

January 13, 2014

CIF AU Response to UK's December 19, 2013 Comments

Comments from the UK: Approval by mail: Revised Procedures, Criteria, and Template for PPCR set aside

Dear colleagues,

The revised procedures have taken the Sub-Committee's feedback into account well; the UK is content to endorse them.

There are three outstanding points we'd like to suggest the procedures could still better address with additional information:

- The criteria on 'level of innovation proposed' could be supplemented further with more specific guidance on how this is defined, as it is a highly subjective term and with a 25% weighting will have a significant impact on the proposal's final score.

CIF AU response: *Innovation is, like transformational change context and country-specific. We clarified that the "level of innovation proposed" needs to be justified in the country- or sector-specific context of the proposal. (See paragraph 14b and annex 1, III b)*

- The proposal template (annex 1) is clear and a welcome addition. The only important area that doesn't come through clearly as a requirement is explaining how the project links to the SPCR for that country, especially as it is one of the criterion for scoring (15%). Point IV 'Rationale for PPCR funding' could perhaps be stronger on this.

CIF AU response: *The investment criteria for PPCR was previously listed in annex 1, point V "Consistency with investment criteria". We have condensed both IV and V under point IV "rationale for PPCR funding" to better match the scoring criterion 14a and have made clear that they have to "Further advancement of the objectives of the endorsed SPCR"*

- In our previous feedback we had asked about the EG recommendation to have a split pot whereby half the funding goes to domestic financial institutions, to leverage more commercial co-financing, and how it is planned to explore this option further. Can the CIF AU confirm on this?

CIF AU response: *We believe that splitting the already small amount of PPCR resources for round 2 even further doesn't make sense, especially by earmarking resources to one of the biggest challenges in the PPCR. In low-capacity countries - in most cases- domestic financial institutions are very weak (based on feedback from IFC), hence, either the earmarked amount will be hardly used or again countries with higher capacity have an advantage which would not be consistent with the objective of the PPCR. In addition, EBRD has raised the issue of country-capacity and the involvement of the private sector several times - with the current set of PPCR countries private sector engagement will be limited. We have added 'local financial institutions' to paragraph 11b) under Information sharing and outreach.*

Kind regards,
Anna

January 13, 2014

CIF AU Response to United States' December 26, 2013 Comments

Comments from United States on the Approval by mail: Revised Procedures, Criteria, and Template for PPCR and SREP set aside

Dear Patricia,

We are pleased to see these revised criteria and the plans to increase resources for awareness raising. We have a few comments on the revised set aside criteria for SREP and PPCR. We would be happy to discuss these comments with you or other members of the CIF team.

PPCR:

Paragraph 11 b: We suggest local financial institutions also be included in outreach efforts.

CIF AU response: Fls added to paragraph 11b

Criteria:

Readiness: Similar to SREP, it is not clear to us whether a percentage weighting for readiness is the best metric if the objective is to have approval by the MDBs within 9-18 months of sub-committee approval. Perhaps this should be a yes/no or "high/medium/low" metric.

CIF AU response: for PPCR the "expert group will review the concept proposals and make prioritized recommendations based on the extent to which the concept proposals meet the below criteria. For each criterion, a weight has been assigned to guide project or program proponents and the expert reviewers when considering concepts." (paragraph 14). We can provide the suggestion to the expert group that "Readiness" should be given high/med/low metric score.

Commercial sustainability: It is important to send a signal that applicants need to have well thought through business plans with a long-term plan for sustainability. It is not clear to us whether this criteria should be weighted with other factors or be more of a yes/no or "high/medium/low" metric

CIF AU response: for PPCR criterion 14c is "Sustainability of intended results" and has a slightly different definition than SREP's "Commercial sustainability" criterion. We can provide the suggestion to the expert group that Readiness should be a high/med/low metric