

# CLIMATE INVESTMENT FUNDS

July 20, 2011

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Summary of the Co-Chairs  
Meeting of the Pilot Program for Climate Resilience Sub-Committee  
Cape Town, South Africa  
June 28 and 29, 2011

Co-Chairs

Ihomjon Rajabov, Tajikistan  
Gilbert Metcalf, United States

## **OPENING OF THE MEETING**

1. The meeting of the PPCR Sub-Committee was opened by Mr. Ilhomjon Rajabov, elected Co-Chair from Tajikistan.
2. The Sub-Committee elected Mr. Gilbert Metcalf, Sub-Committee member from the United States, to serve as the other Co-Chair for the meeting.

## **ADOPTION OF THE AGENDA**

3. The meeting reviewed the provisional agenda prepared for the meeting, document PPCR/SC.8/1/Rev.1, and approves it.

## **REPORT ON PPCR PILOT COUNTRY MEETING**

4. The PPCR Sub-Committee welcomes the report that was presented on behalf of the meeting participants by Mr. David Kaluba, the representative from the government of Zambia, on the outcomes of the second meeting of the PPCR pilot countries that was held on June 23, 2011, in Cape Town, South Africa.

## **THE USE OF CONCESSIONAL FINANCE IN THE PPCR**

5. The PPCR Sub-Committee reviewed document PPCR/SC.8/3, *The Use of Concessional Finance in the PPCR*, and agrees that PPCR pilot countries whose SPCR were endorsed prior to the Sub-Committee meeting in June 2011 (Bangladesh, Grenada, Niger and St. Vincent and the Grenadines) may continue to program up to the ceiling of the resources requested in the SPCR.
6. For the remaining six country pilots and countries participating in the Caribbean regional pilot that have expressed an interest in requesting concessional resources, each pilot program may program up to USD 36 million, which is an equal share of the remaining capital contributions pledged to the PPCR. The PPCR Sub-Committee recognizes that these countries are, in many cases, interested in accessing higher levels of concessional resources and calls upon contributors and other countries, the MDBs and other developments partners to seek to mobilize additional resources that will allow the aspirations in funding of all SPCRs to be met. The Sub-Committee fully recognizes and supports the importance of providing predictability in funding.
7. The Sub-Committee confirms its expectation that each of the MDBs, in its collaboration with a pilot country on the preparation of its SPCR, will follow its policies and tools to manage a country's risk for debt distress, such as the Debt Sustainability Framework of the International Monetary Fund and the World Bank Group (DSF).
8. The Sub-Committee confirms that it does not want to add to the burden of highly indebted countries and that the MDBs must robustly apply their debt sustainability tools to estimate the debt risk of a country. The Sub-Committee requests the CIF Administrative Unit to provide further information on such MDB policies and tools at its next meeting in November 2011 and propose how best to use such tools in the context of the PPCR.

9. The Sub-Committee notes that concessional credits channeled through the private sector arms of the MDBs may be useful in supporting private sector programs and projects, and that this would not impact the debt sustainability of the country.

#### **STRATEGIC PROGRAM FOR CLIMATE RESILIENCE FOR CAMBODIA**

10. The PPCR Sub-Committee, having reviewed the *Strategic Program for Climate Resilience for Cambodia* (document PPCR/SC.8/4), agrees to the following:

- a) The Sub-Committee endorses the SPCR as a basis for the further development of the projects foreseen in the strategic program and takes note of the requested funding of USD50 million in grant funding and USD 55 million in other concessional resources. The Sub-Committee reconfirms its decisions on the allocation of resources, adopted at its meetings in June 2010 and 2011, that a range of funding for the country should be used as a planning tool in the further development of project and program proposals to be submitted to the Sub-Committee for approval of PPCR funding, recognizing that the minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding.
- b) The agreed range of funding that may be available for a single country pilot program is USD 40-50 million in grant resources and USD 36 million in other concessional resources. The Sub-Committee also recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when project and program proposals are submitted for approval of PPCR funding. The Sub-Committee confirms its call for contributors and other countries, MDBs and other development partners to seek to mobilize additional resources to allow the full funding of the SPCR.
- c) The Sub-Committee requests the Government of Cambodia and the Asian Development Bank (ADB) to make every effort to strengthen coordination and consultation across ministries and to leverage additional resources for mainstreaming, coordination and capacity development.
- d) The Sub-Committee approves a total of USD 3.8 million in PPCR funding as preparation grants for the following projects to be developed under the SPCR,
  - i. USD 600,000 for the project, *Climate Risk Management and Rehabilitation of Small- and Medium-scale Irrigation Schemes in the Tonle Sap Basin (ADB)*
  - ii. USD 600,000 for the project, *Enhancement of Flood and Drought Management in Pursat and Kratie Provinces (ADB)*
  - iii. USD 600,000 for the project *Promoting Climate-resilient Agriculture, Forestry, Water Supply and Coastal Resources in Koh Kong and Mondulhiri Provinces (ADB)*
  - iv. USD 600,000 for the project *Climate Proofing of Agricultural Infrastructure and Business-focused Adaptation (ADB)*

- v. USD 600,000 for the project *Climate Proofing Infrastructure in the Southern Economic Corridor (SEC) Towns* (ADB)
  - vi. USD 600,000 for the project *Flood-resilient Infrastructure Development in Sisopohon, Seam Reap, Kampong Thom, Battambang, Pursat and Kampong Cham* (ADB), and
  - vii. USD 200,000 for the project *Mainstreaming Climate Resilience into Development Planning in Key Vulnerable Sectors* (ADB)
- e) takes note of the estimated budget for project preparation and supervision services for the projects referenced above and approves a first tranche of funding for ADB preparation and supervision services as follows:
- i. USD 390,000 for the project, *Climate Risk Management and Rehabilitation of Small- and Medium-scale Irrigation Schemes in the Tonle Sap Basin*,
  - ii. USD 232,500 for the project, *Enhancement of Flood and Drought Management in Pursat and Kratie Provinces*,
  - iii. USD 390,000 for the project *Promoting Climate-resilient Agriculture, Forestry, Water Supply and Coastal Resources in Koh Kong and Mondulhiri Provinces*,
  - iv. USD 232,500 for the project *Climate Proofing of Agricultural Infrastructure and Business-focused Adaptation*,
  - v. USD 187,500 for the project *Climate Proofing of Roads in Prey Veng, Svay Rieng, Kampong Chhnang and Kampong Speu Provinces*,
  - vi. USD 187,500 for the project *Climate Proofing Infrastructure in the Southern Economic Corridor (SEC) Towns*,
  - vii. USD 187,500 for the project *Flood-resilient Infrastructure Development in Sisopohon, Seam Reap, Kampong Thom, Battambang, Pursat and Kampong Cham*, and
  - viii. USD 250,000 for the project *Mainstreaming Climate Resilience into Development Planning in Key Vulnerable Sectors*.
- f) requests the Government of Cambodia and the ADB to take into account written comments submitted by Sub-Committee members by July 15, 2011, in the further development of the projects.

## **STRATEGIC PROGRAM FOR CLIMATE RESILIENCE FOR ST. LUCIA**

11. The PPCR Sub-Committee, having reviewed the *Strategic Program for Climate Resilience for St. Lucia*, a country participating in the Caribbean Regional Program, agrees to the following:

- a) The Sub-Committee endorses the SPCR as a basis for the further development of the projects foreseen in the strategic program and takes note of the requested funding of USD 7 million in grant funding and USD 15 million in other concessional resources. The Sub-Committee reconfirms its decisions on the allocation of resources, adopted at its meetings in June 2010 and 2011, that a range of funding for the regional program,

consisting of strategic programs for the participating countries and a regional component, should be used as a planning tool in the further development of project and program proposals in participating countries to be submitted to the Sub-Committee for approval of PPCR funding, recognizing that the minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding.

b) The range of funding agreed for a regional pilot program is USD 60-75 million in grant resources and USD 36 million in other concessional resources. The Sub-Committee also recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when the project proposal is submitted for approval of PPCR funding. The Sub-Committee reconfirms its call for contributors and other countries, MDBs and other development partners to seek to mobilize additional resources to allow the full funding of the regional program.

c) Recognizing that the Caribbean regional program is comprised of six country pilots and a regional track of activities, the Sub-Committee invites the pilot countries and the MDBs to agree, once all country pilots and the regional track of the regional program have been endorsed, to confirm the allocation of resources to each country and the regional track, bearing in mind the above range of resources that may be available for the regional program.

d) approves a total of USD 376,000 in PPCR funding as a preparation grant for the proposed program “*Building National Climate Resilience, One Person, One Household, One Enterprise, One Community, One Sector at a Time*” (World Bank), to be developed under the SPCR;

e) takes note of the estimated budget for project preparation and supervision services and approves a first tranche of funding for World Bank preparation and supervision services of USD 237,500 for the program “*Building National Climate Resilience, One Person, One Household, One Enterprise, One Community, One Sector at a Time,*”

f) requests the Government of St. Lucia and the World Bank to take into account written comments submitted by Sub-Committee members by July 15, 2011, in the further development of the program.

## **STRATEGIC PROGRAM FOR CLIMATE RESILIENCE FOR MOZAMBIQUE**

12. The PPCR Sub-Committee, having reviewed the *Strategic Program for Climate Resilience for Mozambique* (document PPCR/SC.8/6), agrees to the following:

a) The Sub-Committee endorses the SPCR as a basis for the further development of the projects foreseen in the strategic plan and takes note of the requested funding of USD 50 million in grant funding and USD 52 million in other concessional resources. The Sub-Committee reconfirms its decisions on the allocation of resources, adopted at its meetings in June 2010 and 2011, that a range of funding for the country should be used as a planning tool in the further development of project and program proposals to be submitted to the Sub-Committee for approval of PPCR funding, recognizing that the

minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding.

- b) The range of funding agreed for a single country pilot program is USD 40-50 million in grant resources and USD 36 million in other concessional resources. The Sub-Committee also recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when project and program proposals are submitted for approval of PPCR funding. The Sub-Committee reconfirms its call for contributors and other countries, MDBs and other development partners to seek to mobilize additional resources to allow the full funding of the SPCR.
- c) The Sub-Committee requests the Government of Mozambique and the MDBs to consider how to make monitoring and evaluation consistent across the proposed investments and to conduct an analysis of stakeholder learning needs prior to the start of the implementation of the SPCR.
- d) The Sub-Committee takes note of the estimated budget for project preparation and supervision services and approves a first tranche of funding for MDB preparation and supervision services as follows:
  - i. USD 245,000 for the project, *Introducing Climate-resilience into the Design and Management of Mozambique's Unpaved Roads* (World Bank),
  - ii. USD 245,000 for the project, *Coastal Cities and Climate Change* (World Bank),
  - iii. USD 255,000 for the project, *Climate-resilient Water-enabled Growth: Transforming the Hydro-meteorological Services* (World Bank),
  - iv. USD 255,000 for the project, *Sustainable Land & Water Resources Management* (AfDB),
  - v. USD 245,000 for the project, *Enhancing Climate Resilience Agricultural Production and Food Security* (AfDB),
  - vi. USD 220,000 for the project, *Program Management and Technical Assistance* (World Bank).
- e) The Sub-Committee requests the Government of Mozambique and the MDBs to take into account written comments submitted by Sub-Committee members by July 15, 2011, in the further development of the projects.

#### **STRATEGIC PROGRAM FOR CLIMATE RESILIENCE FOR NEPAL**

13. The PPCR Sub-Committee, having reviewed the *Strategic Program for Climate Resilience for Nepal* (document PPCR/SC.8/7), agrees to the following:

- a) The Sub-Committee endorses the SPCR as a basis for the further development of the projects foreseen in the strategic plan and takes note of the requested funding of USD 50 million in grant funding and USD 60 million in other concessional resources. The Sub-Committee reconfirms its decisions on the allocation of resources, adopted at its meetings in June 2010 and 2011, that a range of funding for the country should be used as a planning tool in the further development of project and program proposals to be

submitted to the Sub-Committee for approval of PPCR funding, recognizing that the minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding.

- b) The range of funding agreed for a single country pilot program is USD 40-50 million in grant resources and USD 36 million in other concessional resources. The Sub-Committee also recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when project and program proposals are submitted for approval of PPCR funding. The Sub-Committee reconfirms its call for contributors and other countries, MDBs and other development partners to seek to mobilize additional resources to allow the full funding of the SPCR.
- c) The Sub-Committee requests the Government of Nepal and the MDBs to make strong efforts to enhance capacity building for local consultants with a view to strengthen national human capacity to address the impacts of climate change.
- d) The Sub-Committee approves a total of USD 1.7 million in PPCR funding as a preparation grant for the following projects to be developed under the SPCR,
  - i. USD 900,000 for the project, *Building Climate Resilience of Watersheds in Mountain Eco-Regions* (ADB)
  - ii. USD 500,000 for the project, *Building Resilience to Climate Related Hazards* (World Bank)
  - iii. USD 300,000 for the project *Building Climate Resilient Communities through Private Sector Participation* (IFC)
- e) The Sub-Committee takes note of the estimated budget for project preparation and supervision services for the projects proposed in the strategic plan and approves a first tranche of funding for MDB preparation and supervision services as follows<sup>1</sup>:
  - i. USD 487,825 for the project, *Building Climate Resilience of Watersheds in Mountain Eco-Regions* (ADB)
  - ii. USD 475,000 for the project, *Building Resilience to Climate Related Hazards* (World Bank)
  - iii. USD 251,500 for the project, *Mainstreaming Climate Risk Management in Development* (ADB)
  - iv. USD 250,000 for the project, *Enhancing Climate Resilience of Endangered Species* (World Bank)
- f) The Sub-Committee requests the Government of Nepal and the MDBs to take into account written comments submitted by Sub-Committee members by July 15, 2011, in the further development of the projects.

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<sup>1</sup> For private sector projects, MDB preparation and supervision costs are determined at investment development stage and requested at a later point in time.

## STRATEGIC PROGRAM FOR CLIMATE RESILIENCE FOR ZAMBIA

14. The PPCR Sub-Committee, having reviewed the *Strategic Program for Climate Resilience for Zambia* (document PPCR/SC.8/8), agrees to the following:

- a) The Sub-Committee endorses the SPCR as a basis for the further development of the projects foreseen in the strategic plan and takes note of the requested funding of USD 50 million in grant funding and USD 60 million in other concessional resources. The Sub-Committee reconfirms its decisions on the allocation of resources, adopted at its meetings in June 2010 and 2011, that a range of funding for the country should be used as a planning tool in the further development of project and program proposals to be submitted to the Sub-Committee for approval of PPCR funding, recognizing that the minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding.
- b) The range of funding agreed for a single country pilot program is USD 40-50 million in grant resources and USD 36 million in other concessional resources. The Sub-Committee also recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when project and program proposals are submitted for approval of PPCR funding. The Sub-Committee reconfirms its call for contributors and other countries, MDBs and other development partners to seek to mobilize additional resources to allow the full funding of the SPCR.
- c) The Sub-Committee approves a total of USD 2 million in PPCR funding as a preparation grant for the following projects to be developed under the SPCR:
  - i. USD 1,000,000 for the project, *Strengthening Climate Resilience in Zambia/Barotse* (World Bank);
  - ii. USD 1,000,000 for the project, *Strengthening Climate Resilience in Kafue River Basin* (AfDB).
- d) The Sub-Committee takes note of the estimated budget for project preparation and supervision services for the projects referenced above and approves a first tranche of funding for MDB preparation and supervision services as follows:
  - i. USD 491,000 for the project, *Strengthening Climate Resilience in Zambia/Barotse* (World Bank);
  - ii. USD 390,000 for the project, *Strengthening Climate Resilience in Kafue River Basin* (AfDB).
- e) The Sub-Committee requests the Government of Zambia and the MDBs to take into account written comments submitted by Sub-Committee members by July 15, 2011, in the further development of the projects.

## SEMI-ANNUAL REPORT ON PPCR OPERATIONS

15. The PPCR Sub-Committee reviewed document PPCR/SC.8/9, *Semi-Annual Report on PPCR Operations*, and welcomes the report on the status of PPCR activities, including the



additional information provided on progress in the Caribbean and Pacific regional pilot programs.

#### **QUALITY REVIEW OF STRATEGIC PROGRAMS FOR CLIMATE RESILIENCE**

16. The Sub-Committee reviewed the *Proposal for the Preparation of Independent Technical Reviews of PPCR and SREP Investment Plans* (PPCR/SC.8/10/Rev.1) and took note of the modifications agreed by the SREP Sub-Committee during its meeting on June 21, 2011.

17. The PPCR Sub-Committee generally agrees with the proposed procedures as amended by the SREP Sub-Committee and requests the CIF Administrative Unit and the MDB Committee to note, in the application of the procedures in the PPCR, that efforts should be made to:

- a) ensure gender balance in the roster of PPCR experts; and
- b) provide for an expert review of the regional tracks for the Caribbean and Pacific regional pilot programs.

18. The Sub-Committee agrees that at the first Sub-Committee meeting of each calendar year, it will consider the content of quality reviews that have been submitted in the last twelve month period based on an overview prepared by the CIF Administrative Unit, in collaboration with the MDB Committee, and will review the agreed procedures with a view to determining the usefulness of the review process and/or revising the procedures, if necessary. The Sub-Committee agrees that resources to finance the expert review should be included in the resources available through the CIF Administrative Budget for country programming and notes that the SCF Trust Fund Committee had agreed to cover the costs of the reviews when it approved the FY12 CIF Administrative Budget.

#### **ELECTION OF CO-CHAIRS**

19. Recognizing that the governments responsible for appointing the members of the Sub-Committee to serve for a new term beginning after the 2011 Partnership Forum and associated meetings were only agreed by the eligible recipient country group and the contributor country group during consultations held on June 23, the Sub-Committee agrees to elect its co-chairs through a decision by mail once the new Sub-Committee members are identified. The newly appointed recipient country members and contributor country members are requested to inform the CIF Administrative Unit of their nominations for co-chairs so that a decision by mail on the election of the two co-chairs may be circulated as early as possible after all Sub-Committee members have been identified.

#### **OTHER BUSINESS**

##### *PPCR Sunset Clause*

20. The PPCR Sub-Committee, noting that the PPCR design document has a sunset clause which differs from that included in the SCF Governance Framework, requests the SCF Trust Fund Committee to amend the PPCR design document to make the sunset clause consistent with that of the SCF Governance Framework.

*Gender Experts in Joint Missions*

21. The PPCR Sub-Committee recalls its previous request to the CIF Administrative Unit and the MDBs to report back to the PPCR Sub-Committee on the inclusion of gender experts in the joint missions, and requests that such a report be submitted to the Sub-Committee at its next meeting.

*Offer to Host Next PPCR Pilot Country Meeting*

22. The Sub-Committee notes the generous offer of the member from Zambia to host the next PPCR pilot country meeting in Zambia.

*Learning Briefs for 2012 Partnership Forum*

23. Sub-Committee members are invited to provide written comments on document CIF/Inf.1, *Development of Learning Briefs for 2012 Partnership Forum*, to the CIF Administrative Unit by July 31, 2011.

**CLOSING**

24. The meeting was closed on Wednesday, June 29, 2011.