



# SREP Risk Report

June 4, 2019



# Overview

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# Implementation Risk

- Implementation risk for SREP increased to **Medium**.
- 3 projects representing USD 27 million of approved funding have been flagged for this risk.
- No private sector projects were flagged.

COUNTRY	PROJECT TITLE	MDB	SREP Funding (USD million)	Cumulative Disb. FY19-S1 (USD million)	Disb. Ratio	Effectiveness Date	Months Since Effectiveness Date	MDB Co-Financing (USD millions)
Nepal	Biogas Extended Program	IBRD	7.9	1.4	17%	9/15/2014	52	0
Maldives	Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program	IBRD	11.7	2.0	17%	10/1/2014	52	16
Kenya	Electricity Modernization Project	IBRD	7.5	-	0%	9/17/2015	40	10

## Implementation Risk – 1<sup>st</sup> Criterion

3 projects representing USD 27 million of MDB-approved funding have been flagged under the first implementation risk criterion.

COUNTRY	PROJECT TITLE	MDB	SREP Funding (USD million)	Cumulative Disb. FY19-S2 (USD million)	Disb. Ratio	Expected Date of Final Disbursement	Months Before Expected Date of Final Disbursement	Co-Financing (USD millions)
Maldives	Accelerating Sustainable Private Investments in Renewable Energy (ASPIRE) Program	IBRD	11.7	2.0	17%	4/1/2020	15	16
Nepal	Biogas Extended Program	IBRD	7.9	1.4	17%	4/1/2020	15	0

## Implementation Risk – 2<sup>nd</sup> Criterion

2 projects representing USD 20 million of MDB-approved funding have been flagged under the second implementation risk criterion.

## Currency Risk via Promissory Notes

Currency Risk Exposure (Millions) as of March 31, 2019						
Original Amount Pledged/Received	Pledged Amount Outstanding/Unencashed	Realized Currency Gain/ (Loss)	Unrealized Currency Gain/ (Loss)	Risk Likelihood	Risk Severity	Risk Score
<b>£268.0</b>	<b>£93.5</b>	<b>(\$35.5)</b>	<b>(\$24.5)</b>	<b>Very Likely</b>	<b>Moderate</b>	<b>High</b>

- Although the unrealized decline in the value of SREP's outstanding promissory notes decreased to USD 24 million from USD 41 million, the program's exposure to currency risk remains **High**.
- GBP 64 million of promissory notes were encashed which caused the decline in *unrealized* losses. However, the *realized* losses increased to USD 36 million from USD 20 million.
- GBP 94 million remain outstanding.

# Resource Availability – *Sealed and Reserve Pipelines*

Available Resources as of March 31, 2019				
Program	Available Resources for Projects/Programs (\$Million)*	Risk Likelihood	Risk Severity	Risk Score
SREP** Grant	(\$59.1)	Likely	Severe	High
SREP** Capital	(\$11.0)			

\*Available Resources for Projects/Programs represent Unrestricted Fund Balance for Project/Program Commitments less Total Anticipated Commitments, as reflected in Annex A.

\*\*SREP's resource availability is based on both the sealed and reserve pipelines.

- The risk of being unable to commit funds for all projects remains **High**.
- The program is facing a shortfall in available grant resources of USD 59 million, and a shortfall in available capital resources of USD 11 million.

# Resource Availability – *Sealed Pipeline Only*

Available Resources as of March 31, 2019				
Program	Available Resources for Projects/Programs (\$Million)*	Risk Likelihood	Risk Severity	Risk Score
SREP** Grant	(\$3.0)	Unlikely	Moderate	Low
SREP** Capital	\$1.0			

\*Available Resources for Projects/Programs represent Unrestricted Fund Balance for Project/Program Commitments less Total Anticipated Commitments, as reflected in Annex A.

\*\*SREP's resource availability is based on the sealed pipeline only.

- The risk of being unable to commit funds for all projects is **Low**.
- The program is facing a shortfall in available grant resources of USD 3 million.
- However the program is experiencing a USD 1 million surplus in available capital resources.



# Fraud, and sexual exploitation & abuse