

CLIMATE INVESTMENT FUNDS

PPCR/SC.19/3
November 10, 2016

Meeting of the PPCR Sub-Committee
Washington, DC
Thursday, December 8, 2016

Agenda 3

PPCR OPERATIONAL AND RESULTS REPORT (SUMMARY)

1 Introduction

1. This Operational and Results Report identifies key strategic issues for the PPCR and provides a status update on its portfolio of programs and projects and progress made in achieving PPCR objectives through its established results indicators. The overall status update covers the period January 1, 2016 to June 30, 2016 and covers all pilot countries and regional programs. The results reporting covers cumulative achievements as of December 31, 2015 for the original pilots only.
2. In previous reporting, the semi-annual report and the results report were prepared separately. This is the first time they are combined with a view to provide a concise but comprehensive update on the implementation progress of PPCR.

2 Strategic issues

3. All the original pilots (18 countries and two regional tracks) have successfully completed Phase 1 programming activities and are now in the process of advancing on the implementation of projects as agreed in the SPCRs, with two projects completed during the reporting period. In May 2015, an additional 10 countries were selected to prepare SPCRs and all have received approval of funding for SPCR preparation: USD 1.5 million each; with the last request for Malawi approved in July 2016.

2.1 Key Results to Date

4. PPCR has made substantial progress for all the core indicators, with different degrees of results achieved. As of December 2015, more than 2.8 million people have been directly supported by 20 PPCR projects under implementation. This represents 7 percent of the cumulative (49.9 percent women) and an increase of 2 million people between the years 2014 to 2015.
5. Good progress has been noted in the area of mainstreaming climate resilience into national and sector development planning; eight PPCR countries out of 17 have already developed or embedded climate change in key national documents and work is underway to achieve this objective in other eight countries.
6. Furthermore, a total of 225 innovative tools or instruments have been developed by 44 MDB-approved PPCR projects with the majority geared towards climate information and early warning systems, building physical infrastructure, and developing the enabling environment. As of December 31, 2015, more than 1,000,000 households in 4,000 communities, 25,000 businesses, and 1,700 public sector service entities have used these tools or instruments.

2.2 Resource Availability

7. As of June 30, 2016, the PPCR funding requirement amounts to USD 124.30 million. This includes a pipeline of 16 projects from endorsed SPCRs of the first group of pilot countries and private sector set-aside (PSSA) for PPCR Sub-Committee approval. Considering a total available funding of USD 48.02 million and reserves amounting to USD 36.30 million, the PPCR is facing a shortfall amounting to USD 40 million.

8. All the second group of pilot countries are currently engaged in stocktaking exercises, country analyses, and wide consultation with stakeholders and potential partners to prepare a comprehensive SPCR. However, no funding is available to date to fund the preparation and implementation of projects and programs under the SPCR, posing serious concerns to the new pilot countries.

3 Status of PPCR Portfolio

9. As of June 30, 2016, the pledge volume to the PPCR is USD 1.16 billion. Almost USD 1.1 billion of these funds have been allocated to finance projects and programs identified in endorsed SPCRs and through the PSSA window. USD 13.5 million has been allocated to support SPCR preparation of the new group of pilot countries. The PPCR Sub-Committee has approved USD 973.8 million worth of funding for 59 projects and programs comprising 89 percent of total endorsed indicative funding for projects and programs. MDB approvals have reached a total of USD 939.4 million for 58 projects, which is 96 percent of approved funding by the PPCR Subcommittee.

Table 1. Overview of PPCR Portfolio

	Endorsed Indicative Allocation			Approved funding	
	TOTAL	IP	PSSA	Committee	MDB
PPCR Funding (in USD M)	1,094.5	1,032.2	62.3	973.8	939.4
Number of projects	73	63	10	59	58

10. In terms of sectoral focused, the largest share of PPCR portfolio is for Agriculture and Landscape Management (25%), followed by projects under Water Resources Management (18%), Climate Information Systems and Disaster Risk Management projects (17%), Infrastructure (16%), Enabling Environment (15%), Coastal Zone Management (7%) and Urban Development (2%). A similar trend in terms of percentage share of endorsed funding is observable.
11. Co-financing. Total expected co-financing for the entire PPCR portfolio amounts to USD 2,031.67 million, which translates to a co-financing ratio of 1:1.9. The largest co-financing partners for PPCR projects and programs are the MDBs, amounting to USD 1,240 million (61 percent). This is followed by the Government (19 percent), bilaterals (9 percent), others (7 percent), and the private sector (4 percent).¹ Projects related to the infrastructure sector received the largest share of co-financing (33 percent), followed by coastal zone management (22 percent) and agriculture and landscape management (13 percent).
12. Strategic Program for Climate Resilience. Between 2012 and 2013, the Sub-Committee approved all SPCRs of the original pilot countries and regional programs. All 10 new pilot countries that were selected in May 2015 to receive support from PPCR to prepare their SPCRs completed their scoping

¹ Aside from MDBs and governments, other co-financing partners of PPCR include Bill and Melinda Gates Foundation, Global Facility for Disaster Risk Reduction, Global Agriculture and Food Security Program, Global Environment Facility, and bilateral partners from Australia, Korea, Norway, and the United Kingdom

missions. Four countries—Ethiopia, Honduras, and Kyrgyz Republic, and Uganda—completed their first joint missions, enabling the countries and partner MDBs to consult with relevant agencies, stakeholders and potential partners on their adaptation finance priorities. A combined scoping mission was undertaken for both the PPCR and FIP in Honduras, Rwanda and Uganda to explore synergies between the two programs. Uganda is aiming to have its SPCR approved by May 2017 and the rest before end of December 2017.

13. Subcommittee Approvals. For the reporting period, only one PPCR project was approved by the Sub-Committee. The project, *Building Resilience of Mozambique's Power Sector through Private Sector Investment*, was submitted by Mozambique for USD 10 million.
14. MDB Approvals. Two projects were approved by their respective MDB Boards during the reporting period for a total of USD 8.8 million. These bring the total number of MDB approved projects to 58 for a total allocation of USD 939.4 million.
15. Project Implementation and Completion. Out of the 58 projects approved by the MDBs, two projects have been completed and 45 projects are currently ongoing and disbursing PPCRs funds—40 public sector and five private sector.
16. Project Pipeline. There are 16 projects currently in the pipeline for Sub-Committee approval for a total funding amount of USD 120.7 million. Ten of these projects are projects under endorsed SPCRs and the remaining six are funded under PSSA. Nine of the 10 SPCR projects for Sub-Committee approval have been in the pipeline for more than 24 months since the SPCR was endorsed. All six PSSA projects have gone beyond 24 months for Sub-Committee approval from the time the concepts were approved.
17. Disbursements. PPCR continues to show good progress on disbursement with a cumulative fund utilization of USD 185.53 million. This represents 20 percent of the USD 939.4 million funding approved by the MDBs and an increase of 74 percent from end of FY15. Cumulative disbursements grew by 27 percent between the first half of FY 2016 and the second half of FY 2016.

4 Results Reporting

18. Only countries with endorsed SPCRs are requested by the CIF to report on the five core indicators. For this reporting round, 17 out of the 18 original pilot countries reported on core indicator 1 and 2. The 10 new PPCR countries are not requested by the CIF to report as their SPCRs are under development. Forty four approved projects from 15 countries reported expected results (target), of which, 22 projects under implementation reported achieved results for core indicator 3, 4, and 5.

5 Cross-cutting Themes

19. Gender. For the single PPCR project approved in the reporting period, all three gender indicators (presence of sector-specific gender analysis, gender-disaggregated indicators, and women-specific activities) were solid relative to the historical baseline (i.e., 100 percent performance on all three indicators, compared to baseline values of 30 percent, 23 percent, and 53 percent respectively).
20. Knowledge Management. The CIF continues to be engaged with PPCR countries and development partners to generate lessons, facilitate knowledge exchange, and promote good practice on climate

change adaptation. The CIF organized panel sessions at the Adaptation Futures Conference 2016, in Rotterdam (May 10-13, 2016). It also brought together the pilot countries for south-south exchanges, with one held in Tonga for the pilot countries in the Pacific small islands and another in Sri Lanka, at the margins of the 5th Asia-Pacific Adaptation Forum, for all the pilot countries in Asia-Pacific. In January 2016, the PPCR Focal Point Team of the World Bank Group launched the PPCR Learning Series that aims at sharing knowledge with task teams designing and implementing activities related to climate resilience. Also, the team launched an analytical work to enhance the traditional least-cost planning approaches in power systems to render them more climate resilient to current and future climate risks.