

# CLIMATE INVESTMENT FUNDS

SREP/SC.14/3/Rev.1  
November 5, 2015

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Meeting of the SREP Sub-Committee  
Washington, DC  
Wednesday, November 11, 2015

Agenda Item 3

## **SREP SEMI-ANNUAL OPERATIONAL REPORT**

## **PROPOSED DECISION**

The SREP Sub-Committee reviewed document SREP/SC.14/3/Rev.1 *SREP Semi-Annual Operational Report* and SREP/SC.14/5 *SREP Results Report* and welcomes the progress that has been made in advancing the work of the SREP in the pilot countries, in particular progress made in the development of investment plans in the new pilot countries.

### *SREP Semi-Annual Operational Report:*

The Sub-Committee further welcomes the gender review of the SREP portfolio and notes that the SREP has performed well on all three scorecard indicators of gender analysis, women-specific activities, and gender-disaggregated data. The Sub-Committee recognizes efforts in gender-disaggregated data collection and reporting in SREP, and encourages strengthening of such data systems and reporting going forward.

The Sub-Committee further notes with appreciation gender support on investment plan preparation from CIF Administrative Unit to MDBs, upon demand, and supports continuation of such efforts for both investment plans and projects. It also welcomes future development of sector-specific gender tools and the Gender and Renewable Energy study.

The Sub-Committee requests the CIF Administrative Unit working with the countries and MDBs to explore synergies between SREP and other SCF programs under development and implementation.

The Sub-Committee notes that SREP does not have sufficient resources to finance all the investment plans in the new pilot countries and encourages contributor countries in a position to do so to make additional contributions to the SREP.

### *SREP Results Report:*

The Sub-Committee appreciates the work undertaken for the 2015 *SREP Results Report* and notes the expected and achieved results measured through the core and the co-benefits indicators from MDB-approved projects in the SREP pilot countries.

The Sub-Committee welcomes the work of the CIF Administrative Unit to migrate the results data and reporting to an online platform to ensure quality control and convenient access to Sub-Committee members and other users to serve their individual analytical needs.

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## 1 Introduction

1. This document provides an update on the status of the Program for Scaling-up Renewable Energy in Low Income Countries (SREP), the portfolio of the SREP-funded programs and projects under the endorsed investment plans and Private Sector Set-Aside (PSSA), and related activities. The report covers the period from **January 1 to June 30, 2015**.
2. Following the guidance of the SREP Sub-Committee, a new section updating gender related issues has been included in the Semi-Annual Operational Report.
3. The following annexes are included in the report: Annex 1: Projected Submission of Projects and Programs for FY16; Annex 2: SREP Resource Availability. SREP country portfolios have been updated and are collected in an information document for the November 2015 Sub-Committee meeting<sup>1</sup>.

## 2 Strategic Issues

### 2.1 Overview of Strategic Objectives and Expected Achievements

4. The SREP was established in 2010 aimed 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. Over the past five years, the number of SREP pilot countries has increased from six to 27 countries. Those that joined the SREP at an early stage are in full swing of implementing their investment plans. Those that joined the SREP recently are working hard with the multilateral development banks (MDBs) and other stakeholders to develop their investment plans for endorsement or have just completed this intensive process and are setting out to prepare projects for SREP funding.
5. To date, the SREP Sub-Committee has endorsed investment plans for 14 pilot countries, with an indicative allocation of USD 511.5 million and seven project concepts under the PSSA, with an indicative allocation of USD 92.4 million in SREP funding.
6. The overarching expected results under the endorsed investment plans and PSSA include 1,247 megawatts (MW) of new renewable capacity and an estimated 5,963 gigawatt hours (GWh) electricity to be generated annually, approximately equivalent to the electricity produced yearly in Angola.
7. With a primary objective to expand energy access to the poor people in the developing world, SREP's expected contribution to electrification relative to the funding provided is also significant. In the 14 countries with endorsed investment plans, SREP investments will

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<sup>1</sup> SREP/SC.14/Inf.2, *SREP Country and Regional Portfolios*.

increase new or improved access to 14.6 million people, which is approximately the population of Senegal. SREP is expected to contribute substantially, both directly and through replication, to access to modern energy in countries ranging from Liberia, Kenya, Mali, and Tanzania in Africa to Nepal, Solomon Islands, and Vanuatu in Asia and the Pacific to Haiti, Honduras, and Nicaragua in Latin America. In Liberia, for example, a country with an electricity access rate of merely 1.6 percent, the SREP program aims to benefit 9 percent of the entire population.

8. SREP's approach to increasing access to clean energy and increased supply of renewable energy has been country-driven, supporting both grid-connected renewable energy and off-grid/mini-grid interventions. SREP's off-grid/mini-grid projects have focused largely on addressing energy needs in rural and remote areas with no power infrastructure, where small-scale, distributed renewable energy technology is more appropriate. Many SREP projects also emphasize productive uses to stimulate economic activities in the countries. On the other hand, positive impacts on electrification are also expected to be achieved on a larger scale through providing stable base-load electricity supply to allow grid extension as well as more reliable service for existing consumers, as in Ethiopia, where SREP intervention will improve access to electricity to 1.1 million people, of which more than 70 percent will be new customers.
9. In order to achieve lasting, transformational impact, most SREP investment plans have also included elements to support policy and regulatory development, build institutional capacities, and improve coordination for renewable development among various stakeholders. SREP countries have often used SREP as an effective platform for policy dialogues and as a vehicle to mobilize resources for renewable energy development from bilateral and multilateral agencies as well as the private sector.

## **2.2 Progress and Challenges in Project Delivery**

10. As of June 30, 2015, total funding approved by the Sub-Committee reached USD 165 million<sup>2</sup> for 17 projects and programs, including one project under the PSSA, accounting for 27 percent of the total allocations under the endorsed investment plans and the PSSA. These projects are expected to leverage a total of USD 1.2 billion in co-financing (with a 1 to 7.3 co-financing ratio) from the governments, MDBs, private sector, and bilateral agencies. (See Country Portfolios for detailed co-financing breakdown by project<sup>3</sup>.)
11. Considerable progress has been made in moving forward with the engagement of the 14 new SREP countries approved by the Sub-Committee in June 2014. The MDBs have worked closely with the governments and other stakeholders in most of the new countries to advance SREP investment plans development. Investment plans from three new countries were already endorsed at the Sub-Committee meeting in May 2015 (Ghana, Haiti, and

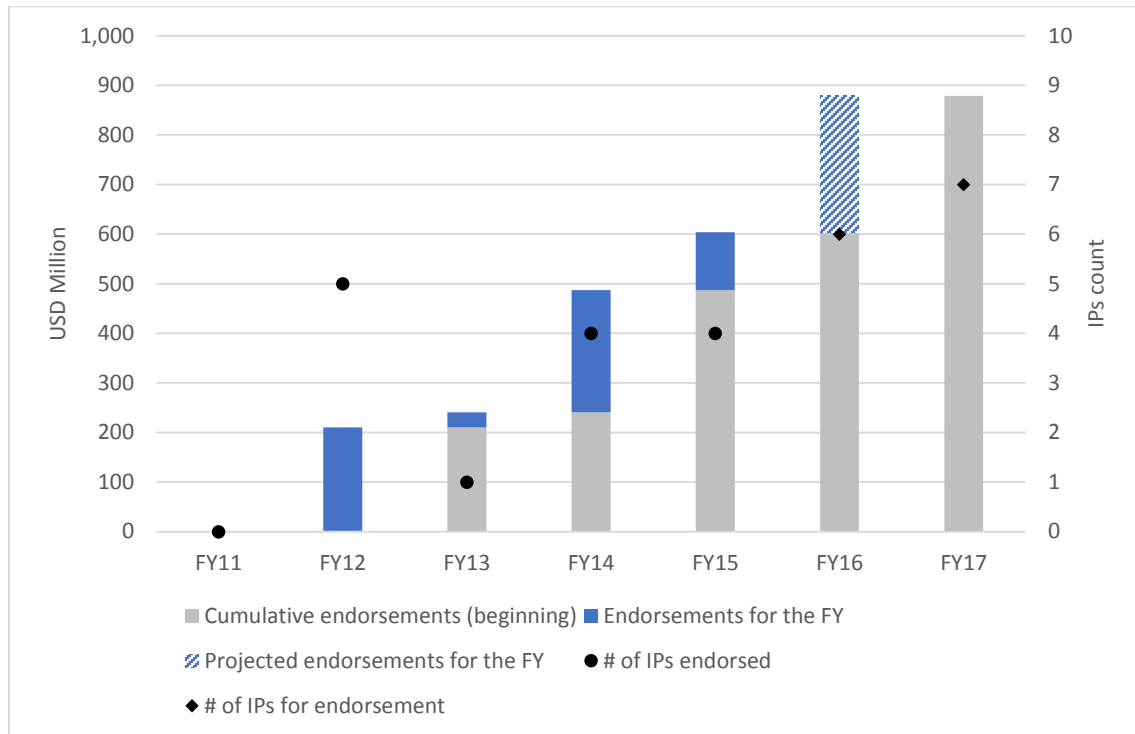
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<sup>2</sup> Excluding Project Preparation Grants (PPGs).

<sup>3</sup> SREP/SC.14/Inf.2, *SREP Country and Regional Portfolios*.

Nicaragua), with a total indicative allocation of USD 100 million. Four more investment plans are expected to be submitted for endorsement at the November 2015 meeting (Bangladesh, Mongolia, Rwanda, and Uganda). A number of other countries, including Benin and Cambodia, are also at an advanced stage of development (see Figure 1).

**Figure 1: Trend in Endorsment of SREP Investment Plans**



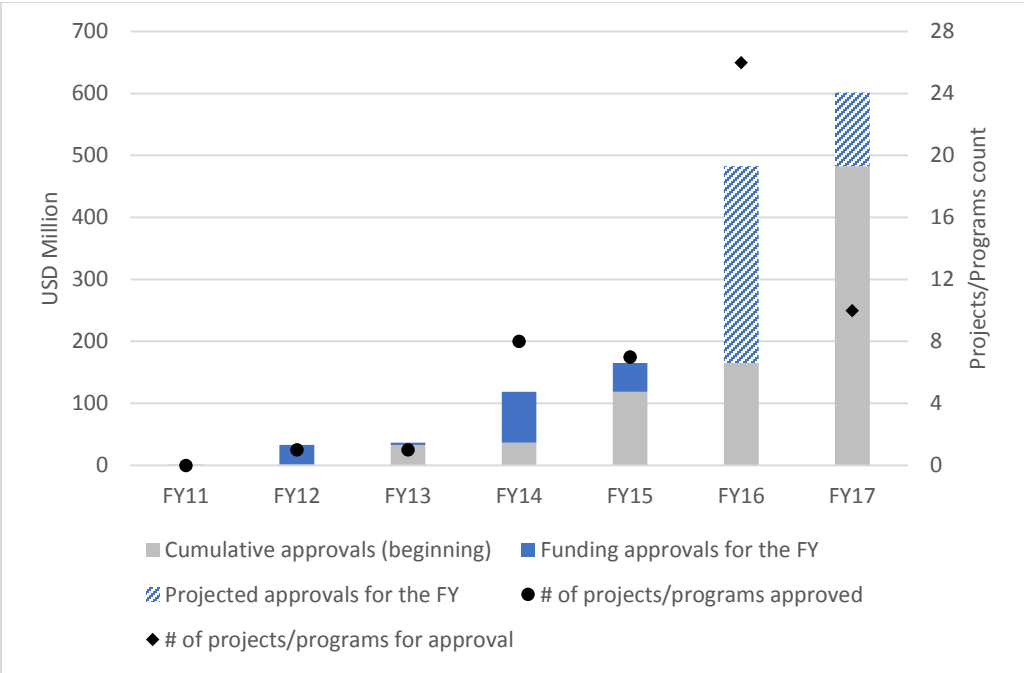
12. Development and submission of SREP projects to the Sub-Committee for funding approval continues to experience delays among many SREP countries. Figure 2 shows SREP funding approval by the Sub-Committee over time. For FY15, a total of 17 projects with USD 165 million in SREP funding were scheduled for submission to the Sub-Committee. As of June 30, 2015, only USD 46.1 million in SREP funding was approved by the Sub-Committee.

13. The May 2015 SREP Semi-Annual Operational Report<sup>4</sup> outlined some key political, security, and public health challenges in SREP countries. In addition, changing market conditions, contractual issues, regulatory environments, institutional capacity of the executing agencies all have contributed to delays in various countries and projects. Reasons for delays in project delivery by country are captured in detail in Section 4: Portfolio Analysis of this report.

<sup>4</sup> SREP/SC.13/3, SREP Semi-Annual Operational Report.

14. Delivery for SREP is expected to accelerate in FY16, including endorsement of six new investment plans and significantly more project approvals. See Annex 1 for projected submission of projects for FY16.

**Figure 2: Trend in SREP Funding Approval by the Sub-Committee**



**2.3 Private Sector Engagement**

*2.3.1 Private Sector Set-Aside*

15. SREP currently has seven endorsed and active concepts supported under the PSSA. A total of USD 92.4 million in SREP resources has been allocated for these projects. As of June 30, 2015, one project, *Self-Supply RE Guarantee Program* in Honduras (USD 5.5 million, IDB) received Sub-Committee funding approval, as well as MDB board approval. Based on the recent updates from the MDBs, four concepts totalling USD 54.8 million are expected to come for Sub-Committee funding approval before the end of FY16 (see Annex 1). This would leave two remaining concepts for a total of USD 32.1 million, with unspecified submission dates: *Kopere Solar Park* (11.6 million) and *Olkaria VI Geothermal Power Plant* (20.5 million), both AfDB projects in Kenya.

**2.4 Special Initiative on Multi-Tier Access Framework**

16. Access to energy is a key enabler of socio-economic development. However, the typical way energy access is measured as “having or not having electricity connection” or “relying or not relying on solid fuels for cooking” is inadequate as it covers only one physical infrastructure-

centered attribute. It often disregards services provided by other technologies and does not address whether the “connected” households receive an adequate service. To address these challenges, a new multi-tier framework (MTF) for measuring energy access has been developed under the Global Tracking Framework of the Sustainable Energy for All initiative<sup>5</sup> to measure more comprehensively energy access across all its key attributes.

17. In partnership with the Energy Sector Management Assistance Program (ESMAP), the CIF is launching a special initiative to support selected SREP countries in developing and implementing investment plans that integrate MTF as one of the tools to measure progress toward reaching the goal of universal access to modern energy services. Applying MTF will provide an important opportunity for enhancing monitoring and evaluation of outcomes of SREP interventions. For countries developing their investment plans, MTF can also help them take a more strategic and integrated approach to energy access and help them make more informed decisions and priority setting for investment planning.
18. The special initiative will target at least ten SREP pilot countries.<sup>6</sup> The activities to be financed by SREP will include baseline surveys in SREP pilot countries and provision of technical assistance to these countries for the interpretation of results and for integrating MTF measurement tools into their programs and policies. By supporting this initiative, it is expected that the national capacity of the participating countries will be built and strengthened so that they will be able to continue the work after the initial surveys are completed.
19. The CIF-ESMAP special initiative will be part of a larger program led by ESMAP. A total of USD 1.5 million has been approved by the Climate Investment Funds (CIF) to finance the CIF-ESMAP special initiative during FY16-17.

### **3 Status of the SREP**

#### **3.1 Portfolio Overview and Trends**

20. As of June 30, 2015, total pledges and contributions to the SREP reached USD 798.2 million<sup>7</sup>. The SREP portfolio (pipeline plus approved projects) currently includes 53 projects and programs: 46 under 14 endorsed investment plans and 7 under the PSSA, with total indicative allocation of USD 511.5 million. Table 1 provides a summary of the SREP portfolio. As of June 30, 17 projects have been approved by the Sub-Committee (4 under the current reporting period) and 16 have been approved by the MDBs (5 under the current reporting period)

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<sup>5</sup> See World Bank, *SE4ALL: Global Tracking Framework*, 2015: <http://www.worldbank.org/en/topic/energy/publication/Global-Tracking-Framework-Report>.

<sup>6</sup> The current World Bank Project Concept Note includes the following 15 countries: Bangladesh, Cambodia, Ethiopia, Haiti, Honduras, Kenya, Liberia, Madagascar, Malawi, Mali, Nicaragua, Rwanda, Tanzania, Uganda, and Zambia.

<sup>7</sup> Includes 2014 UK pledge.



**Table 1: Summary of the SREP Portfolio**

(As of June 30, 2015)

	Endorsed Investment Plans (14) <sup>a</sup>	Endorsed PSSA	Total	Approved SREP Funding*	MDB Approved	Disbursement
Amount (USD million)	511.5	92.4	603.9	165.0	163.1	21.3
Number of projects and programs	46.0	7.0	53.0	17.0	16.0	N/A

\*Including investment plan preparation grants: for Bangladesh (USD 300,000), Mongolia (USD 300,000), Yemen (USD 300,000) and Rwanda (USD 260,000).

21. Table 2 presents the status of the 14 endorsed investment plans and the PSSA along with the rates of funding approvals. Despite some new approvals, the overall approval rate of the SREP portfolio dropped during this reporting period compared with the previous one due to the revision of Nepal's investment plan. Overall approval rate, including PSSA, was 27.4 percent at the end of June 2015. Excluding PSSA, the approval rate was 31.3 percent, with Maldives, Kenya, Ethiopia, Mali, and Nepal leading. These five countries are among the group of six countries that joined the SREP when it was first established (the other one being Honduras).

**Table 2: Endorsement of Investment Plans and Private Sector Set-Aside\***

(USD million, as of June 30, 2015)

Country; Region	Endorsement Date	Indicative allocation	IPPG/PPG*	Projects	Approval rate
Armenia	Jun-14	40.0	0.6	9.1	22.9%
Ethiopia	Mar-12	50.0	2.1	29.7	59.4%
Ghana	May-15	40.0	1.5	1.5	3.8%
Haiti	May-15	30.0	0.0	0.0	0.0%
Honduras	Nov-11	29.9	1.4	5.2	17.4%
Kenya	Sep-11	47.5	0.0	32.5	68.4%
Liberia	Oct-13	50.0	2.5	2.5	5.0%
Maldives	Oct-12	30.0	1.9	26.0	86.7%
Mali	Nov-11	40.0	3.9	20.3	50.6%
Nepal	Nov-11; May-15	39.9	0.8	19.9	49.9%
Nicaragua	May-15	30.0	0.0	0.0	0.0%
Solomon Islands	Jun-14	14.0	1.7	1.7	12.3%
Tanzania	Sep-13	50.0	1.7	6.5	12.9%
Vanuatu	Nov-14	14.0	1.1	1.1	7.5%
Pacific Region	May-15	2.0	0.1	2.0	100.0%
<b>Subtotal</b>		<b>508.8</b>	<b>20.7</b>	<b>159.4</b>	31.3%
PSSA	Oct-13; Jun-14	92.4		5.5	6.0%
<b>Total</b>		<b>601.2</b>	<b>20.7</b>	<b>164.9</b>	27.4%

\*In addition, Investment Plan Preparation Grants were approved for Bangladesh (USD 300,000), Mongolia (USD 300,000), Yemen (USD 300,000) and Rwanda (USD 260,000).

## 3.2 Portfolio Update

### 3.2.1 Investment Plans

22. The Sub-Committee endorsed three new investment plans at its meeting in May 2015. They were the SREP investment plans for Ghana, Haiti, and Nicaragua with a total indicative allocation of USD 100 million.
23. The Sub-Committee also endorsed the *Revised Investment Plan for Nepal* through decision by mail in May 2015, which entails cancelling USD 20 million in SREP funding approved by the Sub-Committee for the *Nepal SREP Small Hydropower Finance Program* and reallocating this amount to the *Public and Private Partnership for Solar Development* project.
24. The scoping and joint missions mentioned below were carried out during the reporting period and subsequent to the cut-off date. Mission terms of reference and completion reports are posted on the CIF website:<sup>8</sup>
  - a) Bangladesh: scoping mission (January 26-29) and joint mission (July 27-30)
  - b) Benin: scoping mission (April 22-24) and joint mission (August 3-14)
  - c) Cambodia: scoping mission (January 20-22)
  - d) Ghana: joint mission (February 9-18)
  - e) Haiti: joint mission (February 9-13)
  - f) Lesotho: scoping mission (June 17-19)
  - g) Madagascar: scoping mission (June 8-11)
  - h) Mongolia: second joint mission (April 15-17) and third joint mission (August 25-28)
  - i) Nicaragua: joint mission (February 12-13)
  - j) Rwanda: joint mission (June 23-26) and technical mission (September 21-October 2)
  - k) Uganda: scoping mission (January 19-23) and joint mission (August 17-25)
  - l) Zambia: scoping mission (April 8-10)
25. In November 2015, four investment plans are expected to be submitted for endorsement: Mongolia, Bangladesh, Rwanda, and Uganda. Benin and Cambodia are expected to submit their plans for endorsement in February 2016, Lesotho is working towards a May 2016 submission, while Madagascar, Malawi and Zambia will target November 2016. Sierra Leone will start preparation by the end of 2015, as the mission planned for October got delayed due to Ebola. On the other hand, Kiribati has not yet identified a lead MDB (ADB or World Bank) to support them to develop an SREP investment plan, while the World Bank continues suspension of missions and all disbursements to Yemen and therefore the preparation of the SREP investment plan remains on hold.

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<sup>8</sup> See <http://www.climateinvestmentfunds.org/cif/content-new-countries-under-the-srep>.

### 3.2.2 Funding Approvals by the Sub-Committee

26. During the current reporting period, the following projects were approved by the Sub-Committee for a total of USD 22.92 million (see Table 3).

**Table 3: SREP Sub-Committee Approved Projects and Programs**  
(January 1 to June 30, 2015)

Country	Project Title	MDB	SREP Funding (USD M)	Approval Date
Armenia	Geothermal Exploratory Drilling	IBRD	8.55	March 2015
Kenya	Electricity Modernization Project	IBRD	7.5	Jan 2015
Pacific Region	Pacific Islands Sustainable Energy Industry Development Project	IBRD	1.92	May 2015
Tanzania	Mini-Grid Project	IFC	4.95	April 2015
		<b>Total</b>	<b>22.92</b>	

27. Subsequent to the cut-off date for the current reporting period (June 30, 2015), the Sub-Committee approved one project: *Honduras: RE Finance Facility* (IDB, USD 5.95 million under the investment plan and USD 15 million under PSSA).

### 3.2.3 Project Approvals by MDBs

28. During the current reporting period, the respective MDBs approved the following projects for a total of USD 26.9 million (see Table 4).

**Table 4: MDB Approved SREP Projects and Programs**  
(January 1 to June 30, 2015)

Country	Project Title	MDB	SREP Funding (USD M)	Approval Date
Armenia	Geothermal Exploratory Drilling	IBRD	8.55	June 2015
Honduras	Self-Supply RE Guarantee Program	IDB	5.50	April 2015
Kenya	Electricity Modernization Project	IBRD	7.50	March 2015
Maldives	TA-Preparing Outer Islands for Sustainable Energy Development Program (POISED): Capacity Development of the Maldives Energy Authority	ADB	0.40	March 2015
Tanzania	Mini-Grid Project	IFC	4.95	April 2015
		<b>Total</b>	<b>26.90</b>	

29. Subsequent to the cut-off date for the current reporting period (June 30, 2015), one project was approved by the MDB: *Island Sustainable Energy Industry Development Project* (IBRD, USD1.92 million).

### 3.3 Cross-cutting Themes

#### 3.3.1 Update on Knowledge Management

30. **Role of Public Finance in Geothermal Development:** The CIF is a global leader in supporting geothermal deployment with USD 810 million supporting geothermal investments in 15 middle- and low-income countries. CIF-supported projects are expected to attract over USD 10 billion co-financing and lead to up to 3.5 GW of new geothermal capacity (more than one-quarter of current global installed capacity). In August 2015, the CIF concluded a second project with the Climate Policy Initiative (CPI) drawing lessons from a series of three case studies and three dialogues on how public finance can be utilized more effectively to scale up global deployment of geothermal power<sup>9</sup>. The Third Geothermal Dialogue took place in Vienna in June 2015, in conjunction with the Vienna Energy Forum 2015:

<sup>9</sup> <http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Lessons-on-the-Role-of-Public-Finance-in-Deploying-Geothermal-Energy-in-Developing-Countries-Full-Report.pdf>

Sustainable Energy for Inclusive Development<sup>10</sup>. It was followed by a country knowledge exchange to facilitate knowledge and sharing of ideas amongst countries supported by the CIF.

31. The case studies and dialogues conclude that concessional loans and grants to geothermal projects must be increased and that scarce public resources can be utilized most effectively to:
  - a) Support earlier, riskier stages of project development
  - b) Support countries where geothermal has the greatest potential to increase energy supply at low cost and can achieve most emissions reductions
32. **Knowledge Sharing on Mini-grids:** In FY16 the CIF will launch a joint program of activities with the Energy Sector Management Assistance Program (ESMAP) to further knowledge and learning among CIF countries on business models and enabling conditions to support the deployment and scaling-up of clean energy mini-grids. While the detailed proposal is currently under preparation, it is envisaged that the program will include analytical work and a series of up to three dialogues/study tours to enable peer-to-peer learning between CIF recipient countries and countries with existing experience in mini-grid deployment. This work is expected to commence in January 2016.

### 3.3.2 *Update on Gender*

33. **Gender Review of Portfolio:** A full portfolio review was undertaken by the CIF Administrative Unit in the first half of 2015 across all four CIF programs at investment plan and project levels to identify baseline and program progress figures on gender “quality at entry” at design stage. Presence of three “scorecard” indicators were reviewed in each investment plan and project: a) sector-specific gender analysis; b) gender-disaggregated indicators at core, co-benefit, or additional “non-CIF” levels; and c) women-specific activities. The portfolio was analyzed in relation to two different time periods: from inception in 2008 until June 30, 2014, and the most recent period under review July 1-December 31, 2014.
34. Historically, SREP performed very well among SCF programs at both investment plan and project level in terms of presence of gender analysis, with 64 percent of investment plans and 47 percent of projects since inception having sector-specific gender analysis, compared to SCF averages of 60 percent and 35 percent respectively. Presence of gender-disaggregated indicators at investment plan and project levels for the SREP was very strong and much above the average for SCF programs, with 72 percent of investment plans and 80 percent of projects hosting these, compared to 56 percent of investment plans and 46 percent of projects across SCF. The SREP performed close to the SCF average in terms of

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<sup>10</sup> The Vienna Energy Forum 2015 was organized by the Austrian Foreign Ministry, the International Institute for Applied Systems Analysis, Sustainable Energy for All, and the UN Industrial Development Organization.

having women-specific activities, with 45 percent of SREP investment plans and 40 percent of SREP projects hosting these, compared to SCF averages of 43 percent and 49 percent respectively. Finally, it should also be noted that two-thirds of the three SREP projects approved during the period under review (July 1-Dec 31, 2014) featured sector-specific gender analysis; gender-disaggregated indicators; and women-specific activities.

**35. Learning and Knowledge Management:** A dedicated gender session was held in the SREP New Pilot Countries Meeting in The Hague in February 2015, together with a Roundtable event on Energy Access and Gender organized jointly with the Ministry of Foreign Affairs, Government of Netherlands and the multilateral initiative Energizing Development (EnDev).<sup>11</sup> Speakers emphasized the importance of including gender considerations across the project cycle and the entire energy value chain. Speakers highlighted key gender entry points in renewable energy, including considering gender across the energy value chain, supporting women’s energy enterprises, and ensuring sector planning is aligned with complementary services and sectors, such as agricultural development, to improve energy impacts through productive use. The session highlighted important gender-related policy considerations in terms of pricing and affordability, targeting, use of subsidies, and importance of an expanded energy access definition beyond connectivity alone to include quality considerations.

36. In parallel, the CIF Administrative Unit, together with MDBs, offered on-demand technical support to countries regarding gender considerations for investment plan preparation. Box 1 summarizes the results of this effort from the three SREP investment plans endorsed in May 2015.

#### **Box 1: Gender Integration in New SREP Investment Plans: Ghana, Haiti, and Nicaragua**

SREP investment criteria include a specific focus on gender equity, with SREP investment plans having to demonstrate how plans will advance gender-positive outcomes.

In the case of Ghana, the SREP investment plan clearly spells out that it seeks outcomes of “more gender-equitable access to modern energy services and to employment opportunities in renewable energy enterprises.” The plan includes a gender expert in place at The Renewable and Alternative Energy Directorate (RAED) to support implementation. Other gender-responsive features include women-targeted consultations and communications and use of participatory feedback mechanisms.

Haiti’s investment plan sees energy deprivation as a binding constraint in women and girls’ potential to fully accumulate and use assets, particularly their human capital. The Government of Haiti has prioritized efforts to strengthen gender-responsive approaches in renewable energy. In August 2014, a Gender and Energy Inter-Agency Commission was created to “promote gender equality in energy for sustainable development.” Gender efforts are

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<sup>11</sup> Presentations available at <http://www.climateinvestmentfunds.org/cif/node/5816>.

mainstreamed across the investment plan, including collection of gender-disaggregated data on energy access and impact on productive uses, using the MTF approach.

Nicaragua's investment plan also prioritizes gender mainstreaming in renewable energy. Institutional arrangements to support this include the presence of gender units with gender specialists in all three agencies implementing the investment plan (i.e., Ministry of Energy and Mines, ENATREL, and ENEL). Data generated on gender and renewable energy, including on energy access, will be fed into the Integrated System for Monitoring and Evaluation on Renewable Energy in Nicaragua to support coordinated national efforts. The plan features a focus on gender-inclusive consultations, job creation, technical training, and safeguards measures to reduce loss of livelihoods.

### 3.3.3 Update on Monitoring and Reporting

37. SREP pilot countries and the MDBs, together with the CIF Administrative Unit, have worked together to produce the 2015 SREP Results Report<sup>12</sup>, which outlines the baselines, targets, and achieved results for SREP pilot countries. It presents the indicators for monitoring and reporting, an analysis of the entire portfolio and the overarching program targets as indicated in the SREP investment plans, and the expected and actual results of SREP projects approved by MDBs as of December 31, 2014 (cut-off date in terms of requested reporting results)<sup>13</sup>.

38. Implementation of endorsed SREP investment plan is still at an early stage of implementation. The majority of them were approved by MDB boards very recently (eight in 2014). No project has reported achieved results on core indicators. Therefore, the analysis in the report is on expected results.

## 4 Portfolio Analysis

### 4.1 Project Delivery Tracking

39. Two key milestones for project delivery are tracked in this report: (a) projects and programs to be submitted to the Sub-Committee for funding approval; and (b) projects and programs to be approved by the MDBs after funding approval by the Sub-Committee. Table 5 summarizes the number of projects in the SREP pipeline that fall under different timeframes of delivery.

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<sup>12</sup> SREP/SC.14/5, *2015 SREP Results Report*.

<sup>13</sup> SREP is currently the only CIF program requiring gender-disaggregated reporting through its Core Indicators on its direct beneficiaries. Countries are currently reporting on these required elements, and in many cases undertaking additional voluntary reporting on co-benefits (e.g., on women's employment; training outputs) through the annual CIF reporting process on IPs (see 2015 SREP Results Report for more details), as well as through regular project reporting processes coordinated by the MDBs.



**Table 5: Timeframes for Project Delivery**

Projects to be Approved by the Sub-Committee <sup>a</sup>		Projects Approved by the Sub-Committee but Awaiting MDB Approval	
18 months or shorter	7 projects	6 months or shorter	3 projects
Between 18 and 24 months	11 projects	Between 6 and 9 months	0
Longer than 24 months	13 projects	Longer than 9 months	0

a There are 5 projects for committee approval not assigned an approval date.

40. Of the 31 projects and programs to be submitted for SREP funding approval, 13 have been and will have been in the pipeline for more than 24 months (red) based on the indicative submission date; 11 will be between 18 and 24 months (yellow), and seven for less than 18 months (green). Table 6 lists the 13 projects that have exceeded or are expected to exceed 24 months in the pipeline.

**Table 6: Projects Exceeding 24 Months in the Pipeline**

Country	Project Title	MDB	IP Endorsed Date	SC Approval Date	IP to SC Approval (months)
Ethiopia	Assela Wind Farm Project	AfDB	Mar-12	May-16	50
Honduras	Sustainable Rural Energization(ERUS)	IBRD	Nov-11	Dec-15	47
Honduras	Sustainable Rural Energization(ERUS)-Part II: Promoting Sustainable Business Models for Clean Cookstoves Dissemination	IDB	Nov-11	Nov-15	48
Honduras	Grid-Connected RE Development Support(ADERC)- Generation	IDB	Nov-11	Aug-15	45
Honduras	Grid-Connected RE Development Support(ADERC)- Transmission	IDB	Nov-11	Nov-15	48
Honduras	Grid-Connected RE Development Support(ADERC)	IFC	Nov-11	Dec-15	49
Kenya	Kopere Solar Park	AfDB	Oct-13	TBD	30
Kenya	Olkaria VI Geothermal Power Plant	AFDB	Jun-14	TBD	30
Mali	Development of Micro/Mini Hydroelectricity for Rural Electrification in Mali (PDM-Hydro)	AFDB	Nov-11	Mar-16	52
Mali	Segou Solar Park	AfDB	Oct-13	Jan-16	26
Nepal	ABC Business Models for Off-Grid Energy Access Nepal	IBRD	Oct-13	Jun-16	29
Tanzania	Renewable Energy for Rural Electrification	IBRD	Sep-13	Nov-15	25
Tanzania	Geothermal Development	AFDB	Sep-13	Jul-16	34

41. A brief status update and reasons for the challenges at the country and project levels follows.
42. **Ethiopia:** For the *Assela Wind Farm Project*, feasibility studies are still ongoing
43. **Honduras:** ADERC projects have made progress. The transmission project design is being finalized with the preparation grant recently approved. IFC is in discussions with potential clients on renewable energy financing mechanisms and plans to submit a proposal in late 2015. The ADERC generation project developed by IDB was approved by the SREP Subcommittee in August 2015. With regard to *ERUS*, project scope and a definition of an implementing agency for Part II is being discussed with the government.
44. **Kenya:** For the *Olkaria VI Geothermal Power Plant*, the Government of Kenya has cancelled the selection process of the competitive bidder and will start a new one. For *Kopere Solar Park*, the project sponsor has not yet finalized negotiations with the government regarding the signature of a Power Purchase Agreement and the Concession Agreement. Both projects, which were endorsed by the SREP Sub-Committee as a result of the SREP set-aside competition, are to be put on hold until further notice.
45. **Mali:** It is expected that projects will be submitted for SREP approval in 2016 (*Segou Solar Park* during the first quarter). *The Development of Micro/Mini Hydroelectricity for Rural Electrification in Mali Project* (PDM-Hydro) was initially planned for AfDB board approval in June 2016 and is now postponed for Q4 2016 with feasibility studies to be ready by June 2016. Regarding *Segou Solar Park*, AfDB has started its due diligence together with the project sponsor and IFC Infraventures, which is acting as co-developer and arranger for the debt tranche.
46. **Nepal:** Despite initial delays caused by various factors, including lack of consensus on the modalities and design of the project, the preparation of the ABC Business Models for Off-Grid Energy Access Nepal is back on track. The Project Concept Note (PCN) review meeting is scheduled for mid-FY16, followed by submission for SREP approval in late FY16.
47. **Tanzania:** *The Geothermal Development Project* is in preparatory phase facing delays due to the procurement of consultancy services. The government is evaluating the proposals received from consultancy firms to prepare the geothermal development strategy and geothermal energy act. For *the Renewable Energy for Rural Electrification Project*, the Project Concept Note (PCN) review meeting was completed in June 2015.

#### 4.1.1 Projected Submission of Projects in FY16

48. For FY16, the MDBs expect to submit 28 projects for a total of USD 318 million in SREP funding (see Annex 1).

49. At the beginning of FY15, USD 191 million (18 projects) were expected to get Sub-Committee approval. However, 15 of those projects will slip to FY16 (13 projects, USD 138 million) and FY17 (2 projects, USD 39 million). This explains partially the significant amount of projects expected to be submitted in FY16.

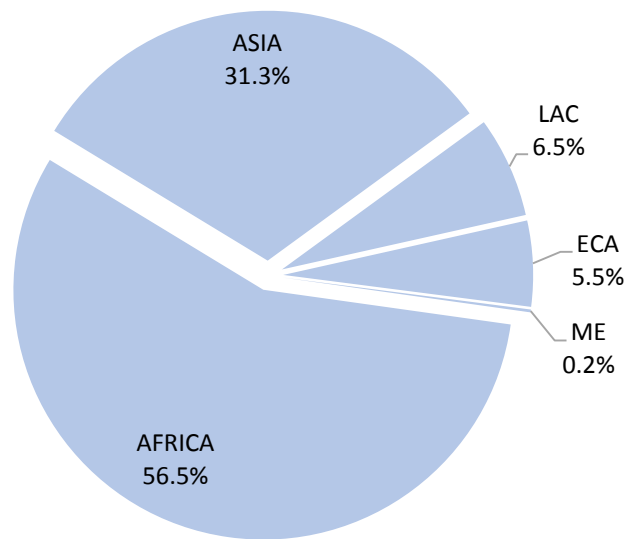
## 4.2 Portfolio Breakdown Analysis

50. Funding amounts in this section are inclusive of projects and project preparation grants (PPG). As of June 30, 17 projects have been approved by the Sub-Committee, with a total of USD 165 million in funding approvals.

### 4.2.1 Portfolio by Region

51. Figure 3 shows the SREP allocations and funding approvals by region. Overall, 56 percent of the indicative allocations are in Africa, 31 percent in Asia, 7 percent in Latin America and the Caribbean, and 6 percent in Europe and Central Asia.

**Figure 3: SREP Sub-Committee-Approved Funding by Region**

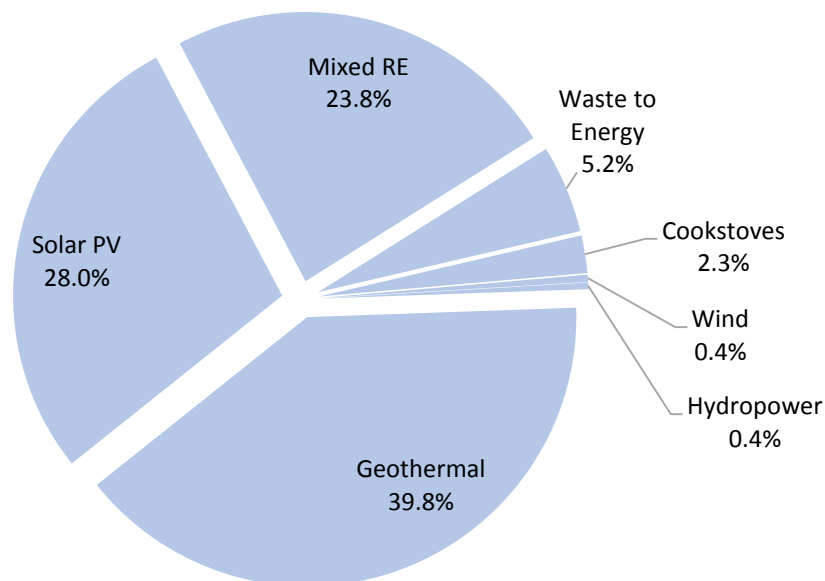


### 4.2.2 Portfolio by Technology

52. Figure 4 provides information on the use of approved SREP resources by technology, not including capacity building projects (USD 4.05 million). Geothermal energy accounts for 39 percent of the MDB approved funding, followed by solar photovoltaics (PV) (28 percent) and mixed renewable energy projects that combine the use of multiple renewable energy technologies (24 percent). The portfolio also includes investments in waste to energy (5 percent), cook stoves (2 percent), hydro and wind (0.4 percent each).

53. Of the 17 projects for which funding has been approved, four are policy and capacity building programs<sup>14</sup>, while the other 13 are investment projects (representing 95 percent of the funding approvals). Amongst the investment projects, four focus on multiple renewable energy technologies, three on geothermal, three on solar, one is a waste-to-energy project, and one is a cook stoves project.

**Figure 4: SREP Sub-Committee-Approved Funding by Technology**



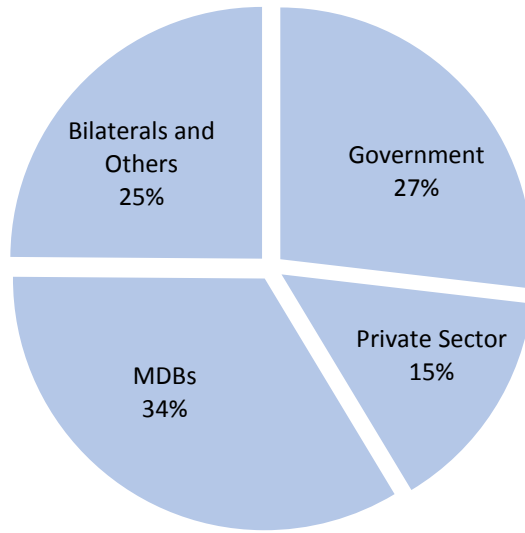
### 4.3 Co-financing

54. Figure 5 summarizes the co-financing data disaggregated by source for projects and programs that have been approved by the Sub-Committee. The MDBs account for 34 percent of the total co-financing, governments 27 percent, bilaterals and others 25 percent, and private sector 15 percent. Further information on co-financing breakdown by projects and programs in the pipeline is available in the SREP Pilot Country Portfolios<sup>15</sup>.

<sup>14</sup> Three focus on enabling the environment for scaling up multiple renewable energy, while one is focused specifically on geothermal.

<sup>15</sup> SREP/SC.14/Inf.2, *SREP Country and Regional Portfolios*.

**Figure 5: SREP Co-financing Breakdown by Source**



#### **4.4 Disbursements**

55. Disbursements for the SREP have grown by 37 percent between January 1 and June 30, 2015, from USD 15.5 million to USD 21.2 million. This growth was driven by disbursements to projects in Kenya, Ethiopia, Mali, and Maldives. In total, 13 countries are already disbursing.

## Annex 1: Project Submission Calendar for FY16

COUNTRY	PROJECT TITLE	MDB	Total funding	SC Approval Date	Projected approval date in Nov-14 report	Supposed to get SC approval in FY15	Delay from the projected approval date (days <sup>1</sup> )	Projected approval date in May-15 report
Honduras	Grid-Connected RE Development Support(ADERC)-Generation	IDB	6.0	Aug-15	Dec-14	X	243	Jun-15
Vanuatu	Small Hydropower Project	ADB	7.0	Aug-15				Feb-15
Honduras	Strengthening of the ADERC H-REFF	IDB	15.0	Aug-15	Dec-14	X	243	Jun-15
Honduras	Sustainable Rural Energization(ERUS)	IBRD	8.3	Dec-15	Jun-15	X	183	Jun-15
Tanzania	Renewable Energy for Rural Electrification	IBRD	19.3	Nov-15	Jul-15		137	Apr-15
Liberia	Renewable energy for Electrification in Eastern Liberia Project-Stand-Alone PV	AFDB	23.5	Oct-15	Jul-15		92	Oct-15
Honduras	Grid-Connected RE Development Support(ADERC)-Transmission	IDB	4.0	Nov-15	Jun-15	X	153	Apr-15
Liberia	Renewable Energy for Electrification in North and Center Liberia Project-Mini Grids	IBRD	24.0	Nov-15	May-15	X	184	Sep-15
Honduras	Sustainable Rural Energization(ERUS)-Part II: Promoting Sustainable Business Models for Clean Cookstoves Dissemination	IDB	0.5	Nov-15	Mar-15	X	245	Sep-15
Solomon Island	Solar Power Development Project	ADB	5.9	Nov-15	Nov-15		0	Jun-15
Honduras	Grid-Connected RE Development Support(ADERC)	IFC	6.0	Dec-15	Dec-14	X	365	Jun-15
Solomon Island	Renewable Energy Access Project	IBRD	6.4	Dec-15	Nov-15		30	Nov-15
Kenya	Climate Venture Facility(KCFV) Project	IBRD	6.8	May-16	Jan-15	X	486	Jun-15
Mali	Segou Solar Park	AfDB	25.0	Jan-16	Oct-14	X	457	Sep-15
Nicaragua	Geothermal Development and Integral Development of Rural Areas Project	IDB	15.0	Feb-16				
Mali	Development of Micro/Mini Hydroelectricity for Rural Electrification in mali(PDM-Hydro)	AFDB	8.7	Mar-16	Oct-15		152	Mar-16
Ethiopia	Clean Energy SMEs Capacity Building and Investment Facility	IFC	2.0	Mar-16	Jun-15	X	274	Jun-15
Armenia	Development of Utility0-Scale Solar PV	ADB	18.9	Mar-16	Mar-16		0	Mar-16
Ghana	Utility-scale Solar PV/Wind Power Generation	IFC	10.0	Mar-16				
Armenia	Development of Geothermal Heat Pumps and Solar Water Heaters	EBRD	3.0	Apr-16	Nov-14	X	517	Jun-15
Nicaragua	Geothermal Development Project	IBRD	15.0	Apr-16				
Nepal	ABC Business Models for Off-Grid Energy Access Nepal	IBRD	8.0	Jun-16	Feb-15	X	486	Oct-15
Ethiopia	Assela Wind Farm Project	AfDB	18.3	May-16	Sep-15		243	Dec-15
Kenya	Kopere Solar Park	AfDB	11.6	TBD	Oct-15			Oct-15
Nepal	Public and Private Partnership for Solar development	ADB	20.0	Jun-16				
Armenia	Development of Utility-Scale Solar PV	IBRD	9.0	Jun-16	Aug-15		305	Dec-15
Haiti	Renewable Energy and Access for All	IBRD	13.0	Jun-16				
Haiti	Renewable Energy for the Metropolitan Area	IBRD	8.0	Jun-16				

## Annex 2: SREP Resource Availability

### SREP RESOURCE AVAILABILITY - as of September 30, 2015

Funding Classification	Commitment Items	SREP
<b>Unrestricted Funds in Hand</b>	Cash and Investments	334.08
	Unrestricted & Unencashed Promissory Notes	81.13
	<b>Total Unrestricted Funds in Hand</b>	<b>415.21</b>
<b>Outstanding Commitments</b> <sup>1/</sup>	Outstanding Project and program commitments	126.37
	Outstanding Fee commitments	1.08
	<b>Total Outstanding Commitments Not Yet Transferred</b>	<b>127.45</b>
	<b>Uncommitted Funds</b>	<b>287.76</b>
<b>Pending and Projected Commitments</b> <sup>2/</sup>	Administrative Budget Pending Commitment	(0.05)
	Projected Administrative Budget (FY17-FY21) <sup>3/</sup>	(22.71)
	<b>Pending and Projected Commitments</b>	<b>(22.76)</b>
	<b>Funds Available to support CIF Programming - End Sept. 2015</b>	<b>265.00</b>
<b>Pipeline</b>	Program/Project Funding ( <i>October 2015 onwards</i> ) <sup>4/</sup>	(415.32)
	MDB Project Implementation and Supervision Services (MPIS/fees) <sup>5/</sup> - <i>See schedule 2</i>	(21.10)
	Indicative Funding Alllocations for existing Pilot Countries (Mongolia/Yemen)	(70.00)
	New Pilot Countries <sup>6/</sup>	(260.00)
	<b>Total Planned Pipeline</b>	<b>(766.41)</b>
	<b>Programming Surplus/(Shortfall) - exclusive of restricted funds</b>	<b>(501.41)</b>
<b>Future Funding</b>	Receivables - UK Contribution	37.55
	UK Contribution - Provisional Account	198.82
	<b>Total future funding</b>	<b>236.37</b>
	<b>Programming Surplus/(Shortfall) - exclusive of restricted funds</b>	<b>(265.04)</b>
	Restricted Funds <sup>7/</sup>	49.40
	<b>Programming Surplus/(Shortfall) - inclusive of restricted funds</b>	<b>(215.64)</b>

1/ Outstanding commitments are legally binding obligations which have been recorded in the Trustee's ledger.

2/ Represents amounts recently approved by the committee but not yet recorded by the Trustee as a legal obligation.

3/ Projection for administrative budget includes resources for administrative services provided by the CIF AU, Trustee and MDBs.

4/ Projects/programs for submission to committee for approval based on recent updates from MDBs. Also includes projects from newly endorsed IPs (Ghana, Haiti, Nicaragua).

5/ Fee balances from existing projects and projected fees for new countries.

6/ New pilot countries include Bangladesh, Rwanda and Uganda IPs to be presented in the November 2015 meetings. Also included are Benin and Cambodia with the IPs targeted for submission by February 2016.

7/ This is to cover exchange rate fluctuations on the value of the outstanding promissory notes.