

# CLIMATE INVESTMENT FUNDS

CTF/TFC.12/8

FIP/SC.11/7

PPCR/SC.13/5

SREP/SC.10/8

October 8, 2013

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Meeting of the CIF Committees  
Washington D.C.  
October 28 – November 1, 2013

**APPROACHES AND CRITERIA FOR CONSIDERING POTENTIAL NEW PILOT COUNTRIES**

## PROPOSED DECISION

The Committee welcomes the document, *Approaches and Criteria for Considering Potential New Pilot Countries*, and the proposed options that could guide the Committee to select new countries to receive funding under the [name of CIF program] should additional resources be made available.

The Committee agrees that the following general principles should guide the selection of new countries:

- a) the selection process should be transparent and based on clear criteria agreed by the Committee;
- b) the selection of countries should contribute to the core objectives of the program;
- c) the selection should take into account the need to generate lessons in diverse situations and lead to innovative actions contributing to a robust learning program and demonstrating scaled-up climate action; and
- d) countries selected should meet the minimum eligibility of the CIF (ODA eligible with an active MDB country program) and have the potential to successfully implement the CIF programs and achieve expected impacts.

The Committee agrees that the steps proposed in option [1] [2] should be followed if there is agreement to select new countries to participate in the program.

The Committee requests the CIF Administrative Unit, in collaboration with the MDBs, to prepare, for review and approval by the Committee: a list of specific information to be included in [expressions of interest (option 1)] [investment plans (option 2)]; specific technical criteria to guide the selection of new countries; guidance for the establishment of an expert group, a scorecard to guide the expert group's and Committee's review, and a list of countries that meet CIF general and program specific criteria. In preparing the criteria and score card, the CIF Administrative Unit may usefully consult with outside experts.

## I. INTRODUCTION

1. During the CIF Committee meetings in May 2013, the CIF Administrative Unit was requested to prepare, in collaboration with the MDB Committee, a note on a range of approaches and criteria and a transparent process that could guide the Committee's consideration of including new countries in the CIF program. This note has been prepared to response to that request. The note includes the following sections: (a) general considerations and principles to guide the selection of new countries, (b) lessons learned from earlier CIF selection processes, and (c) proposed steps to select new countries, including development of criteria and scorecards.

## II. GENERAL CONSIDERATIONS AND PRINCIPLES

2. While all pledged CIF resources have been fully allocated to country or other programs, there continues to be strong and growing demand for CIF funding from potential pilot countries. Over 80 countries have requested funding from at least one of the CIF programs. A list of countries that have submitted a written expression of interest in joining a CIF program is included as Annex 1 to this paper. MDBs have received even more requests through informal channels.

3. *Should additional resources be made available to a CIF program*, the Committee/Sub-Committee will need to consider whether those funds can best be utilized to provide additional resources to existing CIF pilot countries or programs to enhance impacts and scale up results or whether such funds should be allocated to allow additional countries to participate in the CIF programs. If a decision is made to consider new countries, it is appropriate to discuss a transparent and criteria-based process through which the Committee or Sub-Committee (hereinafter, both will be referred to as "the Committee") could undertake to select new pilot countries.

4. In considering the selection of new countries, it is recommended that the following general principles be followed:

- a) the decision making process should be transparent and based on clear criteria agreed by the CIF Committee;
- b) the selection of countries and activities should contribute to the core objectives of the program;
- c) the selection of the pilots should take into account the need to generate lessons in diverse situations and lead to innovative actions contributing to a robust learning program and demonstrating scaled up climate action; and
- d) countries selected should meet the minimum eligibility of the CIF (ODA eligible with an active MDB country program) and have the potential to successfully implement the CIF programs and achieve expected impacts.

### **III. LESSONS LEARNED FROM EARLIER CIF COUNTRY SELECTION PROCESSES**

5. In reviewing the lessons from the diverse processes used in the initial stages of the four CIF programs, the following lessons could usefully be incorporated in a process to select new countries:

- a) Inviting expressions of interest before the pilot selection process ensures that potential applicants are interested and can help narrow the pool of candidates. Asking for an active submission of a request with supporting information to be considered as a pilot country, rather than a passive agreement to selection by a committee, provides evidence that the countries being considered are committed to the goals and objectives of the programs. On the other hand, it can raise expectations and reactions of countries not selected, and would need to be carefully managed.
- b) A two-step process for determining pilots with recommendations by an expert group, formulated on the basis of criteria established by the Committee, and final decision by the Committee helps ensure that the candidate countries are rigorously assessed against agreed criteria and that the selection process is open and well informed by a range of stakeholders.
- c) The systematic approach applied by the expert group to prioritize potential pilot countries and regions, taking into account the objectives of the program, criteria agreed by the CIF Committee, and country specific information, contributes to a good process.
- d) The use of expert groups result in a higher degree of transparency and objectivity. Nonetheless, the process will be more beneficial if clearer technical selection criteria are provided to guide the experts in their selection. Use of a scorecard can contribute to greater transparency.

### **IV. PROPOSED STEPS TO SELECT NEW COUNTRIES**

6. Taking into account the lessons learned and the general principles elaborated above, two options are proposed for the process to be followed in selecting new countries. It is the view of the MDB Committee that the second option could only be applied to the CTF and the SREP. Under the first option, more time and resources are to be provided to prepare the investment plans, and FIP and PPCR experience shows that part of the success of these programs is the longer time frame, more extensive multi-stakeholder consultations and resources provided for capacity building.

#### **Option 1**

7. Under this option, the Committee would first agree that new countries should be considered, and the Committee would approve criteria for selection of new countries and a scorecard template together with guidance for the establishment and work of an expert group.

The Committee would also approve a list of countries that meet CIF general and program specific eligibility criteria.

8. The CIF Administrative Unit would issue a call for an *expression of interest* to countries meeting CIF general and program-specific eligibility criteria.<sup>1</sup> In inviting expression of interests, the country should be informed of the information to be included in the expression of interest and the criteria approved by the Committee.<sup>2</sup> The scorecard template will also be provided so that countries will have a clear understanding of how the expression of interest will be evaluated. A due date should be indicated.

9. The expressions of interest should be informative as to the country's interest and relevant plans, policies, and institutional framework, and as to how the country meets the program-relevant criteria. The expressions of interest should include evidence of country commitment to the program objectives, country capacity to engage effectively, some measure of the status of the process of mainstreaming climate change as demonstrated, for example, by allocation of internal resources for climate change adaptation and mitigation, and preliminary ideas as to sectors/activities/goals of investments.

10. An expert group should be proposed to the Committee by the CIF Administrative Unit and MDB Committee, taking into account the guidance approved by the Committee and based on applications received from an open call and nominations from the Committee members and the MDBs. The expert group composition should be approved by the Committee, and the group should then be established to review the expressions of interest and make recommendations on the new countries to be selected, taking into account the agreed criteria and other guidance approved by the Committee. The expert group should use a scorecard to rank countries, and it should submit the completed scorecard, listing scores for all countries that submitted an expression of interest, to the Committee. The report of the expert group should be a public document, posted on the CIF website.

11. The Committee would select the new countries. In selecting countries, the number of countries selected should be limited to those that can be funded. For each new country selected there would be a preliminary indicative allocation of funds and an assumption that if the investment plan is of high quality, it will be endorsed and projects and programs may be developed.

12. Selected new countries would be invited to collaborate with the MDBs in the preparation of investment plans for endorsement by the Committee as a basis for the further development of projects and programs.

13. Countries that are selected as new countries would be provided with an agreed level of financial assistance, if requested, to help them prepare the investment plan.

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<sup>1</sup> All countries that have previously indicated an interest in accessing a CIF program would be required to submit a new EOI. They will be informed of the agreed selection process and invited to submit a new EOI containing the required information.

<sup>2</sup> Countries that have already submitted Expressions of Interest would be informed of the new Call for Expressions of Interest.

## **Option 2**

14. The Committee would first agree that new countries should be considered and would approve criteria for selection of new countries and a scorecard together with guidance for the establishment and work of an expert group. The Committee would also approve a list of countries that meet CIF general and program specific eligibility criteria.

15. The CIF Administrative Unit would issue an invitation to countries on the approved list to prepare an *investment plan*. In inviting the preparation of investment plans, the country would be informed of the information to be included in the plan and the criteria approved by the Committee. The scorecard template would also be provided so that countries have a clear understanding of how the investment plans will be evaluated. A due date should be indicated.

16. Countries would be invited to collaborate with the MDBs in the preparation of investment plans for review by the Committee. Countries may request an agreed level of financial assistance, if required, to help them prepare the investment plan. Funds would need to be made available by the Committee to provide such support.

17. The investment plans would be a “lighter” version of those currently required under CIF programs, but would be based on current CIF Investment Plan guidance which would include: information on relevant country policies and plans, evidence of commitment to the program objectives, prioritization of investments and demonstration of compliance with investment criteria of a respective program/fund. The plan together with annexes should not exceed 15-20 pages.

18. An expert group would be proposed by the CIF Administrative Unit and MDB Committee, taking into account the guidance approved by the Committee and based on applications received from an open call and nominations from the Committee members and the MDBs. The expert group composition would be approved by the Committee, and the group would then be established to review the investment plans and make recommendations on the country investment plans to be selected for CIF funding, taking into account the agreed criteria and other guidance approved by the Committee. The expert group would use a scorecard to rank the investment plans, and would submit the completed scorecard, listing all submitted investment plans, to the Committee. The report of the expert group would be a public document, posted on the CIF website. For both investment plans selected and those not selected, the report of the expert group could usefully include suggestions as to how the investment plan could be strengthened.

19. The Committee would select which plans to fund, taking into account available resources.

## **V. DEVELOPMENT OF CRITERIA AND SCORECARD**

20. A key to a transparent and objective process is agreement on clear, program-specific principles and criteria to be used in reviewing a country’s expression of interest or investment plan. The development of a scorecard to be used by the expert group will also add to the transparency of the process.

21. Based on lessons learned and feedback from contributors, recipient countries, potential pilot countries, stakeholders, and MDBs, there is general agreement that there should be clear and specific technical criteria upon which country selection for new countries participating in the CIF would be based. The criteria provided in the CTF Governance Framework as well as in the SCF Program Design documents are, however, perhaps not sufficiently specific to ensure that the CIF programs developed by selected countries will maximize the goals and objectives of the CIF. Lessons learned indicate that additional criteria could enhance the selection process.

22. Should the Committee agree that it would be useful, and depending on which option is selected, the CIF Administrative Unit and the MDBs could collaborate to prepare, for review and approval by the Committee, a list of specific information to be included in the detailed expressions of interest or the lighter investment plan together with criteria and a scorecard to guide the expert groups review and the Committee's selection of countries or plans. In developing the criteria and scorecard, the CIF Administrative Unit and the MDBs could usefully work with a number of outside experts who could advise on both the criteria and the development of a scorecard that can be pragmatically applied by an expert group.

## **VI. OTHER CONSIDERATIONS**

23. It is recommended at this stage that if new countries are selected, investment plans continue to include both public and private sector project concepts. As experience is gained through the SCF set asides and any agreed CTF dedicated private sector programs, and should additional resources be available at a later stage for the set asides, consideration could be given to limiting investment plans to public sector projects.

24. Regarding country eligibility, it is recommended that the following be considered in developing the criteria:

- a) for CTF, lower middle income countries and low income countries with high CO<sub>2</sub> reduction potential relative to the proposed investments should also be eligible, especially to capture opportunities for investments in energy efficiency;
- b) for PPCR, it is recommended that the program not be limited to least developed countries. A limited number of middle income countries could be included. This would have the benefit of enriching the lesson learning and South-South exchange; and
- c) for all programs, countries should be permitted to submit an expression of interest for a regional program when the case can be made that there is value added in achieving the objectives of the program through collective action (such as a shared climate vulnerability

## Annex I: Additional Countries Requesting Support from CIF

CTF(6)		
Costa Rica	Mexico (Phase II)	Pakistan
Jordan	Peru	Uruguay

FIP (39)		
Albania	Ecuador	Nigeria
Algeria	Ethiopia	Panama
Argentina	Guatemala	Papua New Guinea
Bangladesh	Guyana	Philippines
Belarus	Honduras	Romania
Bolivia	Jamaica	Russian Federation
Bosnia & Herzegovina	Kosovo	Serbia
Bulgaria	Liberia	Suriname
Cameroon	Macedonia	Tajikistan
Colombia	Madagascar	Thailand
Costa Rica	Morocco	Tunisia
Côte d'Ivoire	Mozambique	Uganda
Croatia	Nepal	Vietnam

PPCR (22)		
Belize	Kenya#	Sierra Leone
Bhutan	Mauritania	Sudan#
Burundi#	Morocco	Tanzania#
Chad	Niger	Togo
Egypt#	Peru	Uganda#
DR Congo	Philippines	Uzbekistan
Ethiopia	Rwanda#	Vietnam
India		

SREP (27)		
Armenia^	Kiribati	Senegal
Bangladesh	Lao PDR	Solomon Islands^
Cambodia	Malawi	Sri Lanka
DR Congo	Mauritania	Tajikistan
Djibouti	Moldova	Timor-Leste
Georgia	Mongolia^	Tonga
Ghana	Nicaragua	Vanuatu^
Guyana	Rwanda	Yemen^
Haiti	Samoa	Zambia



<b>TOTAL (82)</b>			
Albania	Ecuador	Mexico (Phase II)	Sierra Leone
Algeria	Egypt	Moldova	Solomon Islands
Argentina	Ethiopia	Mongolia	Sri Lanka
Armenia	Georgia	Morocco	Sudan
Bangladesh	Ghana	Mozambique	Suriname
Belarus	Guatemala	Nepal	Tajikistan
Belize	Guyana	Nicaragua	Tanzania
Bhutan	Haiti	Niger	Thailand
Bolivia	Honduras	Nigeria	Timor-Leste
Bosnia & Herzegovina	India	Pakistan	Togo
Bulgaria	Jamaica	Panama	Tonga
Burundi	Jordan	Papua New Guinea	Tunisia
Cambodia	Kenya	Peru	Uganda
Cameroon	Kiribati	Philippines	Uruguay
Chad	Kosovo	Romania	Uzbekistan
Colombia	Lao PDR	Russian Federation	Vanuatu
Costa Rica	Liberia	Rwanda	Vietnam
Côte d'Ivoire	Macedonia	Rwanda	Yemen
Croatia	Madagascar	Samoa	Zambia
Djibouti	Malawi	Senegal	
DR Congo	Mauritania	Serbia	

^ These countries have been accepted as SREP reserve countries. Funding has been provided to support the preparation of their investment plans.

# These countries have expressed interest under the auspices of the Nile Basin Initiative.