

CLIMATE INVESTMENT FUNDS

PPCR/SC.10/8/Rev.1
April 17, 2012

Meeting of the PPCR Sub-Committee
Washington, DC
April 30, 2012

Agenda Item 9

**STRATEGIC PROGRAM FOR CLIMATE RESILIENCE
FOR YEMEN**

Proposed Decision by PPCR Sub-Committee

The Sub-Committee reviewed document PPCR/SC.10/8, the *Strategic Program for Climate Resilience for Yemen*, and

- a) endorses the SPCR as a basis for the further development of the projects foreseen in the strategic plan and takes note of the requested funding of USD 50 million in grant funding and USD 60 million in other concessional resources;
- b) reconfirms its decisions on the allocation of resources, adopted at its meetings in June 2010 and 2011, that a range of funding for the country should be used as a planning tool in the further development of project and program proposals to be submitted to the PPCR Sub-Committee for PPCR funding approval, recognizing that the minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding. The range of funding agreed for a single country pilot program is USD 40-50 million in grant resources, and up to USD 36 million in other concessional resources;
- c) recalls its decision on document PPCR/SC.9/8, *MDB Policies and Tools Regarding Debt Sustainability and their Application in the PPCR*, which provides that countries assessed as being at high risk of debt distress are not eligible to access PPCR credits for public sector projects. All countries may utilize PPCR credits for private sector investments. Since Yemen has been assessed as a country in high debt distress, the Sub-Committee requests the Government of Yemen to prepare projects under its SPCR consistent with this decision;
- d) recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when project and program proposals are submitted for approval of PPCR funding;
- e) approves a total of USD1.9 million in PPCR funding as a preparation grant for the following projects to be developed under the SPCR,
 - i. USD 500,000 for the project, *Climate Information System and PPCR Program Coordination* (IBRD);
 - ii. USD 500,000 for the project, *Improving the Climate Resilience of the Water Sector* (IBRD);
 - iii. USD 400,000 for the project, *Improving Rural Livelihood through Adaptation in Rain-fed Agriculture* (IBRD); and
 - iv. USD 500,000 for the project, *Climate-Resilient Integrated Coastal Zone Management* (IBRD).
- f) takes note of the estimated budget for project preparation and supervision services for the projects referenced above and approves a first tranche of funding for MDB preparation and supervision services as follows:

- i. USD 486,500 for the project, *Climate Information System and PPCR Program Coordination* (IBRD);
 - ii. USD 375,000 for the project, *Improving the Climate Resilience of the Water Sector* (IBRD);
 - iii. USD 450,000 for the project, *Improving Rural Livelihood through Adaptation in Rain-fed Agriculture* (IBRD); and
 - iv. USD 300,000 for the project, *Climate-Resilient Integrated Coastal Zone Management* (IBRD).
- g) requests the Government of Yemen and the World Bank to take into account all written comments submitted by Sub-Committee members by May 11, 2011 in the further development of projects under the SPCR.

I. PREFACE

1. During its meeting in November 2011, the PPCR Sub-Committee reviewed the *Strategic Program for Climate Resilience for Yemen*, and expressed its sincere appreciation for the significant efforts and human and financial contributions of the government in preparing the plan. The Sub-Committee welcomed the high technical quality of the plan and the strong independent technical review.

2. The Government of Yemen and the World Bank Group were invited to revise the plan taking into account comments and questions that were raised by Sub-Committee members during the meeting and any written comments that were submitted through the CIF Administrative Unit by November 15, 2011. No comments were received.

3. The Sub-Committee requested the Government of Yemen, once the World Bank has lifted its temporary suspension, to consult with the Sub-Committee prior to submitting such revised SPCR for endorsement, through a decision by mail, as a basis for the further development of the projects and approval of PPCR funding¹.

World Bank Suspension of Disbursement

4. On January 20, 2012, the World Bank approved the lifting of the suspension of disbursements for all IDA credits/grants and grants administered by the World Bank to the Government of Yemen. In its message to the government, the World Bank emphasized that the lifting of the suspension of disbursements will benefit many lives in Yemen, especially the poor and children.

European Union

5. On December 1, 2012, the Council of the European Union deliberated on the situation in Yemen and the status of humanitarian aid and development cooperation provided through the European Union to the people of Yemen.

6. During the Council meeting, it was decided to lift the suspension and restart the delivery of needed humanitarian and development assistance to Yemen.

II. RECOMMENDATION

7. Taking into account the lifting of the suspensions by the World Bank and the European Union and after consultations with the PPCR Sub-Committee, the CIF Administrative Unit informed the Government of Yemen and the World Bank that a revised SPCR for Yemen may now be submitted to the PPCR Sub-Committee for endorsement as a basis for the further development of the projects and approval of PPCR funding.

8. The Government of Yemen has submitted its revised SPCR for consideration by the PPCR Sub-Committee at its meeting on April 30, 2012.

¹ The Sub-Committee Member from Germany noted that due to the political situation, and as Germany is a member of the European Union and the EU has adopted a position regarding on-going development cooperation, she supports waiting until a decision of the World Bank and the European Union to lift their suspensions before endorsing the SPCR.