

# CLIMATE INVESTMENT FUNDS

PPCR/SC.15/3/Rev.1  
November 4, 2014

---

Meeting of the PPCR Sub-Committee  
Washington, D.C.  
November 18, 2014

Agenda Item 3

**PPCR SEMI-ANNUAL OPERATIONAL REPORT**

## **PROPOSED DECISION**

The PPCR Sub-Committee reviewed document, PPCR/SC.15/3/Rev.1, *PPCR Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the PPCR in the pilot countries and regional programs.

## I. INTRODUCTION

1. This semi-annual operational report provides an update on the status of investments and related activities under endorsed investment plans of the Pilot Program for Climate Resilience (PPCR) for the *period from April 1, 2014 – September 30, 2014*.

## II. STRATEGIC ISSUES IN THE PPCR

2. As the implementation of the PPCR investment plans progresses, a number of strategic issues are emerging. For the current reporting period, four issues have been identified which will be further discussed in the sections below:

- a) PPCR in implementation: more than half of the allocated PPCR resources have received MDB approval;
- b) challenges with PPCR funding availability from February through May 2015 and after August 2015;
- c) reports reflecting on progress with the implementation of PPCR investment plans; and
- d) knowledge management and PPCR community of practice.

3. A more detailed portfolio presentation and analysis follows the chapter on the strategic issues.

### **PPCR in implementation: more than half of the allocated PPCR resources have received MDB approval**

4. The pledge volume to the PPCR as of September 30, 2014 is USD 1,168.3 million<sup>1</sup>, of which USD 1,109.7 million have been committed.

5. There are eleven pilots participating in the PPCR spanning nine stand-alone country pilots and two regional programs, which cover an additional nine countries with PPCR funding support for the implementation of their investment plans. Investment plans for all countries and the regional components have been endorsed by the PPCR Sub-Committee.

6. Projects and programs identified in the investment plans and concepts endorsed under the first round of the PPCR private sector set aside form the PPCR pipeline. Of the 75 projects and programs totaling USD 1.109 billion in the PPCR pipeline, 46 projects and programs totaling USD 790.6 million (73 % of total funding allocations) have received PPCR funding approval by the PPCR Sub-Committee. Forty-two projects and programs totaling USD 744.51 million, (67% of total funding allocation), have also been approved by the respective MDBs. This accomplishment marks an important milestone for the PPCR as half the projects or programs are

---

<sup>1</sup> Currency exchange rate as of September 30, 2014

now in implementation. As a result, monitoring and reporting on progress with achieving results will now become an increasingly central part to the PPCR program cycle.

7. An additional 29 projects are awaiting funding approval by the PPCR Sub-Committee. Table 1 provides an overview of the approval status of the PPCR portfolio.

**Table 1: Approval Status of the PPCR portfolio**

	<b>Pipeline (based on endorsed SPCR and the PPCR set- aside)</b>	<b>PPCR Funding<sup>2</sup> approved by Sub- Committee</b>	<b>MDB Approved</b>	<b>Disbursed</b>
PPCR Resources (USD million)	1,109.7	790.6	744.51	60.7 (includes Phase 1 grants and PPGs)
Number of Projects/Programs	75	46	42	20

8. After just five years since the PPCR was made operational, the program has achieved some important milestones of which six are highlighted below:

- a) All 20 pilots have an endorsed PPCR investment plan after going through a systematic and inclusive process of programming allocated PPCR resources. A recently finalized study on the lessons learned from the preparatory phase for the PPCR (“Phase 1”), highlights that all countries found the PPCR programming process useful and owned by all involved stakeholders (see information document PPCR/SC.15/4).
- b) More than 50% of the PPCR resources have been approved by the MDBs after having gone through an intense preparation period consistent with MDB policies and procedures, including quality assurance.
- c) All pilot countries have strengthened or established multi-sectoral coordination units to discuss and make informed decisions on the use of financial resources in support of a climate-resilient, low-carbon development path. These mechanisms also contribute to a systematic implementation of decisions and planning from national to project level.

---

<sup>2</sup> Approved PPCR Funding includes approved Phase 1 grants and project preparation grants for projects awaiting PPCR funding approval by the PPCR Sub-Committee.

- d) A dedicated mechanism set up to incentivize the private sector to invest in climate-smart technology and business models has yielded 12 innovative projects and programs, doubling the number of private sector operations in the PCPR.
- e) Each PPCR dollar has leveraged USD 1.6. It is expected that the PPCR will leverage USD 1.7 billion USD in co-financing.
- f) Strategic programming of resources in support of a climate-resilient development path as promoted through the PPCR has been applied in Belize. The approach piloted through the PPCR such as developing and implementing country-led multi-sectoral plans and investments for managing climate and disaster risk will be used by IDA in at least 25 additional countries.

### Potential Shortfall of available PPCR funding from April 2015 – May 2015 and in FY 16

9. Projections by the Trustee of available commitment authority against the current pipeline of projects and programs to be submitted for PPCR funding in FY 15 and FY 16 indicates that by April 2015, there will be a deficit in terms of available PPCR commitment authority (see table 2).

**Table 2: Net Available PPCR Commitment Authority for FY 15-onwards  
(as of August 31, 2014)**

	<b>Commitment Authority Projected</b>	<b>Scheduled Approvals/ Allocations</b>	<b>Net Available Commitment Authority</b>
Resources balance (as of end August 2014)	-	-	209.6
Sep-14	-	25.3	184.3
Oct-14	-	8.8	175.5
Nov-14	-	25.3	150.2
Dec-14	29.2	75.3	104.1
Jan-15	-	16.2	87.9
Feb-15	-	24.3	63.7
Mar-15	-	10.5	53.2
Apr-15	-	73.7	- 20.5
May-15	-	-	- 20.5
Jun-15	45.0	18.0	6.5
<b>Beyond FY15<sup>3</sup> (after August 2015)</b>			<b>-64.7</b>

1 Based on Trustee's resources schedule as of June 30, 2014.

2 includes Nepal's unutilized allocation(\$14.35M) and PNG additional funding(\$5M).

Notes: (1) The total pledge by the US to the CIFs is USD 2 billion; the allocation across programs is indicative; projected amounts are subject to future US budgets and legislative approvals and may change. (2) Matrix does not include Admin Cost.

<sup>3</sup> Includes projects with no date for PPCR funding approval; MPIS for projects awaiting Sub-Committee approval; and additional funding to PNG (\$5M)

10. For projects currently scheduled for PPCR funding approval between April and May 2015, based on current funding projections, only USD 53 million of the scheduled USD 74 million for projects would be able to be covered by available resources. There is a likelihood that the PPCR Sub-Committee will not be able to approve PPCR funding for a few projects and programs in FY15 because of lack of available commitment authority for USD 20.5 million.

11. Projects submitted from August 2015 will not be able to receive PPCR funding approval. If the contributor payment scheduled for December 2014 is not received, the PPCR Sub-Committee will run out of commitment authority permanently from April 2015 onwards.

12. If the contributor payment is made as scheduled, it appears that projects submitted after August 2015 will not be able to be financed as there will be a shortfall of PPCR resources in the amount of USD 64.7 million. This shortfall may be partially recovered once reserve funds in the amount of USD 59 million set aside by the Trustee for managing currency exchange risks are released, investment income is increased and exchange rates losses are recovered.

13. The MDB PPCR Committee has confirmed the schedule of pipeline delivery of PPCR project and program for FY 15 as follows:

- a) PPCR funding for two projects has already been approved by the PPCR Sub-Committee (USD 15.3 million in PPCR grants; USD 10 million in PPCR credits); and
- b) 27 projects and programs are still expected to be submitted for PPCR funding approval in FY15 (USD 178.85 million in PPCR grants; USD 77.15 million in PPCR credits).

14. For FY16, 6 projects and programs are scheduled for PPCR funding approval (USD 0.35 million in PPCR grants and USD 42.5 million in PPCR credits). Under current circumstances, these projects will not be able to be financed given the shortfall of PPCR funds.

15. The MDBs and pilot countries have voiced strong concern regarding the potential impacts of the deficit and the anticipated time frame before PPCR resources become available again. The uncertainty about when PPCR resources become available could potentially result in delays in the design and implementation of PPCR projects and programs and jeopardize the programmatic approach which is a core part of the PPCR. In the case of private sector, given the reputational risks associated with lack of funding certainty, projects anticipated for Sub-Committee submission after March 2015 might not be pursued any further.

### **Reports Reflecting on Progress with the Implementation of PPCR Investment Plans**

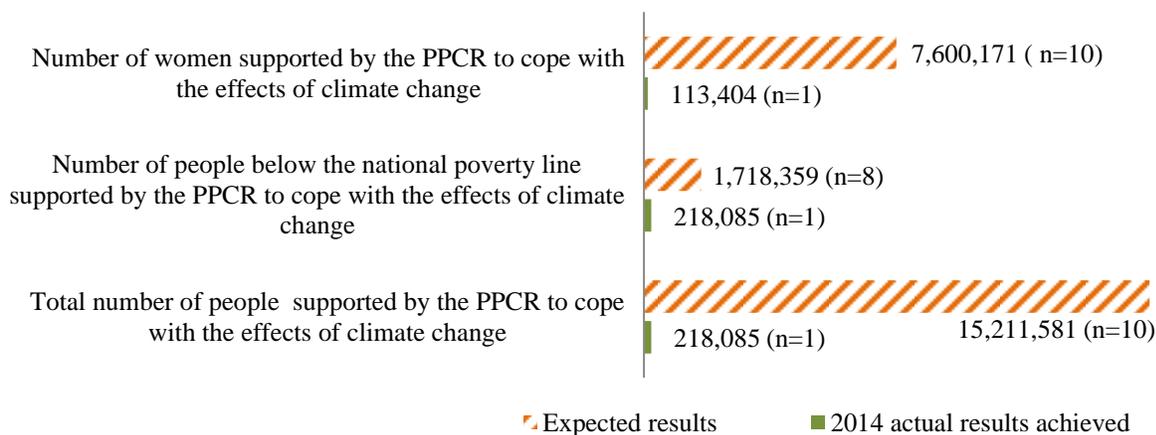
16. Focal points for 14 of the 20 PPCR programs have submitted their 2014 PPCR results report. The CIF Administrative Unit is following up with the focal points and the lead MDB of the 6 PPCR programs for which no report was submitted to discuss the reasons why no reports were provided and what measures can be taken to enable the focal points to report in 2015.

17. Information document PPCR/SC.15/Inf.4 presents the *2014 PPCR Results Report* providing an overview of the progress that has been made in achieving expected PPCR results at the level of the PPCR investment plans using the agreed five PPCR core indicators<sup>4</sup>. The report presents an analysis of PPCR results for the period from the endorsement of the PPCR investment plans (baselines) to March 31, 2014. It also discusses issues and challenges encountered during the reporting round and measures to further enhance PPCR results reporting. The annex of the report provides results factsheets by PPCR pilot, including the country context, a summary and a synthesis of the results.

18. All PPCR pilot countries that have submitted a report have provided data and information for core indicators 1 (*Number of people supported by the PPCR to cope with effects of climate change*) and 2 (*Degree of integration of climate change in national, including sector planning*).

19. Figure 1 presents the results achieved so far by 2014 against the expected results. Ten countries with a total of 22 approved projects have reported on this indicator.

**Figure 1: Expected and Reported Results – Core Indicator 1<sup>5</sup>**  
(Number of people supported by the PPCR to cope with effects of climate change)



20. Figure 2 below presents the progress three countries have made in mainstreaming climate change considerations into national, including sector planning:

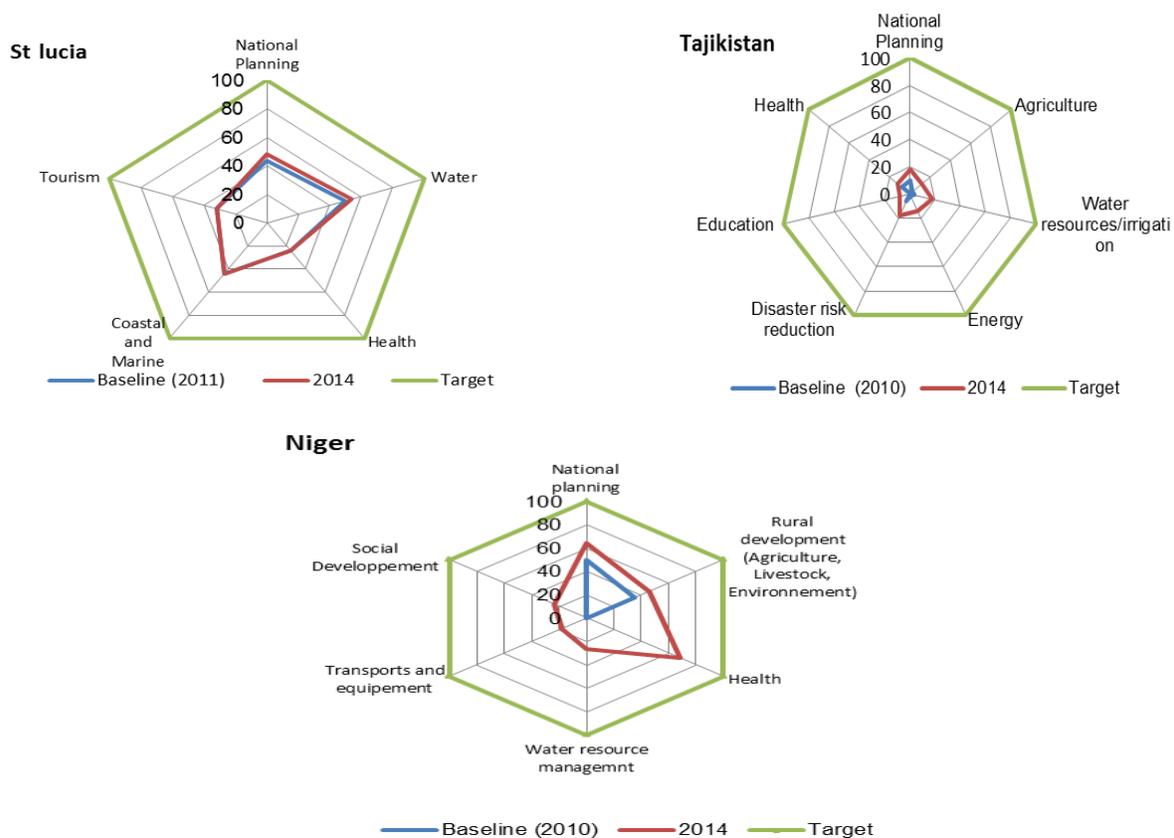
- a) In Saint Lucia, a revised *National Climate Change Policy and Plan* that incorporate new and emerging issues was adopted. The increase in score is also attributable to efforts made on developing a new *Climate Change Adaptation Policy*, which is expected to be endorsed by the Cabinet of Ministers before the end of 2014.

<sup>4</sup> <https://www.climateinvestmentfunds.org/cif/measuring-results/ppcr-results-framework-and-monitoring-toolkit>

<sup>5</sup> “n” represents the number of countries which have reported.

- b) In Tajikistan the slight increase between the baseline and the 2014 report reflects the approval of the *National Action Plan on the Reduction of the Consequences of Climate Change* in June 2013.
- c) In Niger, a PPCR funded project has collaborated successfully with the Ministry of Health to mainstream climate change related aspects into the *National Health Sector Strategy*. Activities are still on-going for the water and transport sector strategies. Twelve local development plans have been revised and validated using the specific tool developed by the project for the integration of a climate change dimension; another 25 local development plans have already been revised and are awaiting validation.

**Figure 2: Examples of reporting on core indicator 2**  
(Degree of integration of climate change in national, including sector planning)



21. Data and information collection for core indicators 3 (*Extent to which vulnerable households, communities businesses and public sector services use improved PPCR supported tools, instruments, strategies, activities to respond to CV&CC*), 4 (*Evidence of strengthened government capacity and coordination mechanism to mainstream climate resilience*) and 5 (*Quality of and extent to which climate responsive instruments/ investment models are developed and tested*), has been identified as a challenge. Reasons for this are linked to the rather generic

formulation of the indicators themselves and associated guidance provided in the PPCR core indicator toolkit. The CIF Administrative Unit will work with the PPCR focal points and the MDBs to further enhance the guidance and integrate the PPCR reporting into the national systems, including the clarification of roles and responsibilities of various partners in monitoring and reporting to improve communication of guidance and quality of reporting. It is anticipated that the CIF Administrative Unit will conduct training workshops for the MDBs which in turn will be able to better support the PPCR focal points in the countries and regional organizations with their monitoring and reporting tasks.

22. Another observation from the submitted 2014 PPCR results reports pertains to the need to provide more contextual information on the PPCR investment plan. This would allow the Sub-Committee and other stakeholders to better assess whether the presented results actually provide evidence that the implementation of the PPCR investment plan is progressing and the theory of change is still valid.

23. In the context of the above observations, the agenda for the next meeting of PPCR pilot countries and regions foresees an in-depth discussion on challenges associated with monitoring and reporting in the PPCR and measures to further enhance the quality and timely delivery of future results reports.

24. The CIF Administrative Unit has continued to facilitate the Community of Practice for PPCR Monitoring and Reporting in support of the PPCR pilot countries and the MDBs. Based on the early lessons of the challenges that countries are facing to report on some indicators, in the coming year the CIF Administrative Unit working with the MDBs will further improve its support program to the PPCR pilot countries.

25. Below are examples of projects in implementation with emerging early results and achievements.

**a) *ADB: Mainstreaming Climate Change Risk Management in Development (Nepal)***

- i. This capacity development technical assistance (CDTA)<sup>6</sup> aims to facilitate the integration of climate change adaptation and resilience objectives in infrastructure development programs, policies, and projects to address projected climate change impacts. It includes the development and application of risk screening tools and methods in irrigation, flood protection, roads, water supply and sanitation, and urban development projects as well as training of focal points in charge of climate risk management in government infrastructure agencies.
- ii. Building on the climate change downscaling exercise developed under an ADB-funded technical assistance,<sup>7</sup> the PPCR-funded CDTA is preparing

<sup>6</sup> ADB. 2011. Technical Assistance to Nepal for Mainstreaming Climate Change Risk Management in Development. Manila.

<sup>7</sup> ADB. 2008. Technical Assistance to Nepal for Strengthening Capacity for Managing Climate Change and the Environment (completed 2013)

climate change threat profiles (CCTP) for eight priority districts, which include Achham, Mugu, Banke, Myagdi, Chitawan, Dolakha, Panchthar and Kathmandu. These climate change threat profiles assess vulnerability of various sectors including water and sanitation, roads and bridges, urban planning, and irrigation. Some of these profiles have been completed. For example, the irrigation sector in Kathmandu shows major threats resulting from rising temperatures and changing rainfall patterns, and change in peak flood and highest flood levels. Increased intense rainfall, flash floods, landslides exacerbated by lack of suitable drainage system may have direct impact on food production and irrigation infrastructure design. Similarly, climate change threat profile of Dolakha district identified increasing wet-season flow and water levels in Tamokosi River, increasing risk of landslides and of glacial lakes outburst floods.<sup>8</sup>

- iii. The climate change threat profiles will allow the government agencies to plan the country's infrastructure and development programs with more geographically targeted information in order to prioritize climate resilience investments in different sectors and geographical areas. The climate change threat profiles will contribute to the development of district level adaptation plans and help build awareness among the vulnerable communities on climate change impacts.<sup>9</sup>

**b) AfDB: Baixo Limpopo Irrigation and Climate Resilience Project (BLICRP) (Mozambique)**

- i. With half of its population living in poverty, Mozambique is one of the poorest countries in the world, in particular due to large gaps in infrastructure such as roads. Frequent flooding and cyclones in Mozambique's southern Gaza Province has severely damaged rural infrastructure, hindering agricultural development and poverty alleviation.
- ii. The PPCR-supported Baixo Limpopo Climate Resilient Agriculture pilot project implemented by AfDB is expected to improve the lives of some 8,200 farm families through (a) climate-resilient infrastructure such as rural roads and irrigation and drainage systems able to withstand extreme weather events, and (b) agricultural development, in particular access to climate-resilient seeds, agro-processing facilities and markets through the contracting of service providers.
- iii. Launched at the end of 2013, the project has already started the implementation of key activities such as the rehabilitation of the drainage network and the installation of equipment such as a stand-by generator to protect the pumping station from the risks of electricity black out during

---

<sup>8</sup> ADB. 2011. Technical Assistance to Nepal for Mainstreaming Climate Change Risk Management in Development. Manila - Proceedings of the Vulnerability Assessment and Adaptation Planning Conference and Working Sessions. October 2013

<sup>9</sup> <http://www.ekantipur.com/the-kathmandu-post/2014/04/10/news/new-model-to-project-climate-change-impact/261530.html>

cyclones, drying platforms for paddy rice, cold storage rooms, and vegetable washing machines.

**c) *EBRD: Enhancing the Climate Resilience of the Energy Sector (Tajikistan)***

- i. In Tajikistan, the PPCR has made possible a highly innovative project that has involved using climate change analysis to inform the rehabilitation of Qairokkum Hydropower Plant, one of Tajikistan's most important hydropower facilities, thus enhancing its capacity to cope with expected increases in climatic and hydrological variability. This will help optimize power generation and dam safety in the face of a more variable climate and also serves as a transferable investment model that could be replicated across Central Asia and beyond. The project will also provide training and skills transfer to Tajikistan's leading power company to help them adopt best international practices on managing climate change risks to hydropower operations. This project was made possible by USD 11 million in grants and USD 10 million in concessional finance from the PPCR, together with a USD 50 million EBRD loan and a further USD 4 million in grants from the EBRD and the United Kingdom.

**d) *IBRD: Strengthening Climate Resilience in Zambia and the Barotse Sub-Basin (Zambia)***

- i. Zambia's climate is highly variable, with frequent droughts, seasonal and flash floods, extreme temperatures and dry spells. Floods and droughts have increased in frequency over the past three decades, costing the nation an estimated 0.4% in annual economic growth. The rural population along the Zambezi basin (particularly along the southern and western zones) is amongst the poorest and most vulnerable in Zambia, due to recurrent floods and droughts and socio-economic isolation. Barotse is one of Zambia's most vulnerable sub-basins within the Zambezi area.
- ii. This project is supporting strengthening of Zambia's institutional framework for climate resilience and improving of the adaptive capacity of vulnerable communities in the Barotse sub-basin. The project includes three components: (a) Strategic National Program Support, aiming to strengthen the national institutional and financial framework for climate resilience; (b) Support to Participatory Adaptation, through strengthening of the adaptive capacity of vulnerable rural communities in the Barotse sub-basin; (c) Pilot Participatory Adaptation, through the funding of actual participatory adaptation investments in the Barotse sub-basin, including community adaptation sub-grants.
- iii. The number of direct project beneficiaries under Participatory Adaptation is approximately 130,000 (about 25,800 households) in 24 targeted wards (sub-districts) and 8 target districts. At the community level, the project

will target an estimated 32 percent of female-headed households. The project will also reserve at least 30 percent of individual champion grants for women. As of to date, the project has identified and approved 10 sub-projects for community sub-grants under the *Pilot Participatory Adaptation* component.

e) ***IFC: Enhancing Food Security and Building Resilience for Farmers (Nepal)***

- i. Nepal is ranked fourth amongst sixteen countries categorized to be at “extreme risk” from climate change impacts over the next thirty years. The country’s 20 million farmers, of whom 96% are smallholders, have begun to experience increased climatic variability and significant water-related stresses, such as changes in precipitation patterns and increase in temperature (leading to increased crop water requirements), impacting their outputs, the agribusiness sector as a whole, and food security in the country.
- ii. With support from PPCR, IFC is working with the country’s leading agribusiness companies to promote improved agricultural and water management practices, as well as, introduce new farming techniques to smallholder farmers producing rice, maize, and sugarcane—three of the highly vulnerable crops in the country. The PPCR supported project aims to benefit 15,000 farmers and increase the productivity of their farms by 20 percent.

26. With advancing the implementation of projects and programs, more outputs and outcomes will be generated at the project level and the expected program-level results discussed in the PPCR investment plan will gradually become a reality. A more detailed discussion of the PPCR monitoring and reporting agenda is presented in information document PPCR/SC.15/Inf.4.

### **Knowledge Management and PPCR Community of Practice**

27. The review exploring the relevance, flexibility, and effectiveness of PPCR “Phase I” grant resources as a potential model for enhancing country readiness for attracting large-scale and diverse adaptation finance is now complete and is expected to be published by December 2014. The review draws heavily from the input provided by PPCR pilot countries and regions on their activities and experiences during that phase and finds that Phase I was successful in supporting key building blocks for enhanced resilience, including country ownership, strengthened capacity, coordination and institution-building, and communication and collaboration among different stakeholder groups. At the same time, Phase I fell short in fostering private sector engagement and was sometimes hindered by the limited in-country capacity that it was designed to address. A number of recommendations emerged which could inform future efforts of the PPCR and other initiatives including the Green Climate Fund that aim to support readiness for and investments in climate-resilient development. Lessons from PPCR Phase I were shared during a session at the 2014 Partnership Forum. A comprehensive communications plan will support the further dissemination of the published report.

28. In order to better understand and manage the risks of current and future climate for social and economic development, many PPCR pilots have identified improvements to hydromet and climate services (HCS) as a priority need. To support further learning among PPCR countries on HCS, the CIF proposes to support the participation of hydromet practitioners from the 13 countries with approved PPCR-financed hydromet and climate services investments in ICCS4 to be held in Montevideo, Uruguay from December 10-12, 2014. ICCS4 provides an excellent platform to bring together hydromet practitioners from PPCR pilots as it enables valuable interaction with experts in the field of climate services, while also encouraging exchange between PPCR countries, and targeted content to support them in the implementation of their PPCR investments. In 2013 the CIF sponsored five PPCR participants (from Mozambique, Nepal, Niger, Tajikistan, and Yemen) and arranged for a dedicated session on the PPCR. This year, the CIF proposes to expand sponsorship and to convene a one-day pre-workshop for PPCR countries focusing on best practices in using climate services to develop products tailored to user needs, tapping the expertise of resource persons who will be attending the conference.

29. To further support the PPCR Community of Practice, the CIF Administrative Unit will organize the next PPCR pilot countries meeting in early 2015. The venue and timing is still to be confirmed. Based on feedback recently solicited from the current PPCR countries and regional organizations, the meeting is expected to focus on two main topics:

- a) approaches and experiences in establishing and capitalizing national adaptation trust funds; and
- b) how to build on country systems (e.g., stakeholder dialogue and consultation platforms, national monitoring and reporting systems) to enhance implementation of the PPCR programmatic approach.

30. Since an increasing share of PPCR projects and programs are now in implementation, opportunities should be explored for participating PPCR pilot countries and regional institutions to learn from each other, especially for countries where vulnerable sectors or identified challenges are similar.

31. The CIF Administrative Unit is working with the MDBs to identify PPCR projects for case studies, targeting projects that are well into implementation from which relevant and meaningful lessons can be shared, as well as projects previously identified that already incorporate evidence-based learning approaches (namely, projects in Bangladesh, Cambodia, and Nepal as communicated in CTF-SCF/TFC.12/4/Rev.1, *Approaches to Evidence-Based Learning in the CIF Project Cycle*).

### III. UPDATES SINCE LAST SEMI-ANNUAL OPERATIONAL REPORT

#### Status of PPCR Sub-Committee Approvals

32. During the reporting period, the PPCR Sub-Committee approved PPCR funding for 34 projects and programs totaling USD 53.8 million<sup>10</sup>. Eight projects and programs totaling USD 172.4 million in PPCR resources were approved by the respective MDBs.

33. During its meeting in November 2012, the PPCR Sub-Committee agreed to allocate USD 88 million in additional PPCR resources to 16 PPCR pilot countries. Each pilot country was invited to work with the MDBs to prepare, for endorsement by the Sub-Committee, a concept or concepts for programs/projects that further advance the objectives of its SPCR utilizing the additional allocation. “If such a program/project concept(s) is not submitted to the Sub-Committee within 18 months of this decision and following that endorsed, the unused allocation will be transferred to the set aside for a competitive process ...”<sup>11</sup>

34. By August 30, 2014, concept notes for the additionally allocated resources were submitted and endorsed for all but one PPCR pilot country (Papua New Guinea). The concept note for the use of additional resources is expected to be submitted within the calendar year.

35. During its meeting in June 2014, the Sub-Committee endorsed 4 concepts under the second round of the private sector set-aside bringing the number of private sector investments supported by the mechanism to 12. A total of USD 75.35 million in PPCR near-zero interest credit resources have been allocated for these projects.

### IV. PORTFOLIO OVERVIEW AND ANALYSIS

#### Project approvals

36. While PPCR funding approvals have more than doubled compared to the last reporting period, only 4 out of the 13 forecasted number of projects were actually submitted for PPCR funding approval of USD 53.8 million in PPCR resources.

37. The difference in actual and forecasted delivery dates for PPCR funding approval of project and programs indicates the challenges with providing realistic estimates on the timeline for moving a PPCR project or program from planning to implementation stage. In most cases, reasons are related to unexpected and uncontrolled events such as political uncertainties and natural events, as well as, insufficient capacities in the countries. The CIF Administrative Unit and MDBs will continue their efforts to obtain improved forecasts for project/program approvals.

---

<sup>10</sup> The Sub-Committee approved USD27 million for St. Lucia, USD 1.5 million for Niger (advisory services component), USD 7.4 million for Cambodia and USD 17.9 million for Jamaica in PPCR funding.

<sup>11</sup> *Summary of the Co-Chairs, Pilot Program for Climate Resilience Sub-Committee Meeting, November 1, 2012*

38. For the upcoming reporting period, the pipeline projects that 15 projects and programs will be submitted for PPCR funding approval totaling USD185.7 million<sup>12</sup>.

### Project and Program Development

39. On average it has taken PPCR projects and programs 18.7 months to be developed from concept stage to PPCR funding approval. This is consistent with the development time frame for projects of complex nature and facing challenging country conditions like PPCR pilot countries are experiencing. Taking into account that the PPCR is exploring new and inclusive approaches to building resilience to the impacts of climate change the average time it takes a PPCR project to be developed is less than anticipated.

40. Reasons for differences in implementation pace can be traced back mainly to the national and regional circumstances each PPCR pilot country experiences, including the need to get national and provincial level approvals, extended consultations with local communities and indigenous peoples, uncertainties and delays in counterpart staff and budget allocations, extreme climate events, changes in PPCR focal points, national elections and delays in consultant recruitments.

41. While 50% of the PPCR projects in the PPCR portfolio moved rather quickly through the development process (less than 18 months) and received PPCR funding approval, 29 projects are still being prepared. Of these 29 projects, 13 projects are in the pipeline for more than 18 months and 9 projects for less than 18 month. For 7 projects, MDBs did not provide an estimate by what date PPCR funding approval would be requested. Table 3 below provides an overview of the status of projects and programs in preparation for PPCR funding approval:

**Table 3: Status of Projects and Programs in Preparation for PPCR Funding Approval**

	<b>18 months or less after IP endorsement</b>	<b>More than 18 months after IP endorsement</b>	<b>No data provided</b>
Number of projects and programs	9	13	7
PPCR resources (USD millions)	54.85	180.8	25.24

42. As per last estimates by the MDBs, the following projects are likely to need 24 months or more to be submitted for PPCR funding approval:

- a) *Bolivia*: Climate Resilience Program for the Water and Sanitation Systems of the Metropolitan Areas of La Paz and El Alto (IDB)
- b) *Cambodia*: Climate resilience of rural infrastructure in Kampong Cham province as part of Rural Roads Improvement Project (RRIP-II)Project Title (ADB)

<sup>12</sup> <sup>12</sup> Based on current information, and the assumption that the next semi-annual operational report will cover the period from October 1, 2014 – March 31, 2015.

- c) *Cambodia*: Component 3-Project 3-Flood-resilient Infrastructure Development in Sisophon, Siem Reap, Kampong Thom, Battambang, Pursat and Kampong Cham Project Title (ADB)<sup>13</sup>
- d) *Mozambique*: Developing Community Climate Resilience through Private Sector Engagement in Forest Management, Sustainable Timber harvesting and/or tourism. Options include forest areas in Niassa, Gorongosa and central Mozambique (IFC)
- e) *Yemen*: Climate-Resilient Integrated Coastal Zone Management (IBRD)
- f) *Caribbean Regional Track*: Investment Proposal for the Caribbean Regional SPCR Project Title (IDB)
- g) *Pacific Regional Track*: Identifying and Implementing Practical CCA and related DDR Knowledge and Experience Project Title (IBRD)
- h) *PNG*: Building Climate Resilience in Papua New Guinea (ADB)

#### PPCR funding approvals by pilot

43. Table 4 provides information on the indicative allocation of PPCR funding by pilot at the time of SPCR endorsement and the funding which has been approved by the Sub-Committee.

**Table 4: Indicative Allocations and Approvals of PPCR Resources by PPCR Pilot**

PPCR Pilot	SPCR Endorsement Date	24 Month Benchmark <sup>14</sup>	Total allocation (incl. PSSA and additional resources)	Funding Approvals as of September 30, 2014	% Funding Approval (excl. PSSA and additional resources)
Bangladesh	Nov-10	Nov-12	110	100	91%
Bolivia	Nov-11	Nov-13	115	48	56%
Cambodia	Jun-11	Jun-13	100.96	62.56	73%
Mozambique	Jun-11	Jun-13	102	80.43	93%
Nepal	Jun-11	Jun-13	71.6	71.6	100%
Niger	Nov-10	Nov-12	110.65	100.65	91%
Tajikistan	Nov-10	Nov-12	72.75	70.75	97%
Yemen	Apr-12	Apr-14	58	19.4	39%
Zambia	Jun-11	Jun-13	91	76.41	89%
Dominica	Nov-12	Apr-14	21	21	100%
Grenada	Apr-11	Apr-13	25	16.2	81%

<sup>13</sup> A request for PPCR funding approval was submitted to PPCR Sub-Committee on October 9, 2014.

<sup>14</sup> Benchmarks established according to SCF Policy on Pipeline Management.

Haiti	May-13	May-15	28	8	40%
Jamaica	Nov-11	Nov-13	35.75	18.4	74%
Saint Lucia	Jun-11	Jun-13	33.1	27	100%
St. Vincent & The Grenadines	Apr-11	Apr-13	15	15	100%
Caribbean - Regional Track	Apr-12	Apr-14	10.6	0.21	2%
Papua New Guinea	Nov-12	Nov-14	25	0.75	3%
Samoa	Apr-11	Apr-13	30	30	100%
Tonga	Apr-12	Apr-14	20	20	100%
Pacific - Regional Track	Apr-12	Apr-14	10	4.21	42%

44. By the end of the reporting period, 15 out of the 20 PPCR pilots have received PPCR funding approval for more than 50% of the indicative funding allocation endorsed by the PPCR Sub-Committee. Also, 10 out of 20 pilots have had over 90% of their funding approved.

45. Two PPCR programs (Caribbean Regional Track and Papua New Guinea) have not received PPCR funding approval for any project in their endorsed PPCR investment plans and have passed the 24-month benchmark of their investment plan endorsement. A total of USD 35.6 million has been endorsed for these programs.

46. There are 5 PPCR programs which have a PPCR funding approval rate below 50%: Yemen, Haiti, Papua New Guinea and the regional tracks for the Caribbean and Pacific programs. These programs are briefly discussed below.

**a) *Yemen (IBRD):***

- i. Yemen PPCR program aims at improving the provision and delivery of climate services to support decision making and mainstreaming climate resilience in agriculture, water and coastal zone management, focusing on vulnerable communities. The program consists of three projects—(a) Climate Information System and PPCR Program Coordination (CIS); (b) Climate-Resilient Integrated Coastal Zone Management (CRICZM); and (c) Climate Resilience of Rural Communities (CRRC).
- ii. The CIS (US\$19 million PPCR grant) project was approved by the CIF in March 2013 and by the MDB Board in September 2013. The project became effective in October 2013 and started disbursing in January 2014. The implementation of the project is well underway. Recruitment of all staff for the Project Coordination Unit (PCU) has been completed. The Government of Yemen seconded two female technical staff to the PPCR-

PCU. Training needs were identified and some technical training will be conducted in November 2014. This project is also leading the programmatic M&R under the PPCR program in Yemen and has supported the reporting of baselines, targets and first round of results on the PPCR core indicators. The recruitment of the Systems Integrator, which is critical to the project implementation, took time, but the negotiation was completed. The contract for Systems Integrator is expected to be signed by November 2014, which involves all major aspects of the project, including the overall design of the modernization of hydro-meteorological network, service delivery, implementation support and capacity strengthening. The next implementation support mission planned in December 2014 will focus on working with the PCU and the Systems Integrator to facilitate smooth launch and to expedite the Integrator's work.

- iii. Preparation of the CRRC (US\$19 million PPCR grant) is ongoing. Although travel to Yemen is restricted, the World Bank continues to maintain close communication with the counterparts and provide preparation and implementation support through reverse missions, with key staff from the implementing agency coming to neighboring countries (e.g. Qatar, Egypt, etc.) at times when the World Bank team cannot go to Yemen due to security reasons. In lieu of missions, the task team and the counterpart (Social Fund for Development) have continued preparation activities through video conferences to maintain the preparation timeline as much as possible and to avoid further delays. With this alternative arrangement and support from international consultants, the preparation of project documents required for CIF approval and subsequent appraisal are near completion. The project is expected to be submitted for the CIF approval in December 2014.
- iv. The preparation of the CRICZM (US\$20 million PPCR grant) projects was delayed due to sudden demise of the chairman of EPA, the main counterpart. With the new chairman of the EPA on board, discussions have now been resumed with the counterpart, which will help expedite project preparation in order to meet the target timeline. The project is expected to be ready for CIF approval in February 2015. The Government of Yemen remains committed to achieving the goals of its SPCR through the delivery and implementation of the three PPCR projects.

**b) *Haiti (IBRD)***

- i. Haiti SPCR was endorsed in May 2013, including four projects—(a) Center and Artibonite Regional Development (CARD) (formerly known as: Climate Proofing of Infrastructures in Centre-Artibonite Loop) (IBRD); (b) Climate Proofing of Agriculture in the Centre-Artibonite Loop (IDB); (c) DRM and Reconstruction - PPCR Additional Financing

(formerly known as: Climate Change Adaptation in the Coastal Cities of the Gulf of La Gonâve) (IBRD); and (d) Strengthening Hydro-Met Services (formerly known as: Strengthening Knowledge Management of Hydro-meteorological, Water Resources, and Climate Data to Inform Decision Making and Policy Dialogue) (IBRD).

- ii. Haiti is demonstrating good progress in terms of project preparation and delivery. The CARD project (US\$8 million PPCR grant; US\$50 million IDA grant) was approved by the CIF within nine months of SPCR endorsement and was approved by the WB Board within twelve months of SPCR endorsement. The project became effective in October 2014. The key focus of the CARD project is to build resilience of critical road and water infrastructures to climate change and disaster risks. The preparation of the Strengthening Hydro-Met Services (US\$5.5 million PPCR grant) and DRM and Reconstruction - PPCR additional financing (US\$7 million PPCR grant) projects is ongoing, and both projects are expected to be ready for submission to the PPCR Sub-Committee for approval in Q3 2015.
- iii. The Hydro-Met project aims to strengthen the Government of Haiti's institutional capacity to provide weather, water and climate services tailored to the needs of civil protection and agriculture sectors through: (a) integrating existing hydro-met networks into a national data platform; (b) understanding weather, water, and climate services needs for select end users (agriculture and civil protection) and developing information services to support their decision making. To this date, an informal hydro-met donor group has been established and coordinated with main partners (WMO, EU, IDB, USAID) to avoid duplication of efforts and harmonize ongoing/planned hydro-met activities in Haiti. As part of the project preparation, technical assistance was provided, especially, to identify costs of hydro-meteorological and climate services in Haiti to inform the work of Inter-ministerial Commission for the reform of hydro-met services.
- iv. The PPCR additional financing to the DRM and Reconstruction Project (PRGRD) is currently being prepared and will contribute to a better understanding of climate risks in urban areas as well as the strengthening of PRGRD interventions in the metropolitan area of Port-au-Prince. The PPCR AF will target urban resilience interventions in the poorest and most vulnerable areas of Port-au-Prince by following an integrated urban watershed restoration approach, focusing on one specific ravine, with a mix of emergency preparedness activities, with civil protection committees, evacuation roads and shelters, some risk analysis and preparation of risk management plan and some risk mitigation works. PPCR AF activities will complement ongoing and planned activities under the PRGRD, as well as leverage ongoing interventions by other partners in the area. The PPCR AF will use existing PRGRD implementation

arrangements with the Ministry of the Interior (MICT) and the Ministry of Public Works (MTPTC).

- v. The Climate Proofing of Agriculture in the Centre-Artibonite Loop (US\$4.5 million) project is also under preparation.

**c) *Caribbean Regional Track (IDB)***

- i. The detailed design of the project implementing the Regional Caribbean Track is currently being finalized and nearly completed. Deliverables are currently under review by the IDB team, especially as it relates to the governance and implementation structure for the project. The project is expected to receive PPCR funding approval before the end of 2014.

**d) *Pacific Regional Track (IBRD)***

- i. The Pacific Regional PPCR program aims to build resilience of the Pacific island countries to climate change and climate-related disaster through more effective integration of climate change adaptation and disaster risk reduction. The program compliments and builds on country SPCRs in the Pacific (Samoa, Papua New Guinea, Tonga). It focuses on building capacity and replicating and scaling-up good practices and lessons learned from the country tracks in the 11 non-PPCR Pacific island countries. The program comprises of three projects: (a) Mainstreaming CCA and Related DRR (ADB); (b) Practical Climate Resilient Approaches and Tools for Food and Water Security and Coastal Zone Management (previously known as Identifying and Implementing Practical CCA and Related DRR Knowledge and Experience) (IBRD); and (c) Building Pacific Island Countries' Capacity to Respond to Climate Change Risks (ADB).
- ii. The objective of the Practical Climate Resilient Approaches and Tools for Food and Water Security and Coastal Zone Management (US\$6.11 million PPCR grant) project is to improve the quality and access to climate responsive tools, technologies, and practices for agriculture and fisheries production, water security and coastal zone management in the eligible Pacific Island countries. The preparation of the project is proceeding well, with recruitment of a team of experts from a range of disciplines, completion of a detailed assessment and consultation in pilot sites in Federal State of Micronesia and Kiribati to draft the framework Project Design Document. The preparation of an Environment and Social Management framework is about to start.
- iii. It has been proposed to blend this project with a new Pacific Resilience Project (PREP) funded through IDA and GEF/SCCF, given the similar

objectives of both projects and the fact that the Secretariat of the Pacific Community is the implementing agency for both projects. Through this restructuring, the US\$ 6.11 million from the PPCR would leverage about US\$30 million from IDA (national and regional) and US\$7.5 million from GEF/SCCF. The blending will create strong synergy between the two programs, with the knowledge and tools developed under the PPCR in various sectors (water, coastal management, food security) informing climate resilient planning and investments under the PREP. The proposed approach would also ensure a strong alignment between climate change adaptation and disaster risk management in line with the regional Strategy for Climate and Disaster Resilient Development in the Pacific (SRDP). Although this may prolong the project preparation by a few months, the scope of the project would be more robust. The project is now expected to be ready for CIF approval in May 2015.

**d) Papua New Guinea (ADB)**

- i. Delays on the preparation of the project were due to the difficulty of prioritizing the many adaptation needs in PNG, and the remoteness of some of the islands. ADB, in consultation with the government of PNG are currently working on the design of the project. It is expected that the project preparation will be completed by end of February 2015. ADB Board approval is expected by August 2015.

47. Updates on the status of all projects and programs in the PPCR pipeline is provided in the information document PPCR/SC.15/Inf.3, *PPCR Pilot Country and Regional Portfolios*.

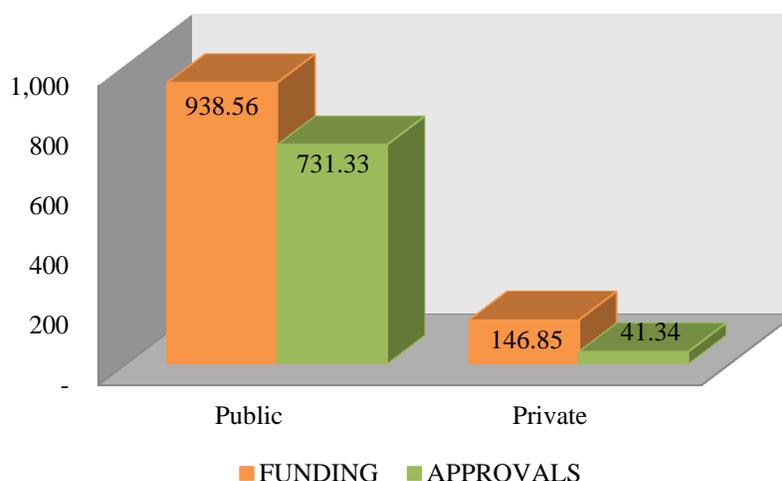
**Approvals by public/private sector**

48. Figure 3 provides a breakdown of PPCR funding allocation for public and private sector projects and programs in the PPCR portfolio disaggregated by mechanism (investment plan or PPCR private sector set-aside).

49. Of the 75 projects and programs currently in the PPCR portfolio, 22 are providing funding to private sector clients (including 12 private sector set-aside projects), and 53 are public sector operations. Hence, the PPCR private sector set-aside mechanism succeeded in increasing the number of private sector investments in the PPCR portfolio from 10 to 22, contributing to a more balanced distribution.

50. Of the 46 projects and programs which have received PPCR funding approval by the Sub-Committee, 6 are private sector operations, and the remaining 40 are public sector investments. PPCR funding for 95 % of public sector operations and 5 % of private sector operations has been approved.

**Figure 3: Distribution of Approvals between Public and Private Sector Operations (USD million)**



51. While approvals of PPCR resources for public sector projects and programs have more than doubled compared to the last reporting period, PPCR funding approvals to date for private sector operations continue to be at a lower rate.

52. Of the 22 private sector operations supported under the PPCR investment plans, 7 projects and programs have received PPCR funding approval and 6 were approved by the respective MDB Boards.

53. Of the 12 private sector operations endorsed under the PPCR private sector set-aside, 2 projects implemented by EBRD in Tajikistan have also received PPCR funding approval. One operation was also approved by the MDB board.

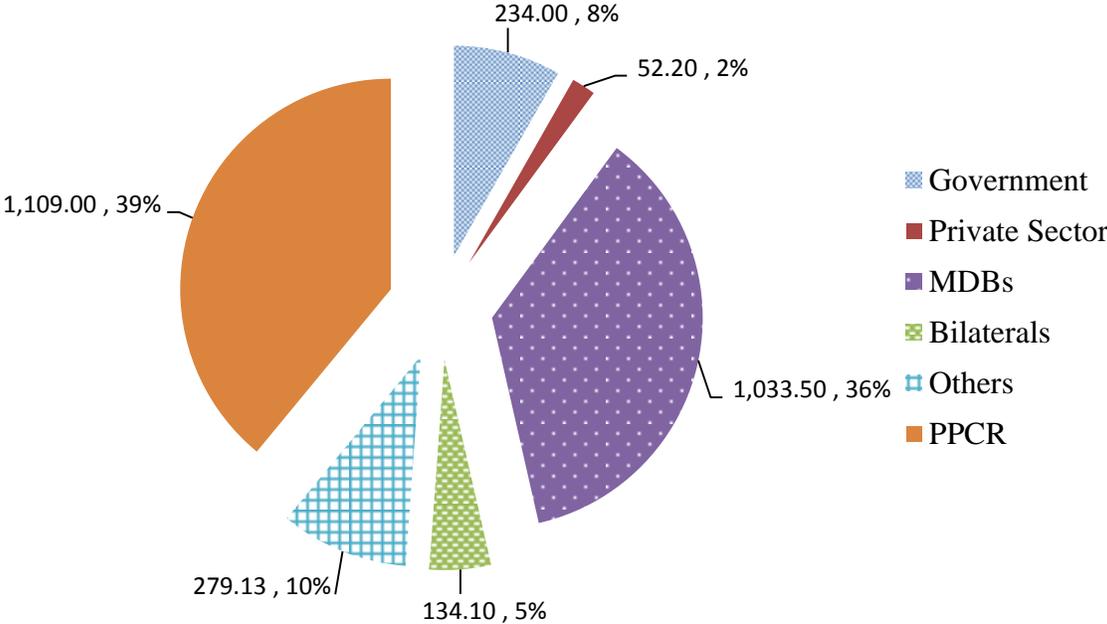
54. With its portfolio diversity, the PPCR will be able to provide solid lessons and experience with involving the private sector in building resilience and increasing capacities for adaptation to the impacts of climate variability and change. Examples of the “PPCR at work” are highlighted in the section on strategic issues for the PPCR.

### **Co-financing**

55. Figure 4 below summarizes the co-financing figures in the PPCR disaggregated by source. A detailed breakdown of co-financing on a country and project/program basis can be found in document PPCR/SC.15/Inf.3, *PPCR Pilot Country and Regional Portfolios*.

56. The projected cofinancing ratio at the time of the endorsement of the PPCR investment plans was 1: 1.6. The ratio of total PPCR funding to co-financing based on the most updated information available for approved projects is also 1:1.6 suggesting the projections at the time of the endorsement of the PPCR investment plans were realistic.

**Figure 4: PPCR Financing Breakdown by Source (USD million) (projected)**



57. In addition to pilot country governments and MDBs, major co-financing partners include: Bill and Melinda Gates Foundation, Global Facility for Disaster Risk Reduction, Global Agriculture and Food Security Program, Global Environment Facility, Global Disaster Risk Reduction Facility, and bilateral partners from Australia, Korea, Norway and the United Kingdom.

58. It is apparent that the largest co-financing partner for PPCR projects and programs are the MDBs. This is consistent with the mandate of the CIF to build on existing or planned MDB operations and to use CIF resources to further enhance these operations in a way that they go above and beyond the business-as-usual (principle of “additionality”). Most PPCR operations are blended or use PPCR resources to add to a MDB project in implementation.

59. Table 5 provides information on the total PPCR funding, total co-financing and the average co-financing ratio by thematic category.

**Table 5: Total Co-financing and Co-financing Ratio by Thematic Category**

<b>Project Category</b>	<b>PPCR funding</b>	<b>Co-Financing</b>	<b>Average Ratio 1:...</b>
Agriculture and Landscape Management	281.78	296.58	1.05
Climate Information Systems and Disaster Risk Management	185.60	70.20	0.38
Coastal Zone Management	73.11	451.50	16.2
Enabling Environment (including capacity development, policy and regulatory work)	144.75	87.35	0.6
Infrastructure	174.15	618.50	3.6
Urban Development	21.50	40.00	1.9
Water Resources Management	204.51	175.40	0.86
<b>Total</b>	<b>1109.7</b>	<b>1732.53</b>	<b>1.6</b>

60. The ranges of co-financing ratios across projects within each sector vary rather greatly depending on sector and type of investment. Most projects focusing on the enabling environment and building climate information systems are stand-alone operations which do not attract much co-financing due to the nature of the investment. Coastal zone management and infrastructure operations are able to leverage more co-financing as more partners are able to collaborate and contribute to the investment.

### **Disbursements**

61. The most recent *CIF Disbursement Report*<sup>15</sup> shows that during the second half of FY14 a total of USD 13.9 million in PPCR resources were disbursed, bringing cumulative PPCR disbursements to USD 60.7 million. In some countries like Niger, Yemen and Mozambique disbursements were more significant.

62. The above discussed delays in presenting projects and programs for PPCR funding and MDB board approval has a cascading effect on meeting the annual projections for FY14 and cumulative PPCR disbursements. Consequently, results will emerge later than originally anticipated which is reflected in the annual PPCR results reports.

15

[https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/CIF\\_Disbursement\\_Report\\_July\\_1\\_December\\_31\\_2013.pdf](https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/CIF_Disbursement_Report_July_1_December_31_2013.pdf)

**Annex 1: Calendar of Scheduled Submissions of Projects and Programs for PPCR Funding  
Approval (FY 15)**

<b>Country</b>	<b>Project title</b>	<b>MDB</b>	<b>Public/ Private</b>	<b>Grant</b>	<b>Concessional Loan</b>	<b>PPCR Funding</b>
<b>Q1</b>						
Yemen	Climate-Resilient Integrated Coastal Zone Management	IBRD	Public	20.00	-	<b>20.00</b>
Yemen	Climate Resilience of Rural Communities	IBRD	Public	18.60	-	<b>18.60</b>
South Pacific-Regional Track	Identifying and Implementing Practical CCA and related DDR Knowledge and Experience	IBRD	Public	5.79	-	<b>5.79</b>
Tajikistan	Additional Financing to the Environmental Land Management and Rural Livelihoods	IBRD	Public	2.00	-	<b>2.00</b>
Caribbean-Regional Track	Investment Proposal for the Caribbean Regional SPCR	IDB	Public	10.45	-	<b>10.45</b>
Cambodia	Component 3-Project 3-Flood-resilient Infrastructure Development in Sisopohon,Siem Reap, Kampong Thom, Battambang, Pursat and Kampong Cham	ADB	Public	4.40	5.00	<b>9.40</b>
South Pacific-Papua New Guinea	Building Resilience to Climate Change in Papua New Guinea	ADB	Public	24.25	-	<b>24.25</b>
Caribbean-Jamaica	Improving Climate Data and Information Management	IBRD	Public	6.80	-	<b>6.80</b>
Caribbean-Jamaica	Mainstreaming Climate Change Adaptation in Local Sectoral and National Plans, and Implement Integrated Adaptation Strategies in Targeted River Basin Planning and Management	IDB	Public	7.70	3.60	<b>11.30</b>
Caribbean-Jamaica	Financing Mechanism for Sustained Adaptation Initiatives by the Public and Private Sectors and Community-based Organizations	IDB	Public	-	6.40	<b>6.40</b>
Caribbean-Jamaica	Knowledge Management	IDB	Public	0.20	-	<b>0.20</b>
<b>Q2</b>						
Haiti	Support for the building of a climate resilient sorghum supply chain in Haiti	IDB	Private	-	3.00	<b>3.00</b>
Jamaica	Financing water adaptation in Jamaica's new urban housing sector	IDB	Private	-	5.75	<b>5.75</b>
Saint Lucia	Supporting climate resilient investments in the agricultural sector in Saint Lucia: provision of small to medium sized loans to farmers, farmer associations, distributors/ wholesalers and processing companies.	IDB	Private	-	6.10	<b>6.10</b>
Mozambique	Lurio Green Resources Forestry Project	AfDB	Private	-	11.00	<b>11.00</b>
Caribbean-Haiti	DRM and Reconstruction - Additional Financing	IBRD	Public	7.00	-	<b>7.00</b>
Caribbean-Grenada	Additional Financing to the Regional Disaster Vulnerability Reduction Project	IBRD	Public	5.00	3.80	<b>8.80</b>

Country	Project title	MDB	Public/ Private	Grant	Concessional Loan	PPCR Funding
Bolivia	Climate Resilience Program for the Water and Sanitation Systems of the Metropolitan Areas of La Paz and El Alto	IDB	Public	42.50	-	<b>42.50</b>
Zambia	Private Sector Support to Climate Resilience - Advisory Services Component	IFC	Private	1.09		<b>1.09</b>
Caribbean-Haiti	Strengthening Hydromet Services	IBRD	Public	5.50	-	<b>5.50</b>
Caribbean-Haiti	Climate Proofing of Agriculture in the Centre-Artibonite Loop	IDB	Public	4.50	-	<b>4.50</b>
<b>Q3</b>						
Mozambique	Developing Climate Resilience in the Agricultural and Peri-Urban Water Sectors Through Provision of Credit Lines from Mozambican Banks - Advisory Services Component	IFC	Private	0.35	-	<b>0.35</b>
Mozambique	Developing Community Climate Resilience Through Private Sector Engagement in Forest Management, Sustainable Timber harvesting and/or tourism. Options include forest areas in Niassa, Gorongosa and central Mozambique	IFC	Private	0.23	5.00	<b>5.23</b>
Cambodia	Climate resilience of rural infrastructure in Kampong Cham province as part of Rural Roads Improvement Project (RRIP-II)	ADB	Public	9.00	7.00	<b>16.00</b>
Cambodia	Component 4-Cluster Technical Assistance: Mainstreaming Climate Resilience into Development Planning of Key Vulnerable Sectors	ADB	Public	3.00	-	<b>3.00</b>
<b>TOTAL</b>				<b>178.36</b>	<b>56.65</b>	<b>235.01</b>