



Meeting of the SCF Trust Fund Committee

Washington D.C (Hybrid)

Friday, June 24, 2022

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

SCF/TFC.16/3.3

June 3, 2022

PROPOSED DECISION

The SCF Trust Fund Committee reviewed the document, SCF/TFC.16/3, *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 Trust Fund Committee requests the CIF Administrative Unit, in collaboration with the MDBs, to prepare a proposal for 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 through December 31, 2021, with updates from January 1-December. Operational results reporting of projects under implementation covers the period from January 1 to December 31, 2021.

2 Strategic issues

2.1 Overview

2. As of March 31, 2022, total funding approved by the SREP Sub-Committee reached USD 570.6 million for 521 projects and programs, including six projects under SREP PSSA. This amount accounts for 85 percent of SREP resource available for programming. Disbursements increased by USD 36 million during FY21, and USD 15 million during the first six months of FY22 reaching USD 188 million in total. Out of the 50 MDB-approved projects, 45 are disbursing.

2.2 Resource availability

3. As of March 31, 2022, SREP had approximately USD 788.4 million in cumulative funding. The unrestricted fund balance, after administrative budget and currency reserves, is USD 90.1 million. The total anticipated commitments in only the sealed pipeline is USD 20 million.

¹ There is a drop in number when compared to last year's report (53) due to the cancellation of the Armenia Private Sector Utility Scale Solar Power Support Guarantee Project (World Bank). This cancellation also affects the reported disbursements, given the project was a guarantee. In the case of guarantees, disbursements are considered upfront, as opposed to investment projects, which occur as procurement progresses.

Table 1: Summary of SREP resource availability: sealed pipeline
(USD million, as of March 31st, 2022)

		Total	Grant	Non-Grant
Unrestricted Fund Balance (A)		90.1	28.5	61.6
Remaining Anticipated Commitments (FY19-FY21)				
<i>Program/Project Funding and MPIS Costs</i>		20	-	20
Total Remaining Anticipated Commitments (B)		20	-	20
Available Resources (A - B)		70.1	28.5	41.6
Potential Future Resources (FY19-FY21)				
<i>Release of Currency Risk Reserves</i>	a/	18.4	3.9	14.5
Total Potential Future Resources (C)		18.4	3.9	14.5
Potential Available Resources (A - B + C)		88.5	32.4	56.1

2.3 Pipeline management

- As a result of a slow moving during recent years, it was agreed during the June 2021 Joint Trust Fund Committee meetings, that the CIF Administrative Unit and MDBs would review the projects and pipeline management process, taking into consideration any lessons from the SREP Evaluation, which was occurring simultaneously. Changing, on-the-ground conditions in countries and sectors, as well as the timing in which cancelled or unused funds were released for reallocation, caused the reserve pipeline projects to become stale. A revised pipeline allocation process, together with a revised pipeline of projects is currently under discussion.

2.4 Evaluation & Learning

- The CIF Evaluation and Learning (E&L) Initiative completed an independent program-level evaluation of SREP in FY22, identifying relevant lessons and good practices for advancing low-carbon energy access in low-income countries. The evaluation provides recommendations for SREP around pipeline and funding expectation management, monitoring and reporting (M&R) frameworks, and lessons learning and knowledge management. In addition, the study provides a series of lessons that can be useful for SREP, future programming decisions within CIF, and other energy-related climate finance facilities.

3 Status of the SREP portfolio

3.1 Portfolio overview and updates

- As of December 31, 2021, total funding approved by the SREP Technical-Committee reached USD 570.6 million² for 52 projects and programs, including five projects under SREP PSSA

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

(see Table 2). This amount accounts for 85 percent of SREP resource available for programming.

Table 2: Overview of SREP portfolio (as of December 31, 2021)

	Indicative Pipeline Allocation				Approved Funding		Disbursement
	Total	IP	PSSA	IPPG	Committee	MDB	
SREP Funding	670.6	585.7	81.1	3.73	570.6	546.7	188
Number of Projects	60	54	6		52	50	45

7. Co-financing. These 52 projects are expected to leverage a total of USD 2.91 billion in co-financing from the governments of the recipient countries, MDBs, the private sector, and bilateral agencies.

4 Cross-cutting themes

8. Gender. SREP project portfolio performance and shows an increase in the quality of the SREP project portfolio from the June 2014 baseline in all three scorecard indicator areas (i.e., presence of sector-specific gender analysis, women-targeted activities, and sex-disaggregated monitoring indicators). Only one SREP project was approved after the start date of GAP Phase 3 and it scored positively across all three scorecard indicator areas.
9. Risk Management. risk score for implementation risk increased and remains **High**, with 14 out of 50 MDB-approved projects representing USD 222 million (29 percent) of program funding flagged for this risk. The program's implementation risk exposure has been **High** for the past two reporting cycles, and has fluctuated between **Low** and **Medium** for the five reporting cycles before that.

5 Results

WHERE DO WE STAND?

2022 SREP Results Report

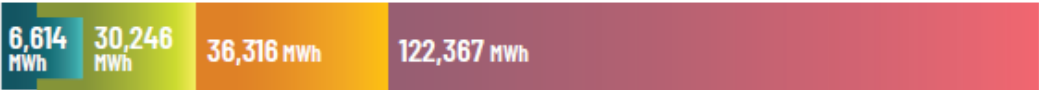
Total SREP investments of



have mobilized co-financing of



resulting in



of annual electricity output, and



of renewable energy installed capacity, providing



additional people with improved energy access, and



businesses with improved energy access

Total CIF investment of **\$546.7 million** have mobilized a cumulative total of **\$980 million in co-financing**, more than the GDP of Saint Vincent and the Grenadines.

1,189,377 people, more than the population of Eswatini, and **5,809 businesses** have benefited from **improved electricity access**.

SREP projects led to **195,543 MWh in annual electricity production** via clean and renewable energy sources.

As a co-benefit, SREP projects have contributed to **155,171 tCO2**, in annual GHG emissions reductions.

10. SREP results are based on the expected and actual results data reported by 50 MDB-approved projects and programs totaling USD 546.7 million in SREP funding, of which 34 are generating results on at least one core indicator – 28 investment projects and six 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).
11. Overall, RY2022 saw increases across all four core SREP indicators (see Table 11). Annual electricity production increased over 99 percent—from 99,966 MWh/yr in RY2021 to 199,543 MWh/yr in RY2022, driven by progress in SREP projects that have previously reported results. Improved energy access for businesses saw a significant increase—an additional 3,272 businesses saw improved access to electricity (124 percent year-on-year increase), while co-financing increased by USD 124 million, reaching USD 980 million (14 percent year-on-year increase). The number of people with improved access to electricity also saw its largest jump since the start of the SREP results reporting, adding an additional 780,264 people (395,370 men and 384,894 women) in RY2022 (300 percent increase from RY2021), while another 19.78 MW of clean energy capacity was installed (7 percent year-on-year increase). See table 3 below for additional details.

Table 3: SREP results overview³

	Actual (RY2016)	Actual (RY2017)	Actual (RY2018)	Actual (RY2019)	Actual (RY2020)	Actual (RY2021)	Actual (RY2022)	Target
Electricity output (MWh/yr)	276	1,186	7,011	7,187	46,421	99,966	199,543	4,294,418
Cumulative improved energy access (people)	7,395	10,600	185,068	268,689	308,946	409,123	1,189,377	9,968,836
Cumulative improved energy access (businesses)	-	-	311	561	801	2,618	5,809	143,386
GHG emissions reduced/avoided (tons CO2 eq/yr)	251.3	8,545	22,984	44,651	88,730	78,540	155,171	2,701,822
Cumulative installed capacity (MW)	0.9	2.9	154.78*	173.16*	243.83*	279.98	299.76	1,083.94
Cumulative co-financing (USD million)	410	476	485	529	674	856	980	2,769

12. Compared to RY2021, RY2022 electricity produced, indicators measuring people and businesses benefitting from improved energy access and annual GHG emission reductions co-benefit saw its largest year-on-year increase since SREP results reporting started.
13. Co-benefits: Since 2019 CIF has 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. As part of this workstream the Joint Impact Model (JIM) has been used to calculate the exposure of SREP on jobs and economic value-added as of December 2021.
14. Running the JIM model for the current reporting SREP portfolio of projects (excluding technical assistance grants and/or solely capacity building projects), SREP is seen to

³ For this RY, results in annual electricity production and annual GHG emission reductions saw a significant reduction, in comparison to the previous reports, due to an error in reporting from one of the MDBs for the Nepal Extended Biogas project. However, despite the reduction in achieved results, this project almost achieved its target set out of 1.4 GWh and the project has been completed this reporting year.

contribute to a total of 802,7844 person-years of employment. This includes 444,605 person-years of direct employment, a new metric produced by the model. It also includes 75,800 person-years of induced employment (of which, 24% is formal, and 76% is informal); and 121,230 person-years of supply chain jobs (of which, 22% is formal, and 78% is informal). Additional economic activity generated by the power produced by CTF projects will contribute to an additional 161,150 person years of employment (13% formal, 87% informal). The portfolio is also expected to generate economic value added of USD 2.55 billion, including USD 1.53 billion in direct value added, USD 556 million in supply chain value added, and USD 467 million of value-added via the additional energy generated.

15. Model fine-tuning: As part of its role on the Development Committee of the JIM, CIF has just developed and is currently leading a workstream to enhance the model's treatment of differentiated and distributive impacts. The workstream will assess and execute model improvements or additions relating to: enhanced granularity of economic activity tagging for energy investments, for estimating direct, indirect and induced employment and EVA effects; an enhanced evidence base for the estimation of forward effect effects of energy generation (or energy enabling impacts); and enhanced distributive impact calculations, including disaggregation by nature of the jobs created (formal/informal or skilled/unskilled), disaggregation of employment effects and (as relevant) EVA by its distribution among demographics and economic strata. The workstream has concluded reviews within partner organisations and is preparing for launch of the research program in the summer of 2022.

⁴ One person-year (or job-year) of employment is a unit that stands for one person employed full-time for one year, or two people for half a year, etc. It is often used in manufacturing, installation, and construction employment that may be temporary in nature, though it may also be used for permanent employment.



The Climate Investment Funds

The Climate Investment Funds (CIF) were established in 2008 to mobilize resources and trigger investments for low carbon, climate resilient development in select middle and low income countries. To date, 14 contributor countries have pledged funds to CIF that have been channeled for mitigation and adaptation interventions at an unprecedented scale in 72 recipient countries. The CIF is the largest active climate finance mechanism in the world.

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