

August 27, 2012

Comments from United States on the Approval by Mail: Nepal: Building Resilience to Climate-Related Hazards Project (IBRD)

Dear Patricia,

The U.S. supports the allocation of PPCR funding to the project under Nepal's SPCR entitled "Building Resilience to Climate-Related Hazards" and would like to commend all involved parties for submitting the proposal. However, we would like to raise some concerns regarding the design of future PPCR projects:

Co-financing: While we appreciate the rationale for doing this as a stand-alone project (no natural linkages in current WB portfolio), the CIF funds are most effective when packaged with MDB or other financing support to maximize leverage of scarce public funding and to contribute to increased climate related programming within the MDBs. Our view is that future PPCR projects should, as much as possible, be more closely integrated into MDB programming to contribute to the synergies between MDBs and the CIF that are a hallmark of the program.

Use of PPCR Funds: We are concerned to see PPCR funds being proposed for activities not directly related to PPCR goals (e.g. refurbishing of office space). While we can accept the argument for supporting such funding in this particular instance (need for earthquake resistant infrastructure), we would like to see greater clarity within the PPCR on whether and when PPCR funding may be used in instances such as this. Overall, our concern is that PPCR funding not substitute for core government funding.

Thank you,

Eddie Tsibulevskiy
Office of Environment and Energy
U.S. Department of the Treasury