



Lessons from Developing Strategic Investment Frameworks for Climate Resilient Development under the PPCR (“Phase 1”)

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PILOT PROGRAM FOR CLIMATE RESILIENCE

- The Basics

PURPOSE

To support developing countries to integrate climate resilience into development planning and provide additional funding to support public and private sector investments for implementation.

Key Elements

- Partnership among Multilateral Development Banks (AfDB, ADB, EBRD, IDB, and WBG)
- Programmatic approach (“1+1=3”)
- Integration/mainstreaming
- Demonstration at scale/transformation
- Consultation/inclusion/participation
- Public and private sector need to act
- Collaboration with other development partners

Study explores **relevance, flexibility, and effectiveness** of PPCR preparatory process “Phase 1” to “ready” countries for climate-resilient development and organizing and absorbing diverse climate finance at the country and regional levels.



Study Objectives and Approach

- What has been achieved with “Phase 1”?
- Document lessons learned
- Recommendations for future preparatory work in support of a low-carbon, climate resilient development
- Case Study: Samoa



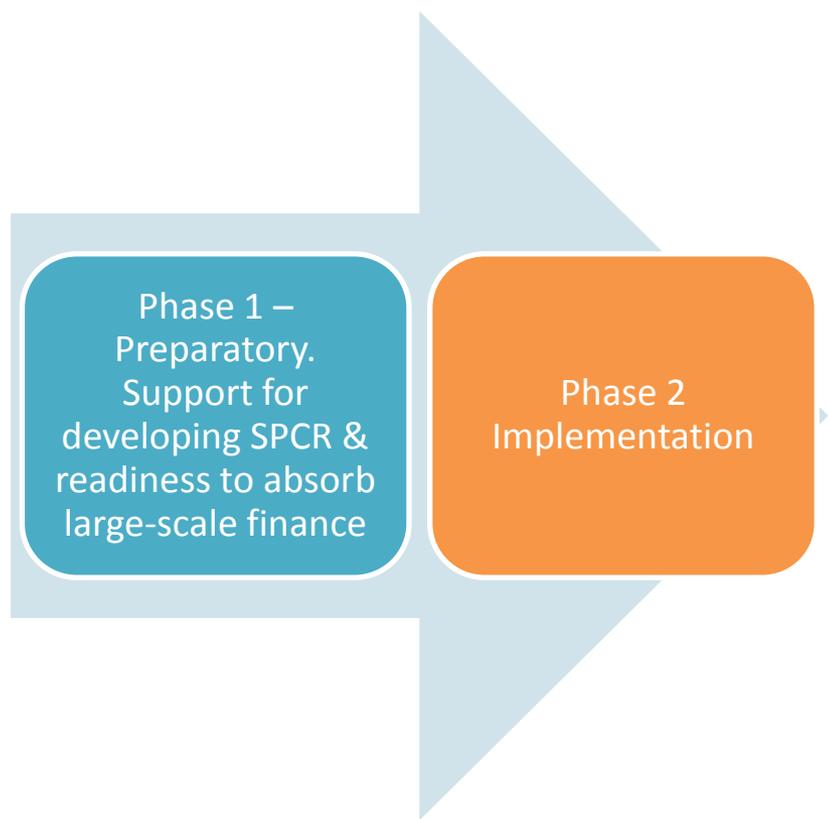
Objective of and Activities supported under “Phase 1”

- *Development of the PPCR Investment Plan*
 - Stocktaking of existing plans and policies
 - Analysis of climate risk
 - Institutional analysis
 - Consultation processes
- *Initial Capacity Development*
 - Setting up or enhancing multi-sectoral mechanisms
 - Knowledge & awareness raising

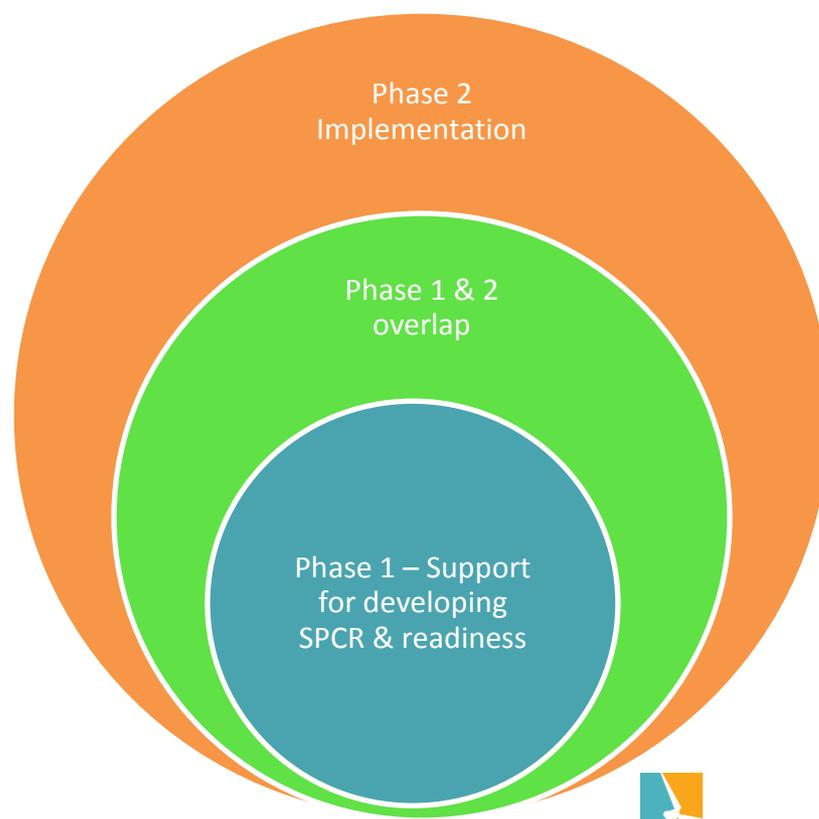


The Evolution of “Phase 1”

Original intention



Evolution of Phase 1 into a “bridge mechanism”





Key Lessons: Process & Funding

- **Funding required** for the preparation phase will vary, depending on a country's needs
 - Low readiness countries need more support
 - Nepal, Bangladesh, Niger – could rely on existing analytical work / institutional structures
 - Absorptive capacity issue

- **Time and human resources necessary** to develop SPCR & prepare for implementation depend on country circumstances
 - Preparation of SPCR following Phase 1 approval: 5-25 months
 - **Haiti, Papua New Guinea and Yemen** - low capacity and lack of existing climate change studies and analytical work.
 - **Samoa** benefited from an existing enabling environment for climate resilient development



Key Lessons: Process & Funding

- **MDBs were important catalysts** during Phase 1 development of the SPCRs
 - Co-ordination between MDBs
 - Roles and responsibilities of all actors needed to be clarified
- **Clear operational guidance**, support to administrative capacity, and a **consistent funding structure** are necessary to facilitate program development & implementation
 - Complexity of procedures
 - Delays in contracting, limited administrative capacity
 - Uncertainty over Phase 2 funding



Key Lessons: Developing a Programmatic Approach

- Establishing **country ownership** from the outset facilitates the preparation process, increases commitment & ensures the SPCR reflects country priorities
 - Country-led versus MDB-led
- **Capacity building** is central to the success of the PPCR, and a clear justification for a strong preparatory phase
 - Investing in national champions
 - Additional support – e.g. to incorporate M&R processes in design phase



Key Lessons: Developing a Programmatic Approach

- **Institutional and inter-governmental coordination is essential.**
Anchoring the PPCR in a strong lead ministry (Finance or Planning) is one of the most reliable measures for ensuring inter-governmental cooperation
 - Harness or enhance existing institutions – e.g. Cambodia, Nepal
 - Establish new institutions – e.g. Tajikistan, Samoa, Mozambique
- **Consultations** undertaken during Phase 1 enhanced engagement and communication among stakeholders and increased ownership across all pilot countries
 - **Challenges** – consultations versus consensus, stakeholder consultation fatigue, managing stakeholders' expectations, need for additional time and effort to ensure stakeholders fully understand the issues and discussions.



Key Lessons: Developing a Programmatic Approach

- The **private sector** has a critical role to play in climate change adaptation

- Major obstacles to private sector investment have limited engagement to date
 - lack of knowledge about climate-related investment opportunities
 - limited private sector capacity in pilot countries
 - difficult business environments in some pilot countries
 - timeframes
 - competition for funding between public and private sector

- ☞ PPCR has established a private sector set aside



Recommendations

- Maintain a flexible approach
- Ensure programs are nationally driven
- Emphasize a highly consultative process
- Allow sufficient time and resources for analysis
- Needs-based allocation of “Phase 1” resources
- Integration of preparatory & implementation phases: gap needs to be avoided
- Roles and responsibilities of all actors need to be clear
- Ensure sustainability of institutional support
- Develop necessary institutional and human resources capacities
- Support public-private sector dialogue and interactions



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