.4 million in funds cancelled in Honduras, USD 1.4 million are being redirected to support the ERUS Solar Powered Mobile Health Units in response to the COVID-19 emergency.

2.4 Pipeline Management Update

6. To date, the SREP Sub-Committee has endorsed investment plans for 23 pilot countries. The sealed pipeline consists of eight projects to be executed in Ghana (3), Kenya, Cambodia, Lesotho, Madagascar and Ethiopia, with all projects expected to be presented to the MDB Boards by June 2021.

2.5 Monitoring and Reporting

7. Results reporting for the SREP portfolio is steadily increasing in volume as the portfolio moves deeper into implementation mode. This year for the first time, the MDBs were able to report their data in the CIF Collaboration Hub (CCH) directly. The new results section of the CCH was launched in the spring of 2020, with training session for MDBs conducted in June and July. This automation is expected to reduce inaccuracies in data entry and to enhance the data quality in the results reporting process.

2.6 Knowledge Management

8. Upcoming evaluation of SREP: As noted in the [CIF Evaluation and Learning \(E&L\) Initiative FY21 Work Plan](#), the E&L Initiative will undertake a learning-oriented evaluation of progress and early outcomes across the SREP program. The evaluation is currently in the early design stages and will be fully implemented in 2021.
9. A learning brief has been developed by the E&L Initiative sharing lessons and insights on how climate-related investments can support countries' COVID-19 recovery efforts, drawing on recent evidence and experience. The brief aims to inform climate finance and other development policymakers and practitioners by providing insights on how programs and investments can boost green economic recovery, strengthen policies and institutions, and support vulnerable populations and social inclusion.

3 Status of SREP Portfolio

10. As of June 30, 2020, total funding approved by the SREP Sub-Committee reached USD 601.44 million² for 52 projects and programs, including five projects under SREP PSSA (see Table 2). This amount accounts for 86 percent of SREP resource available for programming.

Table 2: Overview of SREP portfolio (USD million, as of June 30, 2020)

	Indicative pipeline allocation				Approved funding		Disbursement
	TOTAL	IP	PSSA	IPPG	Sub-Committee	MDB	
SREP funding (USD million) *	707.1	622.0	81.1	4.0	601.4	544.1	131
Number of projects	68	62	6		52	46	32

*Excluding projects that have been canceled or dropped

11. Co-financing. The 52 projects approved by the SREP Sub-Committee are expected to leverage over USD 3.02 billion in co-financing from governments, MDBs, bilateral, and other sources. This represents a leverage ratio of 1 to 5.02.
12. Project Implementation. Overall, the SREP portfolio is still young. Approximately 88 percent of projects (both in number and funding volume) has been under implementation for less than five years and over 40 percent of the portfolio is still under two years from MDB approval. This is important as most results are expected to be achieved by the end of each project life.
13. Project Completion. During the reporting period, two SREP projects were completed.

4 Cross- cutting Themes

14. Gender

- As requested by the SREP Sub-Committee, gender scorecard indicator reporting now reflects trends in the portfolio over time for investment plan and project gender quality at entry (i.e., gender integration at design stage);
- There has been an increase in the quality of the SREP portfolio since the baseline at the start of the CIF Gender Action Plan in 2014, in all three scorecard indicator areas for projects and in two of three areas for investment plans. For investment plans, performance dropped slightly from the baseline (from 80 percent to 70 percent of the total SREP investment plan portfolio that includes sector-specific gender analysis).
- In June 2020, the [CIF Gender Action Plan Phase 3](#) was approved by the CTF/SCF Trust Fund Committees for implementation from FY21-24;
- In May 2020, a CIF E&L-funded study undertaken by the Women’s Environment and Development Organization (WEDO) on [Engagement of Women and Gender-Related Groups in the CIF](#) was published, assessing the participation of women’s groups in CIF governance, investment design, and implementation;

² Total approved project funding includes project funding, IPPGs, and PPGs.

- In May 2020, the CIF Administrative Unit participated as a panelist in a high-level session on [Advancing Women’s Role in Economy Recovery and Climate Resilience](#) to share lessons on women’s participation in CIF climate action planning and promotion.

15. **Risk Management.** SREP’s risk score for implementation risk remained **Medium** as five projects representing USD 59 million of approved funding have been flagged for this risk. This compares with six projects representing USD 65 million during the last reporting cycle.

5 Results

16. SREP results are based on the expected and actual results data reported by 46 MDB-approved projects and programs totaling USD 542 million in SREP funding, of which 31 are generating results on at least one core indicator - 26 investment projects and five enabling environment projects (Some SREP projects are not investment projects; rather, they focus on strengthening the enabling environment for investments in clean energy and energy access).

17. Overall, RY2020 saw increases across all four core SREP indicators. Annual electricity production increased over 300 percent—from 39,498 MWh/year in RY2019 to 116,089 MWh/yr in RY2020 largely driven by improvements in existing SREP projects that have previously reported results. Improved energy access for businesses and co-financing also saw significant increases—an additional 294 businesses saw improved access to electricity, while co-financing increased by USD 139 million compared to RY2019, reaching USD 668 million. Finally, the number of people with improved access to electricity and installed capacity continued to see a steady increase—an additional 78,863 people (39,902 men and 38,961 women) benefited in RY2020 (a 29 percent increase over RY2019) and another 57.61 MW of installed capacity was added (a 33 percent increase).

18. Table 3 offers an overview of SREP expected and actual results (cumulative and for RY2020).

Table 3: SREP results overview³

	Actual (RY2016)	Actual (RY2017)	Actual (RY2018)	Actual (RY2019)	Actual (RY2020)	Target
Electricity output (MWh/yr)	276	1,186	20,987	39,498	116,089	3,855,261
Improved energy access (people)	7,395	10,600	185,068	268,689	347,552	10,032,800
Improved energy access (businesses)	-	-	462	634	918	142,837
GHG emissions reduced/avoided (tons CO2 eq/yr)	251.3	8,537	24,827	35,992.56	76,715	2,749,562
Installed capacity (MW)	0.9	2.9	154.78*	173.16*	236*	796.84
Co-financing (USD million)	410	476	485	529	674	2,553.5

Note: GHG reductions and Electricity output: Figures are ANNUAL

Co-financing, installed capacity, improved energy access: Figures are CUMULATIVE

*Including the 169 MW indirect MW from Kenya Geothermal

³ MDB-approved SREP funding USD 531 million as of June 30, 2020. Please note the Reporting Year (RY) and Fiscal Year (FY) are different. The former refers to the results reporting cycle, in which different MDBs have their own cutoff points.”

19. Compared to RY2019, RY2020 saw a significant increase in electricity produced and more people and businesses benefitting from improved energy access.
20. Co-Benefits: In 2019 CIF launched a dedicated learning workstream to understand and quantify these social and economic development impacts of CIF's portfolio, entitled "Social and Economic Development Impacts of Climate Finance (SEDICI)". It is aimed at increasing the knowledge base on the development impacts of climate finance, strengthening the investment case for climate programs, and giving decision makers improved ways of analyzing climate investments for both climate and other development outcomes.
21. The workstream is currently being delivered in two phases: portfolio data-driven economic modelling for estimating impacts, followed by an in-depth mixed methods evaluation. Phase I for the SREP portfolio has now been completed, focusing on employment effects and economic value-add, via two models:
 - A Joint Impact Model shows the construction phases of SREP's projects could support up to 122,632 person-years⁴ of supply chain jobs,⁵ of which 39 percent will represent female employment, and 60,643 person-years of induced jobs, of which 41 percent will be held by women. Operational projects could support an additional 142,681 jobs annually through the enabling effects on the economy of additional energy generated.
 - An Employment Factor Approach shows SREP portfolio's 826 MW of planned capacity could contribute to 42,502 person-years of direct employment in its construction phases via manufacturing and installation processes. Projects could also contribute to 3,562 jobs in the operational phases of projects.

⁴ "Person-years" is used as a unit when stating estimations for the overall volume of temporary employment generated, for example during construction. I.e., for a particular technology sector, in sum, the average construction period will entail X person-years of employment, spread over, roughly, whatever the length of construction.

⁵ "Jobs" is used as a unit when stating volumes of permanent, annual employment, i.e., during operations. This is an annually recurring number, over the life of the project