

CLIMATE INVESTMENT FUNDS

May 28, 2015

Summary of the Co-Chairs
Meeting of the Pilot Program for Climate Resilience Sub-Committee

May 14, 2015

Co-Chairs
Ms. Rose May Guignard, Haiti
Ms. Abigail Demopulos, United States

AGENDA ITEM 1. OPENING

1. The meeting of the PPCR Sub-Committee was opened by Ms. Rose May Guignard, the Sub-Committee member from Haiti, and Ms. Abigail Demopoulos, the Sub-Committee member from the United States.

AGENDA ITEM 2. ADOPTION OF AGENDA

2. The PPCR Sub-Committee adopted the provisional agenda, document PPCR/SC.16/1.

AGENDA ITEM 3. PPCR SEMI-ANNUAL OPERATIONAL REPORT

3. The PPCR Sub-Committee reviewed document, PPCR/SC.16/3, *PPCR Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the PPCR in the pilot countries.

4. The Sub-Committee requests the CIF Administrative Unit to include a section on gender in the next Semi-Annual Operational Reports.

5. The Sub-Committee expresses support for PPCR efforts with respect to knowledge management and encourages the consideration of additional measures for learning and knowledge dissemination to relevant stakeholders at the local level. The Sub-Committee also requests the CIF Administrative Unit and MDBs to enhance their efforts to share knowledge and the lessons learned in the PPCR with the GCF.

6. The Sub-Committee discussed the disbursement rate of funds in the PPCR and notes the complexity in implementing adaptation programs and projects. The Sub-Committee requests the MDBs to enhance their efforts for stakeholder consultations at the local level and explore options to expedite the implementation of programs and projects.

AGENDA ITEM 4. REPORT OF THE EXPERT GROUP TO THE PPCR SUB-COMMITTEE ON SELECTION OF NEW PILOT COUNTRIES

7. The Sub-Committee welcomes the document PPCR/SC.16/4, *Report of the Expert Group to the PPCR Sub-Committee on Selection of New Pilot Countries*. Based on the recommendations proposed by the PPCR Expert Group, the Sub-Committee approves the following countries to be selected as new PPCR pilot countries (listed in alphabetical order):

- Bhutan
- Ethiopia
- Gambia
- Honduras
- Kyrgyz Republic
- Madagascar
- Malawi
- Philippines

- Rwanda
- Uganda

8. The Sub-Committee requests the CIF Administrative Unit to review the resource availability in the PPCR and provide the Sub-Committee with an update by mail within four weeks of the meeting. The Sub-Committee may consider approval of the inclusion of an additional five to six countries to the PPCR.

9. The Sub-Committee further agrees that up to USD 1.5 million may be provided to each of the new pilot countries selected to enable them to take a leadership role in working with the MDBs to develop their full strategic program for climate resilience (SPCRs). A supplemental budget request for MDB support for country programming for the new pilot countries will be submitted to the joint meeting for approval by mail.

10. The Sub-Committee recognizes that at present there is not sufficient funding under PPCR to finance the projects and programs that may be proposed in the SPCR but notes its expectation that there will be climate finance available to fund high-quality projects and programs.

11. The Sub-Committee requests the MDBs and new pilot countries to design the SPCRs to attract funding from other sources, including the GCF, in addition to any resources that may become available in the PPCR. The Sub-Committee also encourages further collaboration between PPCR pilot countries, MDBs, the GCF and the CIF Administrative Unit on the development of SPCRs to facilitate compatibility with GCF's future investment criteria.

AGENDA ITEM 5. SCF PRIVATE SECTOR FACILITY

12. Taking into account learning from the previous two rounds of the set aside, particularly the low conversion of concepts to approved projects thus far, and notwithstanding any future decisions on private sector engagement under the CIF, the Sub-Committee calls on the MDBs to submit endorsed project concepts from the PPCR set aside with good prospects for approval as soon as possible.

13. For future set asides, the Sub-Committee agrees:

- a) To permit project and program proposals or project and program concepts to be submitted to the Sub-Committee on a rolling basis (without a call for proposals and expert group review);
- b) To be open to proposals for new private sector projects, including regional projects and projects benefitting small and medium enterprises consistent with the overall objectives of the PPCR, from all CIF countries under the following conditions:
 - i. MDBs can submit requests to support technical assistance to make the "business case" for resilience investments by supporting resource audits, feasibility studies etc. for projects in all CIF countries; and
 - ii. Priority for investment resources will be given to projects in PPCR countries and low-income and lower middle-income CIF countries;
 - iii. There will be an overall cap for technical assistance funding.

- c) For the Sub-Committee to consider requests for investments in private projects in other CIF countries, these proposals must meet the following criteria:
 - i. The investment will be made in a region or industry sector that faces demonstrable adaptation challenges and can act as a demonstration pilot for low income countries by being replicable and sharing relevant experience and learning;
 - ii. The investment must demonstrate significant direct benefits by (A) making the livelihoods of small-scale private actors more resilient to climate change, or (B) providing the co-benefit of increased community resilience, for example, by reducing pressure on scarce water resources, increasing food security, or increasing the resilience of the local community to extreme weather;
 - iii. Other countries will only be allowed to receive non-grant financing for private sector operations, including through MDB public sector arms. For private operations the minimal concessionality principle applies. Grants for technical assistance can be accessed as described above; and
 - iv. A cap will be set on funding investments in such countries to ensure adequate resources are available for PPCR and low-income CIF countries.

- d) To the following conditions for use of the set aside funds:
 - i. Low income countries will be able to access grants and concessional finance;
 - ii. The funding for projects not submitted to the Sub-Committee for approval within 9 months of project concept endorsement will remain in the set aside.

- e) The Sub-Committee agrees to request the CIF Administrative Unit to propose levels for the above mentioned caps, once a funding envelope becomes available, for approval by the Sub-Committee.

AGENDA ITEM 6. OTHER BUSINESS

- 14. The PPCR Sub-Committee did not have any further agenda under other business.

AGENDA ITEM 7. CLOSING

- 15. The meeting was closed on Thursday, May 14, 2015.