

CLIMATE INVESTMENT FUNDS

June 18, 2009

GUIDELINES FOR JOINT MISSIONS TO DESIGN PPCR PILOT PROGRAMS (PHASE I)

Introduction

1. The objective of the Pilot Program for Climate Resilience (PPCR) is to pilot and demonstrate ways to integrate climate risk and resilience into core development planning, while complementing other ongoing activities. The pilot programs implemented under the PPCR should be country-led and country-driven, should build on national development plans, National Adaptation Programs of Action (NAPAs) and other relevant country strategies and studies. They should complement other adaptation funding, including the emerging operations of the Adaptation Fund and activities funded by other development partners. PPCR should contribute to achieving the objectives of the Strategic Climate Fund (SCF) by providing incentives for scaled-up action and transformational change in integrating consideration of climate resilience in national development planning consistent with poverty reduction and sustainable development goals.

2. The PPCR will provide financing through the multilateral development banks (MDBs) to support programs in the selected pilot countries. Following country selection, receipt of a country's *Acceptance of Offer to Participate*, and confirmation by the PPCR-Sub-Committee, the government will initiate and optionally lead a joint programming mission, bringing together the relevant MDBs. The joint mission process will include consultations and collaboration with relevant UN and bilateral donor agencies active in the country, private sector, national civil society and other stakeholders in the design of a PPCR program to assist the government to enhance the climate resilience of their national development plans, strategies and financing. A proposal for the PPCR program (phase 1), including a request for PPCR funding for the preparation of a *Strategic Program for Climate Resilience*, will be prepared jointly by the recipient country and the relevant MDBs following the joint programming mission for submission to the PPCR Sub-Committee.

Purpose of this document

3. The PPCR Sub-Committee has agreed that the MDBs should work jointly with pilot countries in the implementation of the PPCR. The Sub-Committee requested the Administrative Unit to prepare draft guidelines for the joint missions to be undertaken to the pilot countries for its review and approval. This document presents those guidelines.

4. The proposed guidelines are divided into four sections:

- (a) PPCR key features, objectives and immediate outcomes,
- (b) mission purpose and mandate,
- (c) principal points of discussion with government and other stakeholders,
- (d) cooperation and division of labor among MDBs.

Key Principles, Objectives and Expected Outcomes of a PPCR pilot program

5. Guidelines for the joint missions need to be considered within the context of the key principles, objectives and outcomes of a PPCR country or regional program (hereinafter referred to as the “PPCR program”). Details of the PPCR programming and financing modalities are described in a separate paper (*PPCR Programming and Financial Modalities* available at the CIF website at www.worldbank.org/cif). These are outlined below.

Principles

6. The PPCR program should be country-led and country-driven, and should be designed and implemented within the broader context of sustainable development and poverty reduction to help countries transform to a climate resilient development path.

7. The PPCR program should be designed to integrate climate resilience into development planning and financing.

8. The PPCR should be implemented in two phases: Phase 1 to support countries to develop a “*Strategic Program for Climate Resilience*”, including an underlying investment program; and Phase 2 to support the implementation of the “*Strategic Program*”.

9. PPCR funding should be additional to current ODA and should allow for blending grant and highly concessional finance with domestic public and private financing¹.

10. The PPCR program should adopt a programmatic approach, building as much as possible on existing work and development strategies, including NAPAs, and should clearly demonstrate monitorable contributions to enhanced climate resilience.

11. PPCR financing will be made available through the MDBs. The processing of PPCR programs and projects will follow the MDBs’ policies and procedures.

Objectives

12. The objectives of a PPCR program are:

- (a) to pilot and demonstrate approaches for integration of climate risk and resilience into development policies and planning;
- (b) to strengthen capacities at the national levels to integrate climate resilience into development planning;
- (c) to scale-up and leverage climate resilient investment, building upon other ongoing initiatives; and

¹ A country may choose to receive only grant financing. When concessional loans are provided, the grant element of the loan should be sufficient to cover the additional costs of climate resilience..

- (d) to enable learning-by-doing and sharing of lessons at the country, regional and global levels.

13. In addition, regional PPCR pilots will aim to achieve economies of scale in supporting action at the national level in countries participating in the pilot program and to strengthen cooperation and capacity at the regional level to integrate climate resilience into national and appropriate regional development planning and processes (see *Guidance Note on Regional Programs*, dated April 6, 2009²).

Immediate Outcomes of PPCR Programs

14. The immediate outcomes of the PPCR programs should include³:
- (a) increased capacity to integrate climate resilience into country and/or sectoral strategies;
 - (b) more inclusive strategies for climate resilient growth and development;
 - (c) increased awareness of vulnerabilities and potential impacts of climate change among governments and non-government stakeholders, including the private sector;
 - (d) scaling-up of investment for broader interventions and programming for integrating climate resilience into national/sectoral, private sector and/or sub-national level development plans and budgeting; and
 - (e) improved coordination among key stakeholders to implement country-specific climate resilient programs.

Purpose, Mandate and Output of Joint Missions

15. The objective of the joint missions is to assist the pilot country in putting in place a clear process for formulating a *Strategic Program for Climate Resilience*. The present guidelines describe the scoping work and joint missions that will be undertaken to facilitate the government's preparation of a proposal for undertaking the tasks envisioned for Phase 1 of the PPCR pilot program. Phase 1 will result in the preparation of a country owned *Strategic Program for Climate Resilience* to be presented to the PPCR Sub-Committee for its endorsement as a basis for preparing program and project proposals for additional PPCR financing (in phase 2).

16. The government will lead and coordinate the joint mission in order to ensure a country-driven process, including broad participation that promotes country ownership of the PPCR program and its implementation as well as partnerships among the government, national stakeholders, and development partners. The joint mission should highlight the importance of *comprehensive diagnosis* and *results-orientation* in terms of developing country-specific climate resilience goals. During the mission, it will be explored how to

² The document is available on the CIF website at www.worldbank.org/cif (under key documents).

³ See PPCR Results Framework (PPCR PPCR/SC.3/6) - available on the CIF website at www.worldbank.org/cif

use the PPCR to build a partnership framework for integrating climate resilience into national processes, including those that engage other development partners.

17. The joint mission should result in a clear outline of a process and proposal for financing the government's preparation of a *Strategic Program for Climate Resilience*. This proposal will be submitted to the PPCR for endorsement and approval of associated financing. It should be pointed out that due to the different country contexts, it may not be possible to reach agreement on such a process after a single joint mission.

Development of *Strategic Program for Climate Resilience*

- (a) Indicative timeframe: 3-18 months; preferable to limit to 12 months
- (b) Up to US \$1.5m available in grant financing depending on country needs. Regional pilots may request additional finance in order to adequately cover additional transaction costs.
- (c) Deliverables: enhanced cross-sectoral coordination for integration of climate resilience into national development planning and financing processes; *Strategic Program for Climate Resilience* developed, including a program of priority investments (including institutional strengthening and policy reform, as well as sector investments); financing plan; and expected funding from PPCR and collaborative arrangements.

18. During the joint mission, many issues and questions will need to be addressed and discussed through a broad range of activities and consultations. The following section provides examples of some of the activities, but it should not be considered as prescriptive nor exhaustive. Rather activities should be guided by country needs. Given that institutional capacity constraints, data quality and gaps, diagnosis, analysis and existing activities will vary widely among the pilot countries, pre-mission scoping work (including relevant missions) and the joint missions should focus on those activities and consultations that are most relevant in their country context.

Activities of the Joint Mission

Climate Resilience Stocktaking

19. The joint mission should take stock of country-level activities already underway on climate resilience, including by government, non-state actors, and development partners. The mission should avoid simple description and repetition of existing/planned activities/strategies. To the extent that the mission needs to summarize parts of existing documents/activities, this summary should be as brief as possible. The mission should focus on key issues that contribute to the design of a *Strategic Program*, such as:

- (a) Climate change diagnosis: how adequate are existing data on climate change impacts, vulnerabilities and adaptation in the country? If possible, consider (i) degree of disaggregation of data by regions and by demographic groups, including by gender, (ii) whether existing quantitative data are complemented by qualitative information, (iii) accessibility of data for

policy analysis, (iv) efforts to improve data collection and analysis, (v) indicators and use of participatory methods for monitoring, (vi) adequacy of climate data timeframes and spatial resolution for all key stakeholders, particularly given the specific needs of the private sector.

- (b) How well have the nature and determinants of climate resilience outcomes been identified and included in activities? Have trends in country or sectoral-specific vulnerabilities to climate risks been presented? Have key social, economic and institutional constraints to climate resilience been identified?
- (c) What have been the outcomes of past and existing activities on climate resilience?
- (d) What new activities on climate resilience, whether domestically or externally supported, are already under discussion or in preparation?
- (e) How do relevant national and sectoral policies respond to country-specific climate risks and how do they affect the ability of communities, sectors (including private sector), country to respond to climate shocks?

Broad-based Consultations

20. Led by the government, the mission will consult widely with key stakeholders on the process to develop the *Strategic Program* so as collect a range of views on important elements, analytical work, and further consultations. It should be emphasized that the purpose of these consultations is to help the pilot country set in place a process to further consult, analyze and prioritize the *Strategic Program*. These further consultations should aim to:

- (a) *build PPCR country ownership through participation*: what participatory processes have previously been used by the government to design existing/planned climate action measures? Are such processes adequate and can they be used and enhanced by PPCR? Has the participatory process on climate issues evolved over time? Is the participatory process on climate resilience integrated with existing processes of government for policy and decision making? What are the major issues raised during the participatory process? How closely related is the dialogue on climate resilience to any other current government documents that outline national or sectoral development plans/budgets? What are the specific plans for public dissemination and awareness raising of climate impacts and the PPCR in the country? How have groups, which are specifically vulnerable to climate risks, been identified and consulted and their views on solutions to climate risks been considered, including women, youth, indigenous people and local communities and other vulnerable social groups?
- (b) *identify priority public and private sectors and potential actions*: The process of prioritization and analysis will be carried out by the Government and supported by the MDBs and other development partners. The mission dialogue should support the Government with this process – not shortcut it.

With this in mind, some of the items to consider include: Given the climate risks faced by the country, is there consensus on what would be the clear priorities for public and private action on climate resilience? Is there clarity on the range of climate risks to the private sector and anticipated type and range of impacts on overall operations including employment, assets, revenues and business continuity, and instruments and actions that may mitigate the risks and impacts?

- (c) *enhance the enabling environment to address vulnerabilities to climate variability and change*: The mission dialogue will aid identification and analysis of those strategic documents that are key to the development and budgeting process of the country: e.g., the national development plan and related sectoral strategies, policies and plans. Are they climate resilient? Are national goals at risk of not being achieved if climate resilience is not taken into account? Alternatively, could they be improved with climate resilience measures? How could PPCR support a stronger enabling environment for implementing climate resilient development? What mechanisms are in place or needed to engender cross-sectoral linkages in climate resilience actions?

Program and Implementation Arrangements for Preparing the Strategic Program for Climate Resilience

21. The proposal for preparing the *Strategic Program* during phase 1 of the PPCR to be prepared by the government, based on the activities and consultations carried out through the joint missions, should include a work program, timetable, budget, and expected results. It should identify the respective roles of the MDBs and collaboration with other development partners, such as UNDP or key bilateral donors.

22. The following general structure for proposals is suggested, recognizing that each proposal will need to be tailored to country needs.

- (a) *Overview*: this section should (i) provide the country context, (ii) describe the participatory process followed in preparing the proposal, (iii) capture the key PPCR issues in the country (e.g., climate diagnostics, stock-taking of past, present and planned activities, coordination mechanisms, etc), and (iv) outline cooperation arrangements with other development partners including activities such as analytical work and capacity enhancement through ongoing programs by UNDP, country based NGOs, or supported by bilateral agencies.
- (b) *PPCR Linkages to National Processes*: a key effort is needed to ensure that countries embed climate resilience in their national processes. PPCR will be opportunistically ambitious and identify and build on upcoming, planned policy reform and/or restructuring processes. The section should describe how these linkages can be strengthened and maintained.

- (c) *Strengthening National Level Climate Resilience and Enhancing PPCR Implementation*: in preparing the proposals, governments should consider whether or not there are organizing themes that could usefully drive PPCR design and implementation. Recognizing the goals of scaling-up and transformative impact, there may be a need for selectivity in the issues covered. The proposal should prioritize objectives and focus in terms of PPCR objectives. The time and effort required to achieve successful high level policy coordination in PPCR activities should not be underestimated.
- (d) *Outline of Key Action Areas in preparing the Strategic Program*: This should be indicative and based on the consensus emerging from the mission activities and consultations. The proposal will outline tentative areas of PPCR engagement emerging from consultations, such as ongoing or upcoming revisions of the country's PRSP, development of sector strategies or other processes and themes raised during consultations.
- (e) *Work Program, Timetable, Funding Requirements (for phase 1)*: This section should summarize: (i) the main PPCR implementation risks in the country, (ii) implementation modalities for phase 1 (such as focal points, staffing, funds flow and accounting), (iii) critical areas where current policies do not match priority areas for strengthening enabling environment for effective implementation of PPCR, (iv) indicative timetable of activities and funding needs for phase 1 activities, (v) where more analytic work is urgently needed to support the policy, institutional and investment choices of the PPCR in the country, and (vi) implications for PPCR assistance.

Processing, timeframe, and number of missions

23. For each pilot program, there is a standard of 2 joint missions with the expectation that each joint mission will be conducted over a period of about 2 weeks⁴. These should draw and build upon existing work, pre-mission activities, and previous related missions of the MDBs. However, it should be pointed out that program preparation activities should not be limited to joint missions alone. Pre-mission activities should include detailed briefings of the government and other relevant partners on the PPCR to create a common understanding of the scope and opportunity to support integration of climate resilience into development planning through PPCR. It is also expected that the team and specifically the MDB country-based staff will play a crucial role in the periods before, during, between and after missions to aid the drafting of the phase 1 proposal. The team should therefore be able to take advantage of these opportunities to advance PPCR programming. However, should the team determine that, due to country needs and circumstances, extra efforts are warranted prior to submission of the proposal for finance for phase 1, then a request with appropriate justification and budget should be submitted to the MDB Committee for consideration. The PPCR Sub-Committee will also be informed of such requests. While such requests will be evaluated on their own merits,

⁴ Additional details are provided in the PPCR Programming and Financing Modalities Paper.

various considerations mean that there is no automatic entitlement for such extra joint missions or extended pre-mission activities.

Cooperation and Division of Labor among MDBs

24. The MDB Committee will review the joint mission proposals. The reviews will be held no later than 2 weeks before the expected date of departure of the mission to allow sufficient time for the PPCR-SC to be notified of the missions. The CIF Administrative Unit will notify the Sub-Committee of the agreed joint missions and post this information on the CIF website.

25. It is expected that the proposal for developing the *Strategic Program* will identify the roles and responsibilities of each MDB, and arrangements for collaboration and coordination with other relevant partners in supporting the government in the development of the *Strategic Program*. For the preparation of the *Strategic Program*, the government may choose to (i) ask the MDBs concerned to have an equal partnership role in assisting the government, or (ii) ask one of the MDBs to assume a lead administrative role to assist in administering the PPCR funds for preparation of the *Strategic Program*.

Cooperation with other partners (UN, bilateral donors, NGOs, and other)

26. The PPCR is designed to be complementary to other sources of adaptation financing in the country. It provides an opportunity to provide the umbrella for a new partnership approach among government and other actors addressing adaptation in the country. Therefore the mission should ensure that effective dialogue is initiated to ensure good linkages and effective cooperation with key partners so as to promote the efficient use of resources and complementarity with other sources of financing for national climate resilience measures. Multilateral and bilateral development partners and regional cooperation agencies involved in promoting investments in climate resilience in the pilot country should be invited to be active participants in PPCR activities. Indeed it is expected that in each of the pilot countries, the MDBs will actively engage with relevant UN agencies, bilateral donors, NGOs and other development partners on how the PPCR may assist the country to enhance the climate resilience of their national development plans and financing. In addition, it is crucial that relevant national civil society and the private sector are engaged throughout the PPCR process at country level.

27. Cooperation should be initiated during the *preparations* for the initial joint mission. Pre-mission activities or the mission itself should provide for a meeting with development partners working in the country at an early stage to provide an overview of the PPCR process, review on-going activities on which to build a Strategic Program and to identify opportunities for cooperation. The aim of the outreach is to build constructive synergies with core development partners in the country. Such partners may be included in the joint mission activities, at their own expense, if requested by government, to ensure synergy with ongoing programs financed by those partners. Partners may be invited to contribute to:

- (a) shaping the long-term strategic approach and investment program;
- (b) analytical work in Phase 1;
- (c) identification of gaps and needs;
- (d) identification of opportunities for synergies and co-finance for Phase 1 and Phase 2 implementation of PPCR.

28. The CIF are designed to be implemented through the MDBs. It would be possible, if a country and the MDB agree, to designate other development partners as executing entities (such as UN agencies or NGOs) to execute certain interventions, such as technical assistance activities.