



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

Pilot
Program
for
Climate
Resilience

Forest
Investment
Program

Scale Up
Renewable
Energy in
Low
Income
Countries

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)