

CLIMATE INVESTMENT FUNDS

July 14, 2010

Summary of the Co-Chairs
PPCR Sub-Committee Meeting

June 23, 2010

Co-Chairs

David Kaluba, Zambia
Christoffer Bertelsen, Denmark

OPENING OF THE MEETING

1. The meeting was opened by Ms. Patricia Bliss-Guest, Program Manager, CIF Administrative Unit.

ELECTION OF CO-CHAIRS

2. The Sub-Committee elected Mr. David Kaluba, Zambia, and Mr. Christoffer Bertelsen, Denmark, to serve as Co-Chairs of the PPCR Sub-Committee from the current meeting until December 31, 2010.

ADOPTION OF AGENDA

3. The meeting approved the provisional agenda proposed in document PPCR/SC.6/1/Rev.1.

CAMBODIA: PROPOSAL FOR PHASE 1 FUNDING

4. The Sub-Committee reviewed document PPCR/SC.6/3, *Cambodia: Proposal for Phase 1 Funding*, and congratulates Cambodia on its proposal. The Sub-Committee approves USD 1.5 million in PPCR financing to support the preparation of Cambodia's Strategic Program for Climate Resilience. The Sub-Committee requests Cambodia, in the elaboration of its Strategic Program, to fully explore the potential of using local expertise and building on local knowledge, to actively engage civil society and to ensure that PPCR funding is incremental to on-going and planned activities. The Sub-Committee invites the Asian Development Bank and the World Bank Group, in partnership with other development partners, to assist Cambodia to prepare its Strategic Pilot Program for Climate Resilience.

TAJIKISTAN: PROPOSAL FOR PHASE 1 FUNDING

5. The Sub-Committee reviewed document PPCR/SC.6/4, *Tajikistan: Proposal for Phase 1 Funding*, and expresses its appreciation for the proposal. The Sub-Committee approves USD 1.5 million in PPCR financing to support the preparation of Tajikistan's Strategic Program for Climate Resilience. The Sub-Committee requests Tajikistan, in the elaboration of its Strategic Program, to ensure synergies with other ongoing and planned activities, to engage civil society and to give priority to activities that initiate transformational change. The Sub-Committee invites the Asian Development Bank, the European Bank for Reconstruction and Development and the World Bank Group, in consultation with other development partners, to assist Tajikistan to prepare its Strategic Pilot Program for Climate Resilience.

YEMEN: PROPOSAL FOR PHASE 1 FUNDING

6. The Sub-Committee reviewed document PPCR/SC.6/5, *Yemen: Proposal for Phase 1 Funding*, congratulates Yemen on its proposal, and approves USD 1.5 million in PPCR financing for undertaking activities for the preparation of a Strategic Pilot Program for Climate Resilience. The Sub-Committee requests Yemen, in the elaboration of its Strategic Program, to ensure a participatory role for women in the design and implementation of activities, to engage civil

society and to give priority to activities that initiate transformational change. The Sub-Committee invites the World Bank Group, in consultation with other development partners, to assist Yemen to prepare its Strategic Pilot Program for Climate Resilience.

MOZAMBIQUE: PROPOSAL FOR PHASE 1 FUNDING

7. The Sub-Committee reviewed document PPCR/SC.6/6, *Mozambique: Proposal for Phase 1 Funding*, and congratulates Mozambique on its proposal. The Sub-Committee approves USD 1.5 million in PPCR financing to support the preparation of Mozambique's Strategic Program for Climate Resilience. The Sub-Committee requests Mozambique, in the elaboration of its Strategic Program, to analyze the economic and social benefits from PPCR investments, and to undertake a gender analysis of all proposed activities. The Sub-Committee invites the African Development Bank and the World Bank Group, in consultation with other development partners, to assist Mozambique to prepare the its Strategic Pilot Program for Climate Resilience.

BOLIVIA: PROPOSAL FOR PHASE 1 FUNDING

8. The Sub-Committee reviewed the proposal PPCR/SC.6/7. *Bolivia: Proposal for Phase 1 Funding*, and congratulates Bolivia on its proposal. The Sub-Committee approves USD 1.5 million in financing to support the preparation of Bolivia's Strategic Program for Climate Resilience (SPCR)¹. The Sub-Committee requests Bolivia, in the elaboration of its Strategic Program, to clearly articulate the links of proposed activities to poverty reduction, particularly with a focus on vulnerable groups, including women, and to ensure that transformational activities are given priority. The Sub-Committee invites the Inter-American Development Bank and the World Bank Group, in consultation with other development partners, to assist Bolivia to prepare its Strategic Pilot Program for Climate Resilience.

UPDATE ON DEVELOPMENT OF PILOT PROGRAMS FOR THE CARIBBEAN AND PACIFIC REGIONS

9. Representatives of the Inter-American Development Bank, the Asian Development Bank and the World Bank Group briefed the Sub-Committee on the status of preparation of the phase 1 funding proposals for the Caribbean and Pacific regional programs. The Sub-Committee welcomes the progress being made. The Sub-Committee requests the countries and the MDBs to emphasize how PPCR phase 1 activities are aligned with regional and national development planning as well as existing bilateral and multilateral support.

10. Consistent with the *Guidelines for Joint Missions to Design PPCR Pilot Programs (Phase 1)*, the Sub-Committee emphasizes the importance of informing the Sub-Committee through the CIF Administrative Unit of all planned scoping or joint missions at least 2 weeks prior to the mission's departure in order to allow partner institutions to make necessary arrangements to engage with the mission. The Sub-Committee requests that more advanced notice be given whenever possible and that notice be provided for all follow-up missions as well.

¹ The Sub-Committee Members from Japan and the United States objected to the decision, noting that they have serious reservations about providing funding through the PPCR to a country that has opposed the Copenhagen Accord and sought to prevent efforts to operationalize the Accord.

11. The Sub-Committee requests the MDBs to further facilitate the engagement of all relevant development partners, especially bilateral, regional and UN agencies working in the countries selected to participate in the regional programs, with the PPCR activities. The Sub-Committee encourages countries to bring forward phase 1 and SPCR proposals as soon as possible.

PROCESS FOR APPROVING PHASE 1 PROPOSALS

12. Having reviewed six phase 1 proposals, the Sub-Committee agrees that the remaining phase 1 proposals may be approved through a decision-by-mail so as to expedite the processing of the remaining proposals.

13. With respect to the approval of country requests for phase 1 funding under a regional program, the Sub-Committee agrees that country proposals for phase 1 activities may be submitted for approval by mail as they are ready, provided that the first proposal in a region includes a short description of the regional framework under which all country proposals are being developed. The Sub-Committee recognizes that a regional program needs to respect not only the regional similarities but also the differences among participating countries.

FINANCING MODALITIES AND ALLOCATION OF RESOURCES

Allocation of Resources

14. The Sub-Committee, having reviewed document PPCR/SC.6/9, *Proposal for the Allocation of Resources to PPCR Pilots*, agrees upon the following principles to be followed in allocating grant resources under the PPCR:

- i. Recognizing the need for funding predictability to facilitate the elaboration of an SPCR, the Sub-Committee agrees that a range of funding for each country and regional pilot should be approved as a planning tool, recognizing that the minimum amount of the range is more certain and that the upper limit of the range will depend on availability of funding;
- ii. The Sub-Committee further recognizes that the quality of the SPCR and the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee;
- iii. Based on the current projections of approximately USD720million in pledged PPCR grant resources, the Sub-Committee agrees that USD600 million is a reasonable programming target, providing a reserve of USD120 million that can be released once contributions are received by the Trustee. This reserve is reflected in the upper limit of the ranges;
- iv. For each of the nine PPCR pilot countries, a range of USD40-50 million may be programmed through a SPCR; and
- v. For PPCR regional pilot programs, a range of \$60-75 million may be programmed per regional pilot.

15. With regards to the allocation of concessional loans available under the PPCR, the Sub-Committee confirmed that concessional loans may be requested by a pilot country or region consistent with the 2009 *Programming and Financing Modalities for the SCF Targeted Program, the Pilot Program for Climate Resilience (PPCR)* which provides:

“... in accessing concessional loans, an initial ceiling is agreed of 20% of the total available concessional finance amount per pilot program. This ceiling will be kept under review and will be reevaluated after the submission of the first three to five Strategic Programs.”²

16. The Sub-Committee agrees that no new pilot programs will be considered at this time.

Financing Modalities

17. The Sub-Committee reviewed document PPCR/SC.6/8/Rev.1, *Pilot Program for Climate Resilience (PPCR): Financing Modalities* and approves the proposed menu of financing modalities available under the PPCR.

18. The Sub-Committee agrees to consider the issue of MDB fees separately from the financing modalities. The Sub-Committee requests the CIF Administrative Unit to prepare, in collaboration with the MDB Committee, a paper on the proposed fees that provides greater clarity and more detailed information for consideration at the next meeting of the Sub-Committee in November 2010. The paper should also provide an overview of all other fees, service charges and administrative costs to be covered under the SCF programs.

OTHER BUSINESS

19. The Government of Bangladesh provided a short update on the status of activities in Bangladesh. The representative informed the Sub-Committee of Bangladesh’s intention to submit its SPCR to the Sub-Committee for review and endorsement in the third quarter of 2010, without requesting phase 1 funding. The Sub-Committee agrees that if Bangladesh’s SPCR is available sufficiently in advance of its next meeting in November 2010 to justify endorsement intersessionally, the CIF Administrative Unit should circulate the SPCR for review with a proposal for a Sub-Committee meeting to be held through video-conferencing. If any Sub-Committee Member objects to discussing the proposal through video-conference, the proposal will be submitted to the Sub-Committee meeting in November for review and endorsement. With regards to the MDB fees associated with this SPCR request, it was agreed that the MDB fees for projects identified under the Bangladesh SPCR will be proposed and approved on a case-by-case basis.

20. In response to a request by a Sub-Committee Member, the CIF Administrative Unit provided an update on the development of the PPCR Results Framework and confirmed that the results framework would be circulated in September to the CTF and SCF Trust Fund Committees for review and approval-by-mail. In advance of that review, the results framework will be

² The current pledge level for concessional finance is \$300million.

circulated to the SCF Sub-Committees for review and comment. The CIF Administrative Unit is requested to provide monthly updates on progress leading to the approval of the final proposal.

21. The Sub-Committee requests the pilot countries, the MDBs and the CIF Administrative Unit to make efforts to post funding proposals as early as possible to allow for a thorough advance review when such proposals are to be discussed at a meeting of the Sub-Committee

CLOSING

22. The meeting was closed on Wednesday, June 23, 2010.