

January 12, 2015

**Approval by mail: Proposal for Allocating Resources to the SREP New Pilot Countries (SREP)—  
Comments from the United States**

Dear Admin Unit,

Thank you for the opportunity to review the proposed allocation of resources to the new SREP pilot countries. This new round of investment plan development provides an important opportunity for participating pilot countries to generate viable road maps for clean energy deployment as they also prepare to participate in the Green Climate Fund.

As such, we want to encourage ambitious thinking and action while meeting the dual objectives of developing investment plans for the use of available SREP resources and a future project pipeline. We are concerned that the proposal as structured will not achieve this, and we propose that you reconsider the allocations to Phase 1.

Specifically, we think that the proposed envelope of allocations for the 14 pilot countries will generate unrealistic expectations about how much funding will be available in the next two years. Even with new contributions, the proposed envelope of \$560 million is more than double the amount of unallocated resources available when one considers the notional allocations to existing programs. While we agree that a certain amount of overprogramming is desirable, we believe that transparency about the potential availability of SREP resources is essential to ensuring that countries can plan and prioritize programs appropriately. .

A better solution would be to allocate new resources in a way that balances ambitious planning with prudent expectations about the availability of SREP resources. Our recommendation combines a more modest allocation with a phasing of the program. We propose that first phase of Investment Plans be guided by the amount of resources on hand plus a conservative amount of overprogramming. The second phase could be based on the 30 percent overprogramming recommended in the proposal, allowing fast-moving countries to have access to additional SREP funding, subject to resource availability. The third phase could be potentially financed by a variety of resources. We anticipate this will allow countries to be ambitious with their plans while reducing the possibility that SREP will not be able to fund a large portion of its pipeline.

We defer to the professional judgment of those closer to plan development as to whether it makes more sense to reduce the indicative allocations of all 14 prospective countries proportionally or use another means to phase IP development.

We look forward to reactions from other Subcommittee members and would be pleased to discuss ways we can make such an approach work. Thank you for your time and the opportunity to comment.

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