

# CLIMATE INVESTMENT FUNDS

PPCR/SC.20/3  
May 19, 2017

---

Meeting of the PPCR Sub-Committee  
Washington, DC  
Thursday, June 8, 2017

Agenda 3

## **PPCR SEMI-ANNUAL OPERATIONAL REPORT (SUMMARY)**

## 1 Introduction

1. This semi-annual report identifies key strategic issues for the Pilot Program for Climate Resilience (PPCR), highlighting elements of the decisions taken inter-sessionally by the PPCR Sub-Committee and providing a status update on its portfolio of programs and projects. The report covers the period July 1 to December 31, 2016 and all pilot countries and regional programs. Some contents of the report particularly those related to resource availability and pipeline management cover up to March 31, 2017 to facilitate discussion and decision-making during the upcoming meeting of the PPCR Subcommittee in June 2017.

## 2 Strategic issues

2. The PPCR Subcommittee has endorsed all the SPCRs of the original pilot countries for a total funding allocation of USD 1,034.4 million and 9 concepts under the PPCR private sector set-aside (PSSA) in the amount of USD 56.8 million. The original pilot countries are in different stages of advancing implementation of projects, including 2 projects completed by the end of the December 2016. Forty-four projects have also started to deliver and report results from the ground.
3. Of the 10 new PPCR countries, two (Ethiopia and Uganda) have submitted their SPCRs. The remaining 8 will be required to submit a request for extension for the approval by the PPCR Sub-Committee by June 2017. To date, no funding is available for the new pilot countries to fund the preparation and implementation of projects and programs. This remains a serious concern to new pilot countries.
4. Resource Availability. As of March 31, 2017, total anticipated commitments for programs and projects amount to USD 50.75 million. This includes a pipeline of 10 projects from endorsed SPCRs of the first group of pilot countries and the PSSA for PPCR Sub-Committee approval. Considering a total unrestricted fund balance of USD 46.48 million, expected contributions of USD 14.94 million, and assuming the release of currency risk reserves amounting to USD 1.83 million, the PPCR has potential available resources totaling USD 12.5 million
5. Pipeline Management. The policy pertaining to the PPCR was presented to the PPCR Sub-Committee during the December 2016 meeting and was approved in January 2017. With regards to projects in the pipeline, the policy requires PPCR Sub-Committee approval within 24 months of SPCR endorsement. Projects that have already exceeded the deadline as of January 2017 will be cancelled by September 2017 unless a request for extension is approved by the Sub-Committee. To date, all projects in the pipeline have gone beyond the 24-month grace period.
6. Knowledge Sharing and Country Engagement. The PPCR has embarked on several regional knowledge exchange programs to facilitate dialogue and peer-to-peer learning among PPCR countries. Knowledge exchanges have been conducted in the Pacific (June 2016), Asia-Pacific (October 2016), and Africa (February 2017). An exchange in the Latin America and Caribbean (LAC) region is tentatively scheduled for July 2017. Pilot countries found these events useful in providing an opportunity for them to better understand climate change issues and development challenges and share experiences and lessons learnt from the PPCR process. These exchanges have resulted in requests from four countries to engage in specific learning opportunities with each other, as well,

increased, direct dialogue among all PPCR countries. The CIF Administrative Unit is tracking and evaluating the effectiveness of the knowledge exchanges to identify gaps and improve future similar activities. The results of the evaluation are expected to feed into the design of the PPCR pilot countries meeting and other knowledge-related events and products.

7. Through the Evaluation and Learning Initiative, PPCR is seeking to engage a Learning Partner to help create and facilitate a dynamic, actively-engaged knowledge and learning network among the PPCR community of practitioners. These include recipient countries, MDBs and other stakeholders to generate and share practical, evidence-based learning to advance climate resilience goals both in the PPCR and globally. The Request for Expressions of Interest have been concluded and a short list created. The Learning Partner will likely be on board by July 2017

### 3 Status of PPCR Portfolio

8. As of December 31, 2016, the contributors had pledged USD 1.15 billion to the PPCR and paid in USD 1.13 billion. Almost USD 1.09 billion of these funds have been allocated to finance projects and programs identified in endorsed SPCRs and through the PPCR PPSA funding window. An additional USD 15 million has been allocated to support SPCR preparation of the new group of pilot countries.
9. The PPCR portfolio currently contains a total of 72 projects, with 63 of these projects being part of the SPCRs submitted by the original group of nine PPCR pilot countries and two regional programs. The remaining nine projects are supported under the PPCR PSSA funding window.
10. Of the total 72 projects, the PPCR Sub-Committee has approved 59 projects worth USD 973.8 million comprising 89 percent of total endorsed indicative funding for projects. The MDBs have also approved 59 projects for a total of USD 949 million, which is 97 percent of approved funding by the PPCR Sub-Committee.

**Table 1. Overview of PPCR Portfolio**  
(as of December 30, 2016)

	Indicative pipeline allocation			Approved funding		Disbursement
	TOTAL	IP	PSSA	Committee	MDB	
<b>PPCR funding (in USD M)</b>	<b>1,089.0</b>	<b>1,032.2</b>	<b>56.8</b>	<b>973.8</b>	<b>949.4</b>	<b>244.9</b>
<b>Number of projects</b>	<b>72</b>	<b>63</b>	<b>9</b>	<b>59</b>	<b>59<sup>1</sup></b>	<b>52</b>

<sup>1</sup> Private sector projects, even those comprising more than one subproject, are considered as MDB-approved once the first subproject is cleared by the MDB board.

11. Co-financing. Total expected co-financing for the entire PPCR portfolio amounts to USD 2,047 million, which translates to a co-financing ratio of 1:1.9. For all MDB approved projects, total expected co-financing is expected to reach USD 1,960 million or a ratio of 1:2. In both cases, the largest co-financing partners for PPCR projects and programs are the MDBs, followed by recipient governments, bilateral/other donors, and the private sector. Projects related to the infrastructure sector received the largest share of co-financing, followed by coastal zone management and

agriculture and landscape management.

12. Subcommittee Approvals. The PPCR Sub-Committee did not approve any projects during the reporting period. The total amount of funding approved by the PPCR Subcommittee remains at USD 973.8 million. So far, more than 89 percent of total endorsed funding has been approved by the PPCR Sub-Committee.
13. MDB Approvals. During the reporting period, one MDB approval was had. Namely, *Building Resilience of Mozambique's Power Sector through Private Sector Investment*. It was approved for USD 10 million and will be implemented by IFC. This brings the total number of MDB approved projects to 59 for a total allocation of USD 939.4 million.
14. Project Implementation and Completion. Out of the 59 projects approved by the MDBs, 2 projects have been completed as of December 31, 2016 as reported in the previous PPCR semi-annual report. Fifty-two projects are currently ongoing and disbursing PPCR funds. These include 46 from the public sector and 6 from the private sector.
15. Project Pipeline. Currently, there are 10 projects in the pipeline for Sub-Committee approval and require a funding amount of USD 50.75 million. Seven projects are under endorsed SPCRs and the remaining 3 are funded under PSSA. All projects have been in the pipeline for more than 24 months.

#### **4 Cross-cutting Themes**

16. Gender. The CIF Gender Action Plan – Phase 2 was approved by the CTF-SCF Joint Trust Fund Committee in December 2016 for implementation through 2020. Building on the progress under Phase 1, the Phase 2 Plan seeks a deliberate shift from ‘gender mainstreaming’ processes alone, to an emphasis on outcomes framed under a more ambitious gender-transformational goal of “women’s improved asset position, voice, and livelihoods status through access to benefits from CIF-funded investments.”
17. In November 2016, support was offered to the EBRD CIF focal point team working on PPCR Kyrgyz Republic to ensure improved attention to gender institutional issues as part of the SPCR preparation process. In addition, the CIF Administrative Unit supported the EBRD task team in preparing a successful bid for CIF Evaluation and Learning funds to investigate the intersection of gender, private sector development, and institutional change in Tajikistan.
18. 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. Specific to the Regional Dialogues and Exchanges, the CIF AU will continue to track each country at 1, 3, and 6-month intervals to determine what, if, and how knowledge or lessons shared during these exchanges have been implemented once participants return home. The regional exchanges will culminate at the PPCR Pilot Country meeting in October 2017, when the CIF Administrative Unit will present its findings and a PPCR learning platform will be launched.
19. Evaluation and Learning (E & L). An E&L Call for Proposals successfully engaged a range of CIF entities, generating 11 evaluations and learning proposals from MDBs, recipient countries and Observers. Of

the 11 submitted proposals, 9 were from PPCR projects. After extensive reviews by the Advisory Group and CIF Administrative Unit, 6 proposals focused on the PPCR were approved by the E&L Initiative Advisory Group to undertake evidence-based evaluation studies on the effectiveness of the CIF as a learning laboratory. PPCR proposals addressed various topics relating to the four priority learning themes highlighted in the CIF Business Plan.

20. Monitoring and Reporting (M&R). After three years of M&R toolkit implementation, the CIF is undertaking a stocktaking review of the PPCR M&R system during the first half of 2017. The review examines how to enhance the effectiveness and usefulness of the system and addresses issues identified in its implementation over the last three years. The main issues are related to consistency and reliability of data and access to more granular and project-level data. The revised PPCR M&R system will be presented to the PPCR Sub-Committee meeting in June 2017.