



# **Pilot Program for Climate Resilience**

## ***Program Introduction***



# Climate Investment Funds (CIFs)

**Clean Technology Fund**

Finance scaled-up *demonstration, deployment and transfer* of low carbon technologies

US\$5 billion pledged (+/-)

**Strategic Climate Fund**

Targeted programs to pilot new approaches with potential for scaling up

<b>Pilot Program for Climate Resilience</b>	<b>Forest Investment Program</b>	<b>Scale Up Renewable Energy in Low Income Countries</b>
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US\$1 billion pledged (+/-)



## Common CIF Design Principles

- Demonstrate financial & other incentives to *scale-up* adaptation and mitigation in a coherent & integrated manner
- Mobilize new and additional financing for *transformational* actions
- **Multilateral Development Banks (MDBs)** and UN agencies to deliver financing at large scale – spurring potential of the public and private sectors to address climate change
- **Complement** other mechanisms; as **GEF and Adaptation Fund**
- Include a “**sunset clause**” to avoid conflict with a future international climate agreement



# SCF Governance

## Partnership Forum

Stakeholders: donor and eligible recipient countries; MDBs, UN and UN agencies, GEF, UNFCCC, the Adaptation Fund, bilateral development agencies, NGOs, private sector, scientific and technical experts

### Strategic Climate Fund

#### Trust Fund Committee

Algeria, Australia, Bangladesh, Canada, Costa Rica, Germany, Indonesia, Japan, Kenya, Netherlands, Norway, Switzerland, Thailand, UK, Yemen

#### Co-Chairs:

#### Observers include

UNDP, GEF, UNEP, UNFCCC  
4 civil society; 2 Indigenous Peoples; 2 private sector

### PPCR

#### Sub-Committee of the SCF

Australia, **Bangladesh, Bolivia,** Canada, Germany, Japan, **Maldives, Samoa, Senegal, UK,** Yemen, **Board Adaptation Fund**

#### Co-Chairs: Australia, Yemen

#### Observers include

UNDP, GEF, UNEP, UNFCCC  
4 civil society; Indigenous Peoples



## Pilot Program for Climate Resilience (PPCR)

- Explore practical ways to ensure that core **development** planning and budgeting incorporate climate resilience
- An balanced (discipline, north-south etc) expert group advised on country selection based on:
  - vulnerability criteria
  - stage in resilient development plans
  - pilots distribution across regions
  - range in hazards
- **Countries in the Pilot:** Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia;
- **2 regional programs** in Caribbean and South Pacific

The PPCR is focused on **development** planning



## PPCR Purpose and Objectives

- *Pilot and demonstrate* approaches for integration of climate risk and resilience into development policies and planning;
- Strengthen capacities at the national levels to integrate climate resilience into development planning;
- Scale-up and leverage climate resilient investment, building on other ongoing initiatives, including NAPAs;
- Enable learning-by-doing and sharing of lessons at country, regional and global levels;
- Provide funding for substantial on-the-ground activities to further the lessons learned



## PPCR Principles

- Country-led and country-specific – there are no “standard road maps”
- Build on National Adaptation Programs of Action (NAPAs) and other relevant country studies, pilots, and strategies
- Strategically aligned with the Adaptation Fund and other sources of funding (e.g. the EC’s GCCA)



## PPCR Phases

### Phase 1: *Development of Strategic Program for Climate Resilience*

- Joint mission – stock-taking and initiation of stakeholder dialogue
- Carry out range of initial tasks such as strengthening of cross-sectoral dialogue and coordination on integrating climate resilience into development
- Formulation of Strategic Program for Climate Resilience which outlines proposed investment projects and technical assistance needs
- This phase can continue throughout the life of the program as new lessons are learned



## PPCR Phases

### Phase 2: *Implementation of Strategic Program for Climate Resilience*

- Should start no later than 12 to 18 months after the start of Phase 1; can be much earlier
- Detailed preparation of specific components of the Strategic Program
- Approval of funds for each component by Sub-Committee
- Implementation of components of the Strategic Program in accordance with MDB procedures



## Strategic Program for Climate Resilience

- Aim for a *programmatic approach* with a view on **long-term planning** processes and investment decision (**not** a rush to single investments)
- Investments include both technical analysis (such as support to policy reform and institutional strengthening) **and** physical investments
- Should be complimentary to MDB supported and/or other investment programs
- “Stand-alone” activities should be the exception
- Cooperation among MDBs and with other development partners is (UNDP, other UN agencies, bilaterals, etc.) is important
- Investments and actions are (i) country-led and (ii) in line with their development and poverty alleviation goals and strategies



## PPCR Q & A

### Why a loan component?

- About half of the c. \$US 0.5 billion made available to the fund can only be disbursed as loans
- These loans will be at the most concessional rates (usually assessed as equivalent to >60% grant)
- Decisions to take any loan component is entirely optional
- **Note:** The PPCR is about development. The loan component can be used to increment development funding
- The PPCR funds are **not limited** to the additional component specifically for adaptation costs



## PPCR Q & A

### Why a loan component? Example ...

- A country is seeking to expand its rural road network, but is limited due to insufficient internal funds and competing demands for external development funding
- PPCR can provide new source of highly concessional lending to build new roads
- Plus – grant money to upgrade these and existing roads to a higher standard more compatible with a changing climate



## PPCR Q & A

### **Does it compete with the Adaptation Fund?**

- The Board of the Adaptation Fund has been kept fully informed of PPCR plans
- And has a position on the PPCR governing body (reserved for developing country members only)
- The PPCR will pilot options that the AF is unlikely to be able to take up until it is more fully established
- There is a sunset clause – This is a one-off pilot and allocation of funds will be completed by 2012



## PPCR Q & A

### **Who has the balance of power in the governance of the PPCR?**

- The PPCR Sub-Committee (its effective governing body) has equal representation from donors and developing countries
- There is an additional position for a developing country member of the Board of the Adaptation Fund
- Decisions must be by consensus (i.e. any Sub-Committee member can block decisions they find unacceptable)