

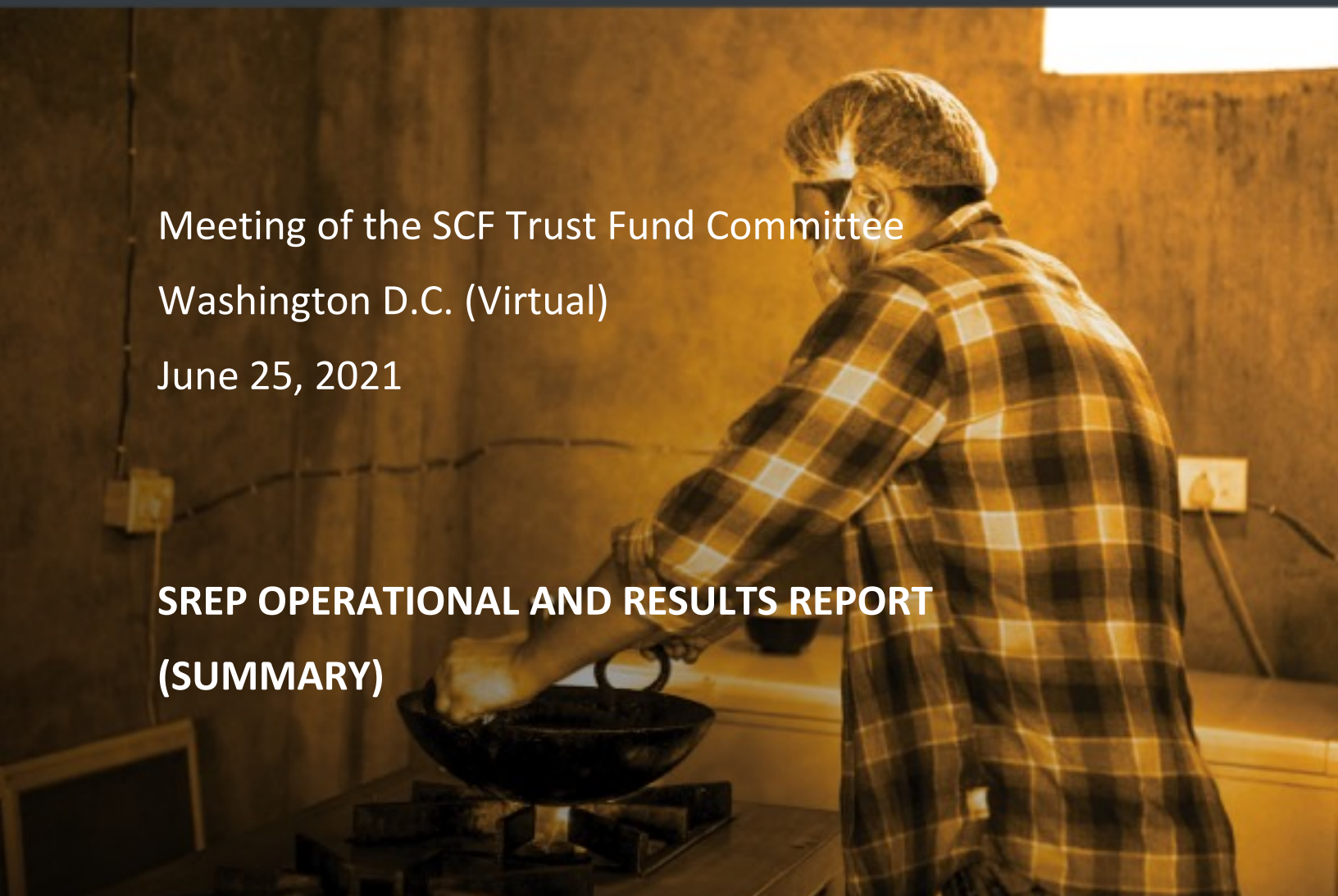


Meeting of the SCF Trust Fund Committee

Washington D.C. (Virtual)

June 25, 2021

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



PROPOSED DECISION

The SCF Trust Fund Committee reviewed the document, SCF/TFC.15/3.3, *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.

The SCF Trust Fund Committee notes that the CIF Administrative Unit, in collaboration with the MDBs, will prepare a proposal on the use of resources made available through cancellations, for approval by the SREP Technical Committee.

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 June 30, 2020 to December 31, 2020 (unless otherwise indicated). Results reporting of projects under implementation covers the period from January 1 to December 31, 2020.

2. Strategic issues

a. Overview

2. As of March 31, 2021, total funding approved by the SREP Sub-Committee reached USD 603.6 million for 53 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 137 million in total. Out of the 48 MDB-approved projects, 36 are disbursing.

b. Impact of COVID-19 on the SREP Portfolio

3. The COVID-19 pandemic continues to have an impact on the SREP portfolio, both for projects under implementation and those in the pipeline. Government guidelines including social distancing, travel restrictions, and limiting large gatherings have persistently slowed down some project activities and this is translated into slower disbursements. Delays are experienced in the conduct of procurement, field work, delivery of goods and installation of equipment, stakeholder engagement and civil works. While these difficulties are still being experienced one year after the start of the pandemic, project teams have been adapting to continue implementation under these existing limitations.
4. While no projects have been cancelled or restructured as a result of COVID since the last reporting period, there is an expectation that requests for extension of project implementation will be submitted in the near future.

c. Resource availability

5. As of March 31, 2021, SREP had approximately USD 781 million in cumulative funding. The unrestricted fund balance, after administrative budget and currency reserves, is USD 100.9 million. The total anticipated commitments in only the sealed pipeline is USD 54 million. Total anticipated commitments were USD 133.3 million, including projects and programs in the sealed and reserve pipeline, project preparation grants (PPGs), TA facility and Multilateral Development Bank (MDB) project implementation services (MPIS). As of March 31, 2021, SREP had a shortfall of USD 28.02 million (USD 20.9 million in grant and USD 7.2 million in non-grant) if all projects in the sealed and reserve pipelines were to be submitted. The shortfall is USD 25.2 million when including the TA facility.

Table 1: Summary of SREP resource availability: sealed pipeline(USD million, as of March 31st, 2021)

		Total	Grant	NonGrant
Unrestricted Fund Balance (A)		100.9	54.6	46.3
Remaining Anticipated Commitments (FY19-FY21)				
<i>Program/Project Funding and MPIS Costs</i>		54.0	29.0	25.0
Total Remaining Anticipated Commitments (B)		54.0	29.0	25.0
Available Resources (A - B)		46.9	25.6	21.3
Potential Future Resources (FY19-FY21)				
<i>Release of Currency Risk Reserves</i>	a/	19.3	4.1	15.2
Total Potential Future Resources (C)		19.3	4.1	15.2
Less TAF Commitments (D)				
<i>Program/Project Funding and MPIS Costs</i>		5.1	5.1	
<i>Reserve</i>		(0.8)	(0.8)	
Potential Available Resources (A - B + C)		61.9	25.3	36.5

a/ Amounts withheld to mitigate over-commitment risk resulting from the effects of

d. Pipeline management

- There has been a decrease in number of Sealed pipeline projects (four), when compared to the previous reporting period (eight), which is due to changing conditions and priorities within the SREP countries. MDBs are consulting with countries concerning their projects in the Reserve pipeline, for possible upgrade to the Sealed pipeline based on project readiness, relevance, and priority.

e. Allocation of SREP Balance

- There may also be a need to revise the funding allocation process to ensure the prompt commitment of the remaining SREP funds and to guarantee an expeditious use of possible future funds made available through cancellations. As such, the CIFAU and MDBs will work on a proposal outlining how these funds can be used in a flexible and expedited manner, to be submitted to the Technical Committee in due course.

f. Evaluation & Learning

- In late 2020, the CIF Evaluation and Learning (E&L) Initiative initiated the design of a program-level evaluation of SREP. The evaluation has been designed using the OECD Development Assistance Committee's (DAC) recently updated international evaluation criteria. An independent evaluation firm has started to implement the evaluation, starting with an inception phase and initial data collection. The evaluation is expected to be completed by end of 2021.

g. Monitoring and Reporting

- The M&R Team conducted an initial portfolio analysis of SREP using modelling tools to estimate employment contributions and economic value creation provided first-of-its-kind data on the SREP portfolio (see results section). Building on this analysis, a broader evaluation

of development impacts in the CIF, with a focus on all four current CIF programs, began implementation and is poised to deliver early findings by the end of 2021. Undertaken by an independent evaluation firm, this mixed method assessment includes additional modelling and country case studies to more deeply analyze impacts on jobs and economic development while expanding the analysis to other areas such as environmental, health, market/trade competitiveness, security, and social impacts including gender and inclusivity.

3. Status of the SREP portfolio

a. Portfolio overview and updates

10. As of December 31, 2020, total funding approved by the SREP Technical-Committee reached USD 603.6 million¹ for 53 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 (as of December 31, 2020)

	Indicative pipeline allocation				Approved funding		Disbursement
	TOTAL	IP	PSSA	IPPG	Technical Committee	MDB	
SREP funding (USD million)	705.5	620.7	81.1	3.77	603.6	550.9	137
Number of projects	62	56	6		53	48	36

11. Co-financing. These 53 projects are expected to leverage a total of USD 3.03 billion in co-financing from the governments of the recipient countries, MDBs, the private sector, and bilateral agencies.

4. Cross-cutting themes

12. Gender. There has been an increase in the quality of the SREP portfolio from the baseline of the start of the CIF Gender Action Plan in 2014, in all scorecard indicator areas (i.e., of sector-specific gender analysis; women-targeted activities; and sex-disaggregated M&E indicators) for both IPs and projects, with the exception of sector-specific gender analysis in Investment Plans where performance dropped slightly from the baseline (from 80 percent to 70 percent of the total SREP Investment Plan portfolio).
13. Risk Management. SREP's risk score for implementation risk increased and remains **High**. Seven projects out of 57 projects representing USD 106 million (14 percent) of program funding flagged for this risk. The program's implementation risk exposure was also **High** as of the last reporting cycle and has fluctuated between **Low** and **Medium** over the five reporting cycles before that.

¹ Total approved project funding includes project funding, IPPGs, and PPGs.

5. Results

WHERE DO WE STAND?

2021 SREP Results Report

Total SREP investments of



have mobilized co-financing of



resulting in...

MWh of annual electricity output:



MW of renewable energy installed capacity:



additional people with improved energy access:



additional businesses with improved energy access:



MtCO₂ of annual GHG emissions reductions:



Total CIF investments of **\$551 million** have mobilized a cumulative total of **\$856 million in co-financing**, more than the GDP of Saint Kitts and Nevis.



\$856 million



727,985 people

727,985 people, more than population of Luxembourg, and **2,722 businesses** have benefited from **improved electricity access**.

SREP projects led to **166,975 MWh in annual electricity production** via clean and renewable energy sources.



As a co-benefit, SREP projects have contributed to **235,101 tCO₂** in annual GHG emissions reductions.

14. SREP results are based on the expected and actual results data reported by 48 MDB-approved projects and programs totaling USD 550 million in SREP funding, of which 32 are generating results on at least one core indicator – 27 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).
15. Overall, RY2021 saw increases across all four core SREP indicators (see Table 11). Annual electricity production increased over 40 percent—from 116,089 MWh/year in RY2020 to 166,975 MWh/yr in RY2021 largely driven by progress in existing SREP projects that have previously reported results. Improved energy access for businesses and co-financing also saw significant increases—an additional 1,794 businesses saw improved access to electricity (193 percent YoY increase), while co-financing increased by USD 181 million, reaching USD 856 million (27 percent YoY increase). The number of people with improved access to electricity saw its largest jump since the start of SREP results reporting, adding an additional 419,039 people (209,568 men and 209,471 women) benefited in RY2021 (over 100 percent increase from RY2020), while for installed capacity another 36.15 MW of clean energy was added (16 percent YoY increase).
16. Table 3 offers an overview of SREP expected and actual results (cumulative and for RY2021)

Table 3: SREP results overview

	Actual (RY2016)	Actual (RY2017)	Actual (RY2018)	Actual (RY2019)	Actual (RY2020)	Actual (RY2021)	Target
Electricity output (MWh/yr)	276	1,186	20,987	39,498	116,089	166,975	3,778,421
Cumulative Improved energy access (people)	7,395	10,600	185,068	268,689	308,946	727,985	10,074,286
Cumulative Improved energy access (businesses)	-	-	462	634	928	2,722	143,336
GHG emissions reduced/avoided (tons CO2 eq/yr)	251.3	8,537	24,827	35,992.56	76,715	235,101	2,764,914
Cumulative Installed capacity (MW)	0.9	2.9	154.78*	173.16*	243.83*	279.98	807.94
Cumulative Co- financing (USD million)	410	476	485	529	674	856	2,686

17. Compared to RY2020, RY2021 saw a steady increase in electricity produced while the indicators measuring people and businesses benefitting from improved energy access saw its largest year-on-year increase since SREP results reporting started.
18. 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.

19. The impact pathways of these sectors and their broader effects will be fully delineated in Phase II of the learning stream: a development impact (DI) evaluation, awarded in March 2021 to Industrial Economics, Incorporated (IEc), is currently being executed and will aid in refining the accuracy of modelling findings, while fleshing out the relevance and rationales of the results. Findings are expected to be finalised by December 2021.