

March 21, 2013

Response of CIF AU to Netherlands on Approval by Mail: Procedures for Allocating SREP Resources on a Competitive Basis from a Set Aside

Dear Frank,

Thank you for your comments on the SREP set aside. We have received several other comments and we will revise the paper to reflect these comments. Responses to your specific questions are provided below:

1. The current level of available funding for the SREP set aside is USD 90 million including recent contributions from the UK. (This amount fluctuates depending on the exchange rate).
2. We did explore the possibility of inviting the private sector to submit proposals, but after consultation with the MDBs, it was decided that this would not be feasible as the MDBs would need be involved directly and follow their own procedures in developing, submitting, and implementing the projects. The rationale for the set aside is to provide not only additional resources but also more flexibility for the MDBs to work more closely with the private sector in developing and implementing more innovative projects.
3. We agree with your proposal to modify the text to reflect that innovation refers to innovative project approaches and innovating financing models, and not to innovative technology. This language is reflected in the revised paper.
4. We agree with your suggestion on paragraph 13, and will add the following sentence to the revised paper: "The lesson-learning process will include assessment of the contribution to transformative change through scaled-up private sector investment and improved enabling market framework."
5. Regarding paragraph 14, as per decision by the Sub-Committee last November, only the first six pilot countries are eligible to compete for the set-aside (now \$90 million). If additional pledges are made to the set-aside (beyond \$90 million), then the Sub-Committee may revisit the procedures and country eligibility.

I hope that with the above clarification and changes to the proposal, you will be in a position to approve the document.

Please let me know if you have additional questions.

Best regards,

Patricia Bliss-Guest
Program Manager