

CLIMATE INVESTMENT FUNDS

PPCR/SC.18/4
May 3, 2016

Meeting of the PPCR Sub-Committee
Washington D.C.
June 17, 2016

Agenda Item 4

PPCR SEMI-ANNUAL OPERATIONAL REPORT

PROPOSED DECISION

The PPCR Sub-Committee reviewed the document, PPCR/SC.18/4 *PPCR Semi-Annual Operational Report*, and welcomes the progress made in new PPCR countries in undertaking initial steps to develop the strategic plans for climate resilience (SPCRs).

The Sub-Committee notes that the PPCR does not currently have sufficient resources to finance the projects in the pipeline and the SPCR for the new pilot countries. The Sub-Committee encourages contributor countries in a position to do so, to make additional contributions to the PPCR.

[The Sub-Committee may consider additional decision items based on the outcomes of the discussion of the CIF strategic directions at the Joint Meeting of the CTF-SCF Trust Fund Committees.]

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1 Introduction

1. This document identifies key strategic issues for the Pilot Program for Climate Resilience (PPCR), highlights key elements of the decisions taken inter-sessionally (after the November 13, 2015 meeting) by the PPCR Sub-Committee, and provides an update of the status of the portfolio of the PPCR-funded programs and projects under the endorsed Strategic Program for Climate Resilience (SPCR) and related activities. The report covers the period from July 1 to December 31, 2015.
2. This report also includes projections on future approvals and factors contributing to the delay in of implementation of SPCRs and projects in the country portfolios.

2 Strategic Issues

3. The PPCR was established in 2008, and as of December 31, 2015 has received pledges of USD 1.2 billion making it the largest adaptation fund in the world. The PPCR was developed to support countries in shaping their adaptation strategies and planning processes; strengthen institutional and stakeholder capacity to effectively mainstream climate resilience into development planning; and pilot innovative public and private sector investments to address pressing climate-related risks. Even as the climate finance landscape has evolved, the PPCR remains the only funding mechanism that both encourages and provides the significant resources needed to help countries develop and implement a **programmatic approach** through both planning and investment.
4. The PPCR program has successfully completed Phase 1 activities and has advanced well in Phase 2 activities in nine pilot countries and two regional programs, which included nine small island developing states (SIDs) and seven least developed countries (LDCs). In May 2015, the PPCR launched Phase 1 activities in an additional 10 countries invited to prepare strategic programs for climate resilience (SPCR). These were: Bhutan, Ethiopia, The Gambia, Honduras, Kyrgyz Republic, Madagascar, Malawi, Philippines, Rwanda, and Uganda.
5. All 20 original PPCR pilots (18 country and two regional tracks) have now moved into project preparation and implementation. The PPCR has allocated USD 1.1 billion for 74 projects and programs, expecting co-financing of USD 1.8 billion from different sources. The PPCR Sub-Committee has approved 57 projects for USD 964 million PPCR funding, of which 54 projects receiving USD 910 million in PPCR funding have been approved by MDB Boards. As of December 31, 2015, PPCR USD 145.9 million has been disbursed.
6. The overarching expected results under the endorsed SPCRs and the PPCR Private Sector Set-Aside (PSSA) include reducing the climate change vulnerability of over 30 million people in 17 countries over the lifetime of the implementation of 41 approved projects. Of these beneficiaries, an estimated 50 percent are women. As of December 31, 2014, more than 900,000 people have been directly supported by 10 PPCR projects as reported by seven countries. This is the equivalent to the population of Fiji.

7. With a primary objective to mainstream climate resilience in development planning, the PPCR's expected contribution to mainstreaming resilience is also significant. Among the 20 endorsed SPCRs, seven countries have developed or revised their key national development strategy documents to embed climate change considerations. In six other countries, work is underway to embed climate change in key national development planning documents with, in most cases, support of PPCR technical assistance projects. Only two pilot countries have not started this process. Moreover, PPCR investments have been instrumental in supporting the establishment of institutions to address climate risk in all 20 countries.
8. The PPCR is expected to continue building on this progress to achieve its expected results. As the implementation of SPCRs advances, and as new PPCR pilot countries enter Phase 1 activities, there is a strategic need to build on the programmatic approach of the PPCR. PPCR Sub-Committee guidance is requested on expanding and strengthening the programmatic approach.

2.1 Resource Availability in the PPCR

9. As of December 30, 2015, the PPCR's USD 152.53 million funding requirements exceed the USD 134.96 million resources available to support PPCR programming by USD 17.57 million (see Annex 2). These funding requirements include a pipeline of projects from endorsed SPCRs and PSSA that will be submitted for PPCR Sub-Committee approval. Table 1 provides further detail on the resources available for PPCR activities.

Table 1: PPCR Resources Availability Schedule

PPCR Resources Availability Schedule

Amounts expressed in USD million

Funds Available to Support PPCR Programming (as of 31 Dec. 2015)	117.18
Add: Contributions Receivable	17.78
Total Available Funding	134.96
Less: Pipeline Projects to be Submitted for Approval (including fees) ^{1/}	(152.53)
Surplus(Shortfall)	(17.57)

1/ Projects/programs recently reviewed by the MDBs for submission to the committee for approval. Also includes fees and funding decisions on country programming budget and SPCR preparation grant for new countries.

10. For the 10 new pilot countries, USD 1.5 million has been made available for each country to take a leadership role in working with the MDBs to develop its full strategic program for climate resilience (SPCRs). The continued uncertainty regarding funding for SPCR implementation remains a concern for new pilot countries.

2.2 Building on the Programmatic Approach of the PPCR

11. The PPCR is unique in using a two-phase, programmatic approach:
12. Phase 1: Assistance to national governments to develop a holistic and integrated strategic program for climate resilience program that meshes with development planning across sectors and stakeholder groups. This entails a long-term, strategic arrangement of linked investments that mutually reinforce each other to effect systemic, sustainable transformation.
13. Phase 2: Provision of additional funding to put the SPCR into action, and in so doing, pilot innovative public and private sector solutions to pressing climate-related risks.
14. The PPCR's programmatic approach has been a valuable resource to ensure more strategic use of adaptation resources in focusing activities on specific priorities and building key partnerships across sectors, ministries, and diverse stakeholders. The strength of this convening platform by the PPCR has allowed for the building up of both formal and informal relationships in many PPCR countries.
15. In addition, the PPCR programmatic approach has deepened country ownership of the climate resilience agenda, due to its alignment with national priorities and the highly participatory process of developing SPCRs.
16. Resilience finance is now more focused on the most vulnerable countries, including LDCs and SIDS. The outcome document of COP21, namely, The Paris Agreement, firmly established the need to prioritize these vulnerable countries. This is fully in line with the PPCR's mandate to give priority to highly vulnerable least developed countries eligible for MDB concessional funds, including the SIDs among them¹.
17. In light of the strategic discussion on the future of the CIF, and of the future direction of climate and resilience finance, the PPCR is in a key position to build on its successful programmatic approach. It provides key lessons and best practices on mainstreaming resilience in development planning. Capitalizing on the PPCR programmatic approach will help to pilot additional innovative approaches to resilience and adaptation finance. Key steps for building on the programmatic approach are outlined in the following paragraphs.
18. A strategic discussion on the PPCR will be included as part of the overall CIF Strategic Paper to be presented to the meeting of the CTF-SCF Joint Committees in June 2016. The PPCR Sub-Committee is therefore requested to provide guidance on building on the programmatic approach of the PPCR in line with the strategic discussion on the future of the CIF and in line with the future directions of climate finance.

¹ *PPCR Design Document*

3 Status of the PPCR

3.1 Overview and Trends

19. The pledge volume to the PPCR as of June 30, 2015 is USD 1,18 billion². The PPCR Sub-Committee has approved USD 964.04 million (88 percent of PPCR funding) for a total of 57 projects and programs. The MDBs have approved USD 909.9 million (80 percent of PPCR funding) for a total of 54 projects and programs. Table 2 provides an overview of the PPCR portfolio in terms of approvals throughout the CIF project cycle.

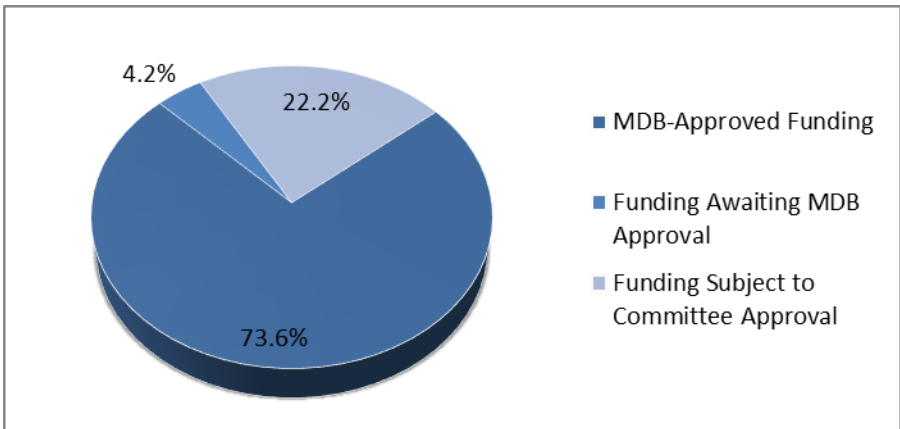
Table 2: Overview of PPCR Portfolio (as of December 31, 2015)

	Endorsed Indicative Allocation			Approved Funding		Disbursement
	TOTAL	IP	PSSA	Committee	MBD	
PPCR Funding (in \$M)	1,099.6	1,034.4	65.3	964.0	909.9	146.3
Number of projects	74	63	11	57	54	44

Note: Total endorsed funding does not include SPCR preparation grant, including that of the new countries.

20. The SPCRs for the original group of nine pilot counties and two regional programs, including the nine countries under the regional programs, have been endorsed. The PPCR portfolio currently contains a total of 74 projects and programs, with 63 projects and programs agreed in the endorsed investment plans and 11 projects supported under the PPSA. Figure 1 shows the percentage of projects included in endorsed SPCRs that have received MDB approval, those awaiting MDB approval, and those awaiting PPCR funding approval.

Figure 1: SPCR Project Approval Status (as of December 2015)

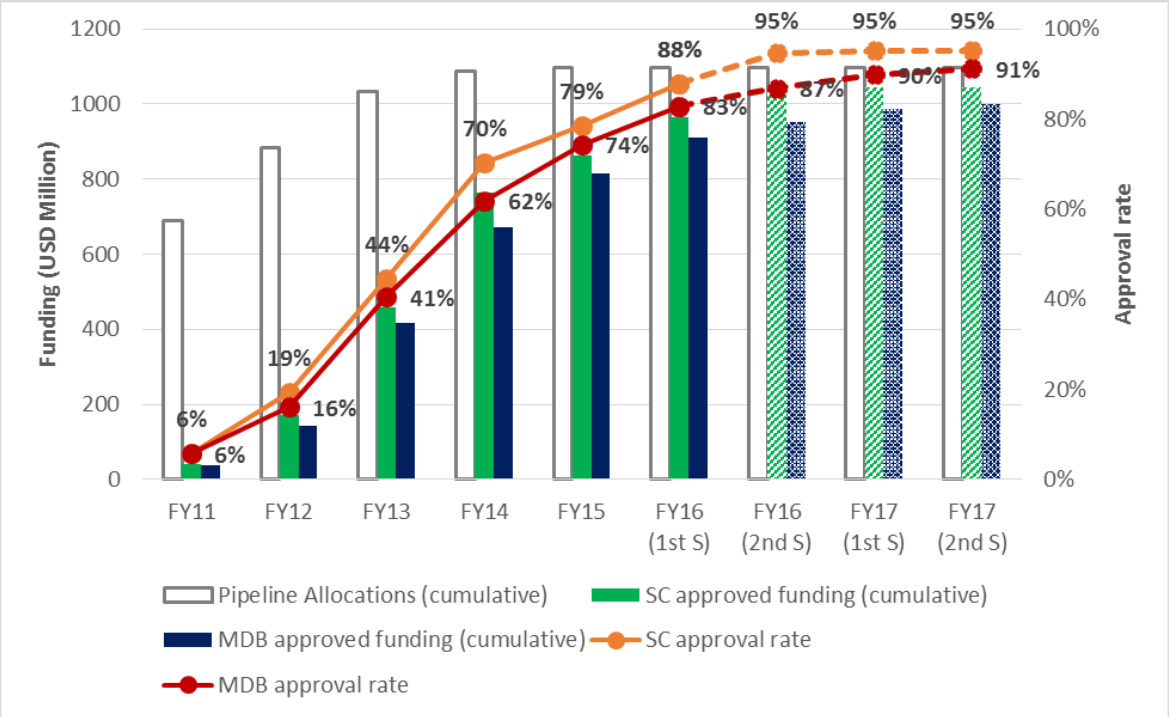


Note: The figure does not include new pilot countries, fees, and related administrative cost.

² Pledges/contributions are valued on the basis of exchange rate as of December 2015. This includes indicative allocation from the UK contribution (Nov. 2014) and may change depending on the requirements of the different programs under SCF.

- 21. Figure 2 shows the rate of approvals by the PPCR Sub-Committee and MDB Boards by fiscal year, including the projections for FY16 and FY17. The approval rate has steadily risen since the first approvals, which occurred two years after creation of the PPCR, and since the first SPCR endorsements. Sub-Committee approvals continue to rise and are expected to stabilize between the end of FY16 and FY17, due to the fact that 95 percent of funds will have been approved. This is also accounted by the fact that funds pending approvals are allocated to projects which are experiencing obstacles on-the-ground (see Table 8, Status of Projects and Programs in Preparation for PPCR Funding approval, in particular the update of projects expected to surpass 24 months in pipeline).
- 22. MDB approvals are expected to continue rising over the coming months. Between the end of FY15 and the first half of FY16, approvals by the Sub Committee rose by 11.7 percent from 79 percent to 88 percent of total PPCR resources. In the same period, MDB approvals rose by 11.5 percent, from 74 percent to 83 percent of total PPCR resources.

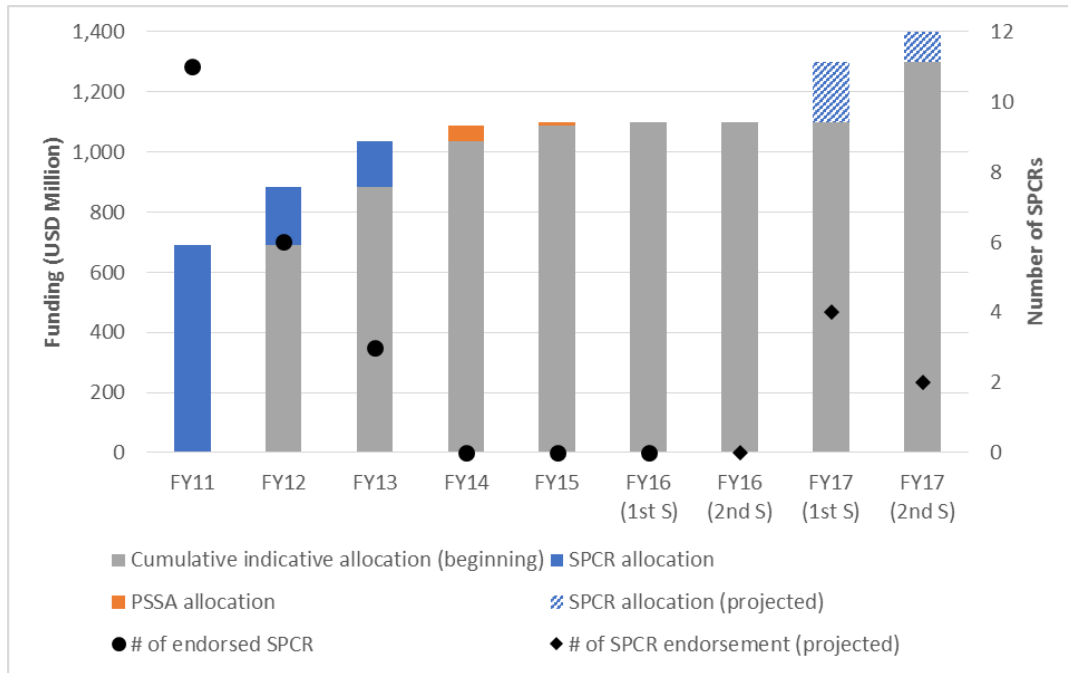
Figure 2: Trends in Rates of Approvals by the PPCR Sub-Committee and MDB Boards



- 23. Figure 3 shows the trends in indicative allocations by the PPCR Sub-Committee. The SPCRs for the original group of PPCR pilot countries and regional programs were endorsed during a three-year time period. Most SPCRs were approved by FY12, and the last approvals occurred in FY13, including the additional funding for SPCRs of USD 88 million. In addition, indicative allocations for the private sector set-asides occurred in FY14 (USD 54.8 million), with an additional envelope of USD 10.5 million approved in FY15. Allocation trends are expected to change as the SPCRs for the 10 new PPCR countries are submitted for approval

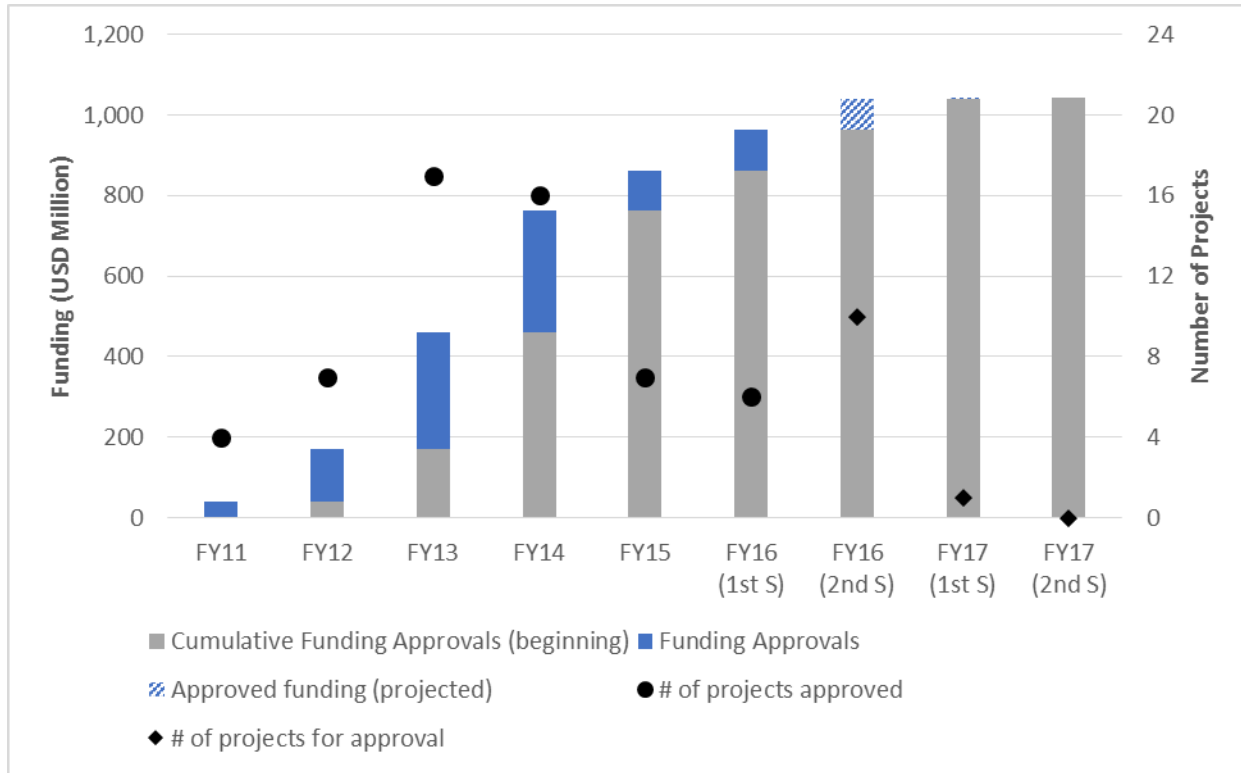
in FY17. Six countries have indicated they will be submitting SPCRs for endorsement at that time (Uganda, Ethiopia, Kyrgyz Republic, Philippines, Honduras, and Bhutan). On average, each of the first PPCR pilot countries was allocated USD 50 million to implement their SPCRs. On this basis, pending future resources, it is assumed that USD 300 million would be endorsed for the six new SPCRs in FY17. It should be noted that it is recognized that the PPCR does not currently have the funds available to sponsor these SPCRs; nevertheless, these projections are included in the figure below.

Figure 3: Trends in Endorsed Indicative Allocations



24. Figure 4 shows PPCR funding approvals by the Sub-Committee by fiscal year, including projections. Cumulative funding approvals have risen steadily since endorsement of SPCRs and the PSSA concepts. Taking into account that project approvals began in the same year as SPCR endorsement, it is apparent that PPCR Sub-Committee approvals occur at a fast rate. The fall in the number of projects approved in the last two fiscal years is concurrent with the fall in numbers of projects for approval each fiscal year. That is to say, most projects have already been approved by the PPCR Sub-Committee so there are fewer projects to approve in absolute terms.

Figure 4: Trends in PPCR Sub-Committee Approvals



3.2 Portfolio Updates

3.2.1 Strategic Plans for Climate Resilience

25. All 10 countries newly selected to receive PPCR support have begun SPCR preparation and undertaken an initial scoping mission. The following four countries have planned a joint mission: Honduras, Kyrgyz Republic, Philippines, and Uganda. Table 3 indicates the dates for the scoping missions and joint missions, as well as the lead MDB selected, if relevant. The Aide Memoire for each country can be found on each country page of the CIF website.

Table 3: Country Scoping Mission Dates (July 1 to December 31, 2015)

Country	MDB	Scoping Mission Dates	Comments	Joint Mission Dates	Lead MDB	IPPG request (USD M)
Bhutan	ADB, IBRD, IFC	Oct 26-30, 2015			IBRD	
Ethiopia	IBRD, AfDB, IFC	Feb 15-19, 2016				
Honduras	IDB, IBRD, IFC	Nov 9-11, 2015	Joint with FIP	March 8-16, 2016		
Kyrgyz Republic	EBRD, IBRD	Oct 19-23, 2015		April 2016	EBRD	1.5
Madagascar	IBRD, AfDB	Nov 30-Dec 4, 2015				
Malawi	IBRD, AfDB	November 15	Planned			
Philippines	IBRD	Nov 23-27, 2015		April 2016	IBRD	1.5
Rwanda	IBRD, AfDB	Nov 23-25, 2015	Joint with FIP			
The Gambia	IBRD, AfDB	Feb 1-5, 2016				
Uganda	AfDB, IBRD	Oct 19-23, 2015	Joint with FIP	Mar 2016		1.5

3.2.2 Sub-Committee Approvals

26. During the reporting period, seven projects and programs were approved by the PPCR Sub-Committee for a total of USD 100 million (see Table 4).

Table 4: PPCR Sub-Committee Approved Projects and Programs (July 1 to December 31, 2015)

COUNTRY	PROJECT TITLE	MDB	Public/Private	Main Sectoral Focus	Grant	Concessional Loan	SC Approval Date
South Pacific-Papua New Guinea	Building Resilience to Climate Change in Papua New Guinea Project	ADB	Public	Agriculture and Landscape Management	24.25	-	Jul-15
Cambodia	Rainwater Harvesting and Drip Irrigation for High-Value Crop Production in Cambodia	ADB	Private	Water Resources Management	-	5.00	Sep-15
Cambodia	Climate resilient Rural Infrastructure in Kampong Cham Province(as part of Rural Roads Improvement Project (RRIP-II))	ADB	Public	Infrastructure	9.00	7.00	Sep-15
Bolivia	Multipurpose Drinking water and irrigation program for the municipalities of Batallas, Pucarani and El Alto	IDB	Public	Water Resources Management	42.50	-	Oct-15
Caribbean-Haiti	Climate Proofing of Agriculture in the Centre-Artibonite Loop	IDB	Public	Agriculture and Landscape Management	4.50	-	Oct-15
Cambodia	Technical Assistance: Mainstreaming Climate Resilience into Development Planning of Key Vulnerable Sectors	ADB	Public	Enabling Environment (including capacity development, policy and regulatory work)	3.00	-	Oct-15
Caribbean-Jamaica	Financing water adaptation in Jamaica's new urban housing sector	IDB	Private	Urban Development	-	5.75	Oct-15
TOTAL APPROVAL					83.25	17.75	

3.2.3 MDB Approvals

27. During the reporting period, seven projects were approved by their respective MDB Boards for a total of USD 93.63 million (see Table 5).

Table 5: MDB Approved PPCR Projects and Programs (July 1 to December 31, 2015)

COUNTRY	PROJECT TITLE	MDB	Public/ Private	Main Sectoral Focus	Grant	Concessional Loan	MDB Board Approval
Mozambique	Smallholder Irrigation Feasibility Project	IFC	Private	Agriculture and Landscape Management	0.58	-	Jul-15
Caribbean-Jamaica	Improving Climate Data and Information Management Project	IBRD	Public	Climate Information Systems and Disaster Risk Management	6.80	-	Jul-15
Tajikistan	Small Business Climate Resilience Financing Facility	EBRD	Private	Enabling Environment (including capacity development, policy and regulatory work)	-	5.00	Oct-15
South Pacific- Papua New Guinea	Building Resilience to Climate Change in Papua New Guinea Project	ADB	Public	Agriculture and Landscape Management	24.25	-	Oct-15
Cambodia	Flood-resilient Infrastructure Development in Pursat and Kampong Chhnang Towns as part of the Integrated Urban Environmental Management in the Tonle Sap Basin Project	ADB	Public	Infrastructure	5.00	5.00	Nov-15
Bolivia	Multipurpose Drinking water and irrigation program for the municipalities of Batallas, Pucarani and El Alto	IDB	Public	Water Resources Management	42.50	-	Dec-15
Caribbean-Haiti	Climate Proofing of Agriculture in the Centre-Artibonite Loop	IDB	Public	Agriculture and Landscape Management	4.50	-	Dec-15
TOTAL APPROVAL					83.63	10.00	

3.3 Cross-cutting Themes

3.3.1 Knowledge Management Update

28. **Adaptation Futures Meeting:** The CIF, in partnership with the World Bank Group, have organized an event to share lessons on the PPCR programmatic approach in the context of climate resilience, on the sidelines of Adaptation Futures 2016, the 4th International Climate Change Adaptation Conference in Rotterdam, the Netherlands. The panel event will take place on May 10, 2016 and will bring together PPCR pilot countries (Tajikistan, St. Lucia and Zambia) to share lessons on mainstreaming resilience into development planning and investment. The aim is to understand how a programmatic approach has helped these pilot countries shape investment plans and priorities across key economic sectors and with the

participation of diverse stakeholder groups. A detailed agenda of the event may be found on the Adaptation Futures 2016 website³.

3.3.2 Gender Update

29. The CIF portfolio of Investment Plans and projects approved by program Sub-Committees and Trust Fund Committee across all four programs from January 1 to December 31, 2015 was reviewed to identify program progress regarding gender “quality at entry.” The three scorecard indicators regarding presence of 1) sector-specific gender analysis, 2) gender-disaggregated indicators, and 3) women-specific activities were reviewed for each investment plan and project. Figures were compared to baseline performance of the CIF portfolio as of June 30, 2014.

30. PPCR project performance on all three gender indicators in this review continued to improve relative to the historical baseline, and also performed very well against SCF comparators.⁴ Specifically, results revealed that among PPCR projects approved in 2015, sector-specific gender analysis was undertaken in 88 percent of projects (compared to SCF average of 85 percent). Gender-disaggregated indicators at project level were present in 88 percent of PPCR projects (compared to SCF average of 71 percent), while three-quarters of PPCR projects approved had planned specific activities aimed at women (compared to SCF average of 77 percent).

³ Adaptation Futures 2016 Programme: <http://edepot.wur.nl/370161>

⁴ No new PPCR Investment Plans were approved in CY2015.

Box 1: Enhancing Outcomes for Women in Agri-Business Development in Cambodia

2015 saw expansion in the approved portfolio of PPCR's Private Sector Set-Aside projects. Among such projects was a \$5 million grant supported by ADB to the Akay Flavours and Aromatics Cambodia Pvt Ltd firm, as well as a local micro-finance institution under the Rainwater Harvesting and Drip Irrigation for High-Value Crop Production project. This project uses an outgrower business model, as well as a 717-hectare demonstration and teaching model farm, to introduce climate-resilient technologies for use in export-oriented private sector agri-business. Additional knowledge spillover is expected in local farm communities.

The project has strong positive intended gender outcomes built into its design, following findings from a gender and poverty impact assessment for the project, and a gender action plan prepared in consultation with the firm, Akay Flavours Cambodia. Key gender impacts from the project include direct employment impacts for women (70 percent of model farm workers and 50 percent of new contract farmers will be female). In terms of direct economic benefits to women and their dependents, this outcome is notable as 63 percent of prospective female contract farmers surveyed in the impact assessment are primary income earners for their households.

Some gender-responsive design features include provision of child care and housing facilities for women farm workers, support for financial inclusion through facilitation of opening bank accounts in women's names and enhancing their financial literacy, and skills development and improved access to agricultural extension services. These measures have the potential to strengthen women's asset base. The gender assessment revealed that not one of the 83 prospective female farmers surveyed in Battambang province had a bank account in her own name.

Finally, the firm will appoint a gender specialist to guide the envisioned gender efforts, including gender training in the community. The firm will also maintain a sex-disaggregated database on farmers' and workers' employment generated, benefits, and improvements to household socioeconomic conditions.

3.3.3 Monitoring and Reporting Update

31. In the spirit of the CIF's learning-by-doing approach, the PPCR monitoring and reporting toolkit was slightly revised to reflect a request made by the PPCR Sub-Committee (November 2015 meeting) for more gender-disaggregated data and also to provide more guidance to pilot countries and MDBs on how to better report on confidential and sensitive private sector data and information. The revised toolkit will guide PPCR countries and MDBs during the FY16 results reporting round that will start in the second quarter of FY16. It is expected that these efforts should increase the extent to which gender-disaggregated data is reported over the entire pipeline moving forward.

32. From November 21 to 28, 2015, the CIF Administration Unit, in collaboration with ADB, participated in two-day monitoring and evaluation training workshops organized by the Tajikistan PPCR Secretariat. This workshop provided an occasion to 1) enhance capacity of practitioners to collect, analyze, and use data to make decisions/judgments about the effectiveness of the PPCR interventions, and 2) enhance capacity of practitioners to prepare

monitoring reports in compliance with the CIF reporting requirements for PPCR pilot countries. The two-day workshop was complemented by field visits in two projects⁵ areas to assess progress and results achieved on the ground by the PPCR. These field visits provided the opportunity to meet with local project implementing agencies and get real-time feedback from project beneficiaries.

4 Portfolio Analysis

4.1 Project Delivery Tracking

33. The CIF Administrative Unit keeps track of the status of the endorsed portfolio⁶ in order to monitor project approval delays in two stages: 1) time elapsed between investment plan endorsement and Sub-Committee approval, and 2) time elapsed between Sub-Committee approval and MDB approval.

34. **Table 6: Timeframe for Project Delivery**

Number of months (SPCR endorsement to SC approval)		Number of months (SC approval to MDB approval)	
18 months or less	1 project USD 5 million	4 months or less	3 projects USD 24.8 million
18 to 24 months	5 projects USD 35.5 million	4 to 12 months	0 projects USD 0 million
More than 24 months	13 projects USD 93.2 million	More than 12 months	2 projects USD 24.4 million
Total	19 projects USD 133.7 million	Total	5 projects* USD 49.2 million

*Estimated MDB board approval date not provided on one additional project for USD 5 million.

35. Of the 19 projects in the PPCR pipeline being prepared for PPCR funding approval by the Sub-Committee, 13 projects have been or will be (based on the estimated approval date) in the pipeline for more than 24 months, five projects have been or will be in the pipeline for more than 18 months, and one project for less than 18 months during the reporting period.

⁵ Building Climate Resilience in the Pyanj River Basin Project (in Khatlon, Vose district) and The Environmental Land Management and Rural Livelihoods Project (in Khatlon, Kulyab district)

⁶ This includes PSSA projects. For these projects, endorsement dates are at the time of Sub-Committee endorsements rather than SPCR endorsement.

4.2 Outlook for Projected Submissions

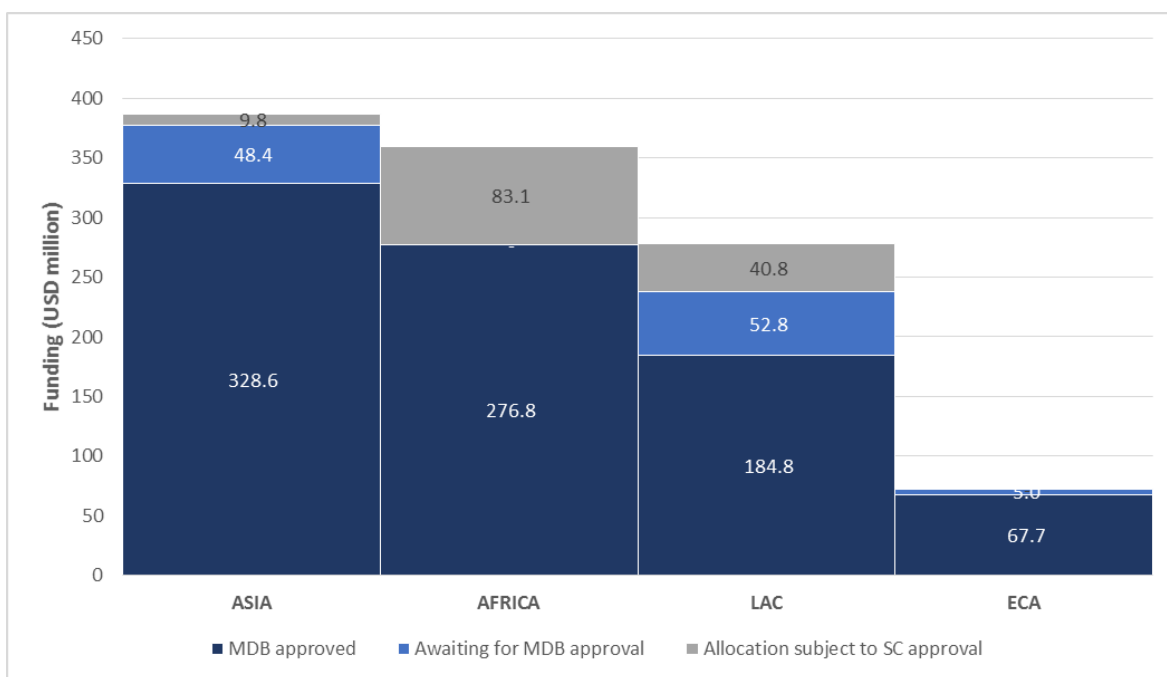
36. For FY16, the MDBs expect to submit 19 projects for a total of USD 133 million in PPCR funding (see Annex 1).

4.3 Portfolio Breakdown Analysis

4.3.1 Portfolio by Region

37. Figure 5 shows PPCR funding distribution across geographical regions. The Sub-Committee has approved the entire indicative allocation to the Europe and Central Asia region, representing only Tajikistan. The Sub-Committee has approved 77 percent of the indicative allocation to Africa, 86 percent of the indicative allocation to Latin America and the Caribbean, and 97 percent of the indicative allocation to Asia. MDB approval rates are very high for the funds that have been approved by the PPCR Sub-Committee: 100 percent in Africa, 93 percent in Europe-Central Asia, 87 percent in Asia and the Pacific, and 78 percent in Latin America and the Caribbean.

Figure 5: Indicative Allocation of PPCR Funding and Approvals by Region
(as of December 2015)



4.3.2 Portfolio by Country

38. Table 7 provides information on the indicative allocation of PPCR funding by pilot country at the time of SPCR endorsement and the funding approved by the Sub-Committee.

Table 7: Indicative Allocation of PPCR funding and PPCR Approvals
(as of December 2015, USD M)

PPCR pilot	SPCR endorsement date	24 month benchmark ⁷	Total allocation	SC Funding Approvals	% Funding Approval
Bangladesh	Nov-10	Nov-12	110.00	110.00	100%
Bolivia	Nov-11	Nov-13	115.00	90.50	79%
Cambodia	Jun-11	Jun-13	95.96	95.96	100%
Mozambique	Jun-11	Jun-13	102.00	81.00	79%
Nepal	Jun-11	Jun-13	91.00	86.00	95%
Niger	Nov-10	Nov-12	110.40	100.40	91%
Tajikistan	Nov-10	Nov-12	72.73	72.73	100%
Yemen	Apr-12	Apr-14	57.60	19.00	33%
Zambia	Jun-11	Jun-13	89.88	76.38	85%
Dominica	Nov-12	Apr-14	21.00	21.00	100%
Grenada	Apr-11	Apr-13	25.00	25.00	100%
Haiti	May-13	May-15	28.00	17.50	63%
Jamaica	Nov-11	Nov-13	35.72	30.92	87%
Saint Lucia	Jun-11	Jun-13	28.00	27.00	96%
St. Vincent & The Grenadines	Apr-11	Apr-13	15.00	15.00	100%
Caribbean - Regional Track	Apr-12	Apr-14	10.60	10.60	100%
Papua New Guinea	Nov-12	Nov-14	30.00	25.20	84%
Samoa	Apr-11	Apr-13	29.89	29.89	100%
Tonga	Apr-12	Apr-14	19.95	19.95	100%
Pacific - Regional Track	Apr-12	Apr-14	10.00	10.00	100%

39. Nineteen out of the 20 PPCR pilots have received PPCR funding approval for more than 50 percent of the indicative funding allocation endorsed by the PPCR Sub-Committee. In addition, 10 out of the 20 PPCR pilots have received PPCR funding approvals for 100 percent of the indicative allocation endorsed by the PPCR Sub-Committee. Of these, eight have received MDB approval for their entire indicative allocation (Tajikistan, Dominica, Grenada,

⁷ Benchmarks established according to SCF Policy on Pipeline Management.

St. Vincent and the Grenadines, Caribbean Regional Track, Samoa, Tonga, and the Pacific Regional Track).

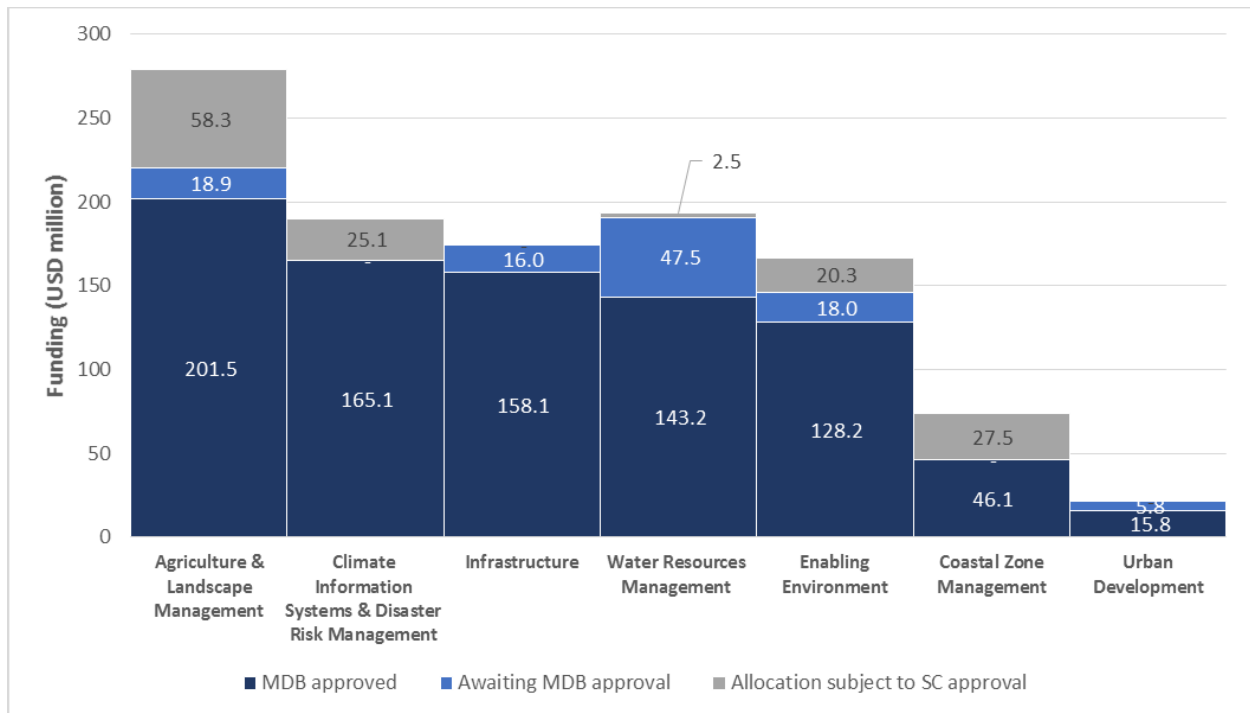
40. There is one PPCR pilot country with an endorsed SPCR that has a PPCR funding approval rate below 50 percent: Yemen. Due to the security, conflict and humanitarian concerns which have been ongoing in Yemen, the World Bank has suspended all missions to Yemen. Once the situation improves, the teams will re-assess jointly with the Government of Yemen regarding next steps.

4.3.3 Portfolio by Sector

41. Figure 6 provides information on the use of endorsed and approved PPCR resources by sectoral focus. Projects most quickly approved by the Sub-Committee fall under Infrastructure (100 percent approved), Urban Development (100 percent approved), and Water Resources Management (99 percent approved).

42. In terms of percentage share of PPCR endorsed funding, Agriculture and Landscape Management projects make up 22.9 percent of PPCR funding, followed closely by projects under Water Resources Management (19.8 percent), Infrastructure (18.1 percent), and Climate Information Systems and Disaster Risk Management projects (17.1 percent).

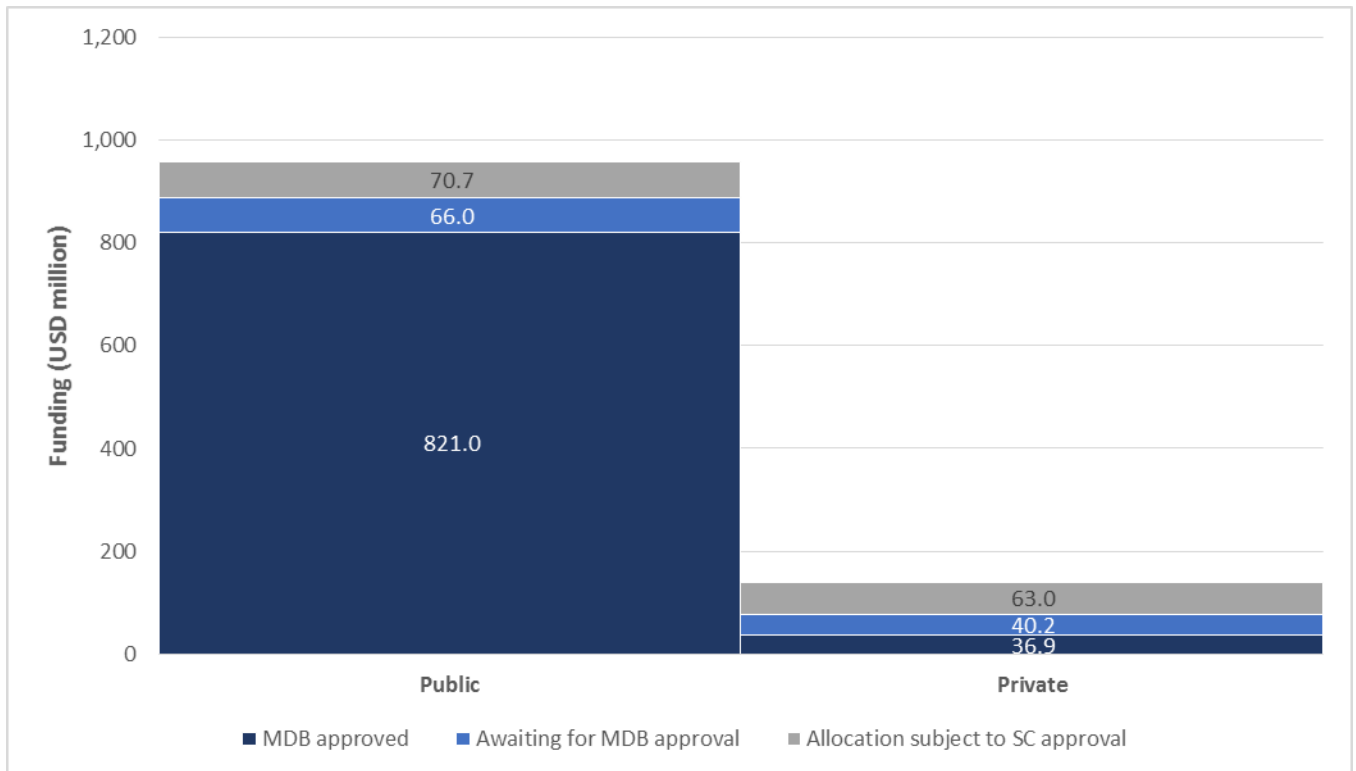
Figure 6: PPCR Funding Approvals by Sector (as of December 2015)



4.3.4 Portfolio by Public and Private Sector Share

43. Figure 7 provides a breakdown of PPCR funding allocation for public and private sector projects and programs in the PPCR portfolio.
44. Of the USD 1,097.7 million resources available, USD 957.7 million are providing funding to public sector clients (87.2 percent of resources). USD 140 million are available for private sector operations (12 percent of PPCR resources). The PPCR private sector set-aside mechanism succeeded in increasing the number of private sector investments in the PPCR portfolio to its current number, contributing to a more balanced distribution between public and private sector operations. In fact, the private sector set-asides account for USD 65.3 million (47 percent) of private sector funds available.
45. Of the resources allocated to public sector operations, USD 887 million have been approved (92.6 percent approval rate) by the PPCR Sub-Committee and USD 821 million by the respective MDB board. Of the resources allocated for private sector operations, USD 77.1 million have been approved (55 percent approval rate) by the PPCR Sub-Committee and USD 36.9 million have been approved by the respective MDB board. Of the USD 964 million that has been approved by the PPCR Sub-Committee, 8 percent is due to approvals in private sector projects and 92 percent is due to approvals in public sector projects.

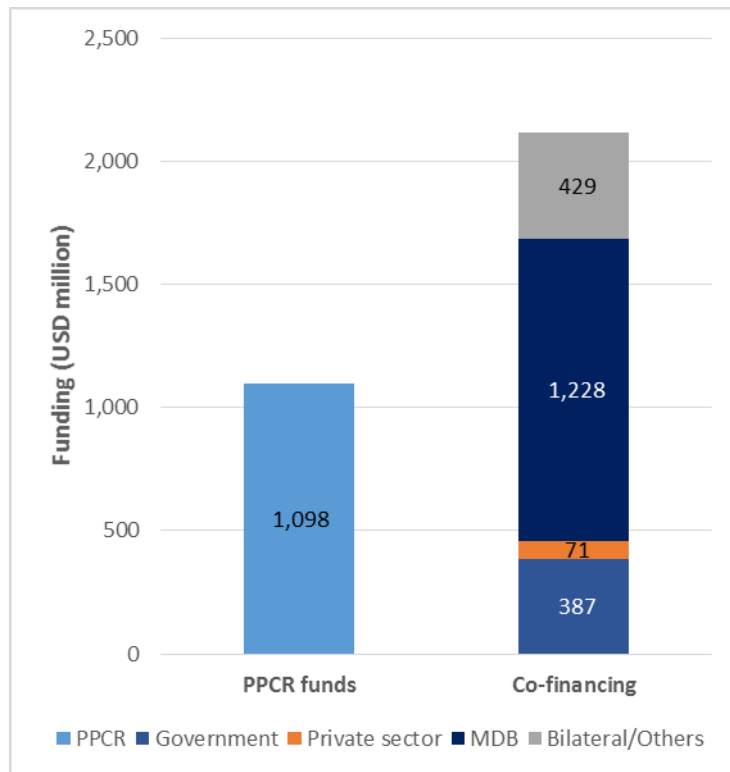
Figure 7: Distribution of Approvals between Public and Private Sector Operations (USD M)



4.4 Co-financing

46. Figure 8 summarizes the total co-financing figures in the PPCR disaggregated by source, based on projections and actual figures. A detailed breakdown of co-financing on a country and project/program basis can be found in document PPCR/SC.18/Inf.3, *PPCR Pilot Country and Regional Portfolios*⁸ and the CIF Disbursement Report.
47. In addition to pilot country governments and MDBs, major co-financing partners include: Bill and Melinda Gates Foundation, Global Facility for Disaster Risk Reduction, Global Agriculture and Food Security Program, Global Environment Facility, and bilateral partners from Australia, Korea, Norway, and the United Kingdom.
48. The largest co-financing partner for PPCR projects and programs are the MDBs. Projected co-financing by MDBs on approved projects is USD 1,117.6 million, or 62.5 percent of the total cofinancing on MDB approved projects of USD USD 1,781.6 million. This is consistent with the CIF’s mandate to build on existing or planned MDB operations and to use CIF resources to further enhance these operations in a way that they go above and beyond the business-as-usual (principle of “additionality”).

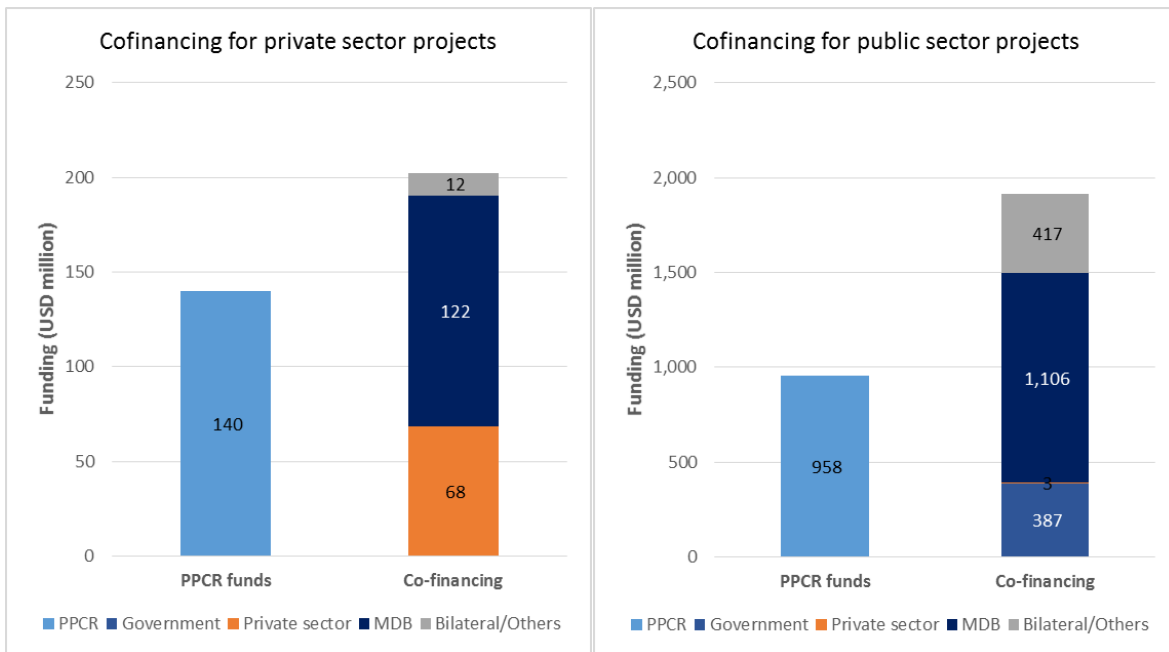
Figure 8: Total Projected PPCR Co-financing Breakdown by Source (USD M)
(Total projected co-financing USD 2,115 million)



⁸ <http://www.climateinvestmentfunds.org/cif/workingdocuments/18981>

49. PPCR private sector projects total USD 140.06 million in endorsed resources and are expected to leverage USD 202 million in total. Private sector projects are expected to have a leverage ratio of 1:1.4, meaning for every USD 1 invested by PPCR, private sector projects leverage an additional USD 1.4 from other sources. In comparison, the public sector projects, totaling USD 957.68 million in endorsed resources, are expected to leverage USD 1,912.88 for the entire pipeline. The accompanying leverage ratio is 1:2, meaning for every USD 1 invested by PPCR, public sector projects leverage an additional USD 1.2 from other sources. Figure 9 below compares cofinancing for public sector and private sector projects.

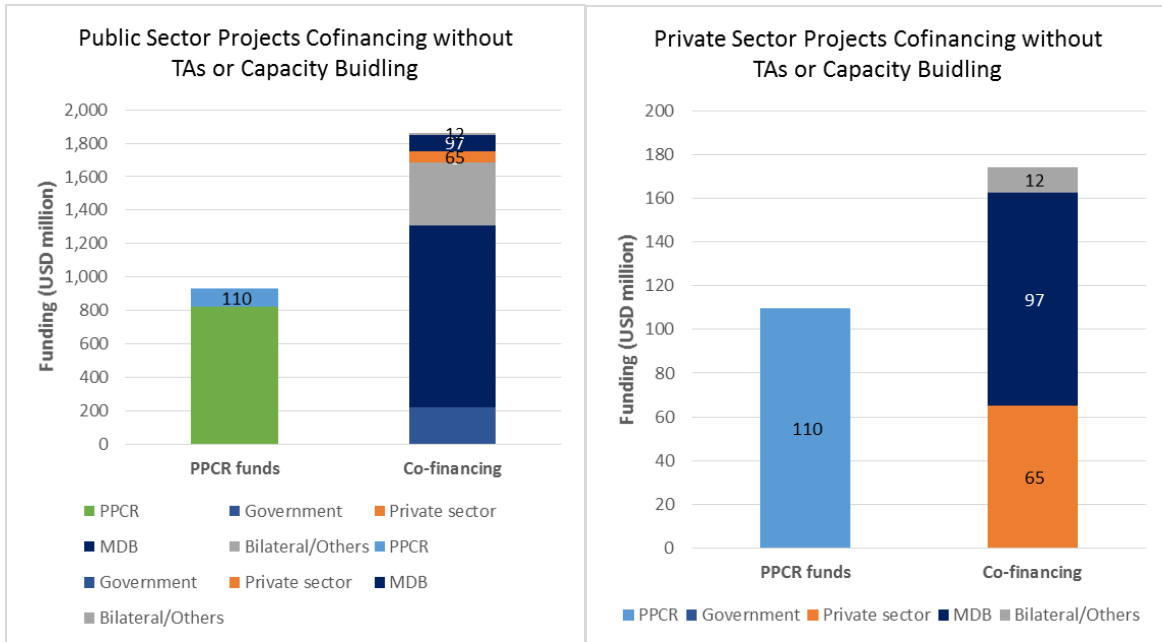
Figure 9: Co-financing for Public Sector and Private Sector Projects



50. Excluding co-financing figures for capacity building and technical assistance projects, it becomes clear that PPCR is leveraging more resources with projects that are not capacity building. This is in line with the kinds of projects that attract outside financing. Co-financing ratios across projects within each sector vary depending on the sector and type of investment. Most projects focusing on the enabling environment and building climate information systems are stand-alone operations that do not attract much co-financing due to the nature of the investment. Coastal zone management and infrastructure operations are able to leverage more co-financing as more partners are able to collaborate and contribute to the investments.

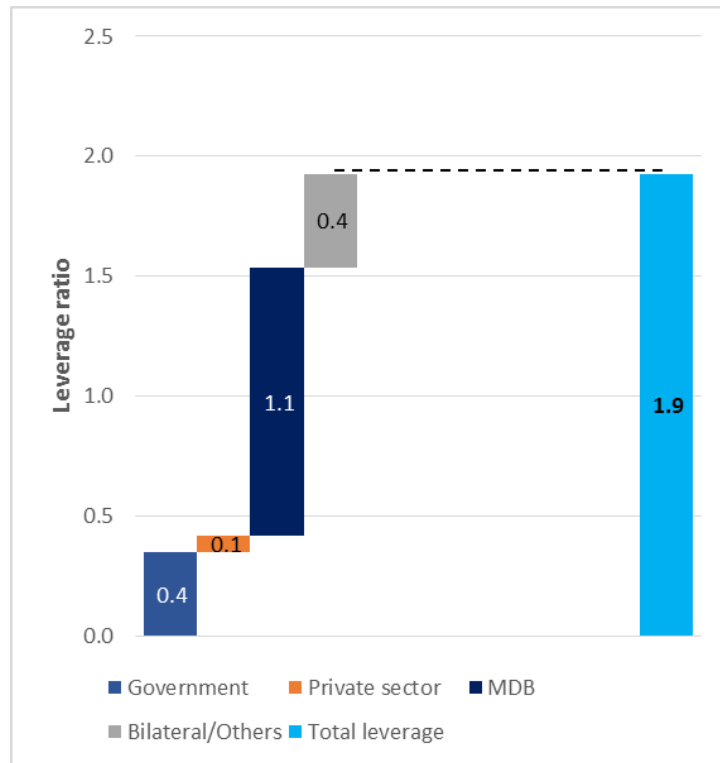
51. Figure 10 illustrates this. For public sector projects excluding technical assistance and capacity building projects, PPCR resources total USD 822 million, and are expected to leverage USD 1,688 million. That is equivalent to a 1:2.1 leverage ratio. For private sector projects excluding technical assistance and capacity building projects, PPCR resources total USD 110 million, and are expected to leverage USD 174 million. That is equivalent to a 1:1.6 leverage ratio.

Figure 10: Co-financing for Public Sector and Private Sector Projects, excluding TAs and Capacity Building Projects



52. Figure 11 summarizes the breakdown in co-financing leverage by source. Currently, the projected co-financing ratio of PCR projects and programs is 1: 1.9. The largest source of leveraging is the MDBs at 1:1.1, in line with the aforementioned observation and the PCR’s goal of scaling up projects to create transformational change. Government and bilaterals provide the next largest sources of leverage for PCR funding, at 1:0.4 each.

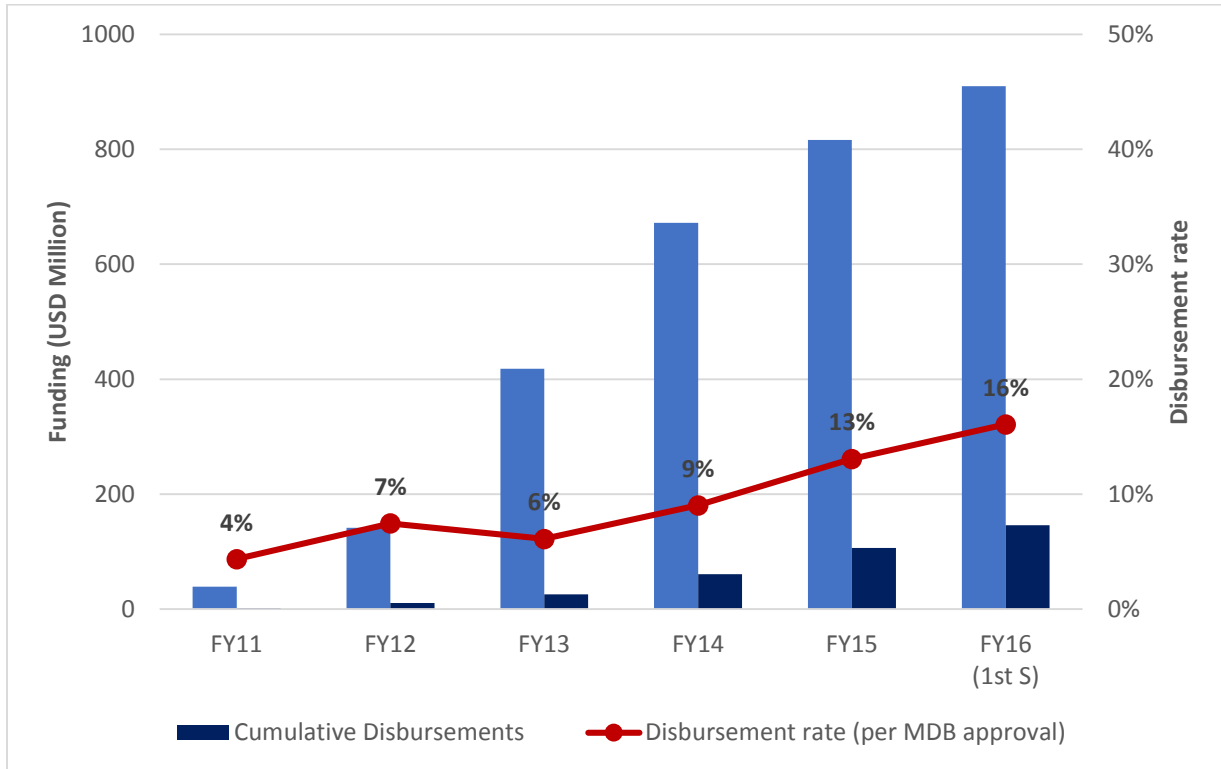
Figure 11: PPCR Leverage Ratio by Source (as of December 2015)



4.5 Disbursements

53. Disbursement rates for the PPCR are at 16 percent of MDB approvals as of December 2015. In the first half of FY16, USD 40.1 million were disbursed. Cumulatively, USD 146.3 million have been disbursed, or 16 percent of PPCR funding. This is common among new funds, and reflects similar trends as other MDB projects. It is also in line with the disbursement trends in the other SCF programs. Cumulative disbursements grew by 38 percent between FY15 and the first half of FY16, from USD 106.6 million to USD 146.3 million. In fact, disbursement rates have been rising linearly, indicating a positive, steady increase in disbursement rates over the past three years (see Figure 12).

Figure 12: Trends in Disbursements in the PPCR by Fiscal Year



Annex 1: Scheduled Submissions of Projects and Programs for PPCR Funding Approval for FY16 (as of December 31, 2015)

COUNTRY	PROJECT TITLE	MDB	Grant	Concessional Loan	Total PPCR Funding
Q3					
Mozambique	Lurio Sustainable Forestry Project	AfDB	-	11.00	11.00
Q4					
Mozambique	Developing Climate Resilience in the Agricultural and Peri-Urban Water Sectors Through Provision of Credit Lines from Mozambican Banks-Investment Component	IFC	-	5.00	5.00
Mozambique	Developing Community Climate Resilience Through Private Sector Engagement in Forest Management, Sustainable Timber harvesting and/or tourism. Options include forest areas in Niassa, Gorongosa and central Mozambique	IFC	-	5.00	5.00
Nepal	Building Resilience to Climate-Related Hazards-Additional Funding	IBRD	5.00	-	5.00
Caribbean-Saint Lucia	Supporting climate resilient investments in the agricultural sector in Saint Lucia	IDB	-	1.00	1.00
Bolivia	Microfinance and Climate Resilience for Smallholder Farmers in Bolivia	IDB	-	4.00	4.00
Bolivia	Inclusive Finance to Improve Climate Resilience of Bolivian Agricultural Producers	IDB	-	5.00	5.00
South Pacific-Papua New Guinea	Additional Financing to Building Resilience to Climate Change in Papua New Guinea	ADB	4.80	-	4.80
Caribbean-Haiti	Support for the building of a climate resilient sorghum supply chain in Haiti	IDB	-	3.00	3.00
Zambia	Private Sector Support to Climate Resilience-Investment Component	IFC	-	13.50	13.50
Bolivia	Financial Risk Management for Climate Resilience in the Agriculture Sector	IDB	-	10.00	10.00
Caribbean-Haiti	Municipal Development and Urban Resilience Project	IBRD	7.50	-	7.50
Total funding for approval					73.00

Annex 2: Resource Availability in the PPCR (as of December, 2015)

Table 1. PPCR Resource Availability

Funding Classification	Commitment Items	PPCR
Unrestricted Funds in Hand	Cash and Investments	385.50
	Unrestricted & Unencashed Promissory Notes	273.22
	Total Unrestricted Funds in Hand	658.72
Outstanding Commitments ^{1/}	Outstanding Project and program commitments	(640.25)
	Outstanding Fee commitments	(2.60)
	Outstanding Administrative Budget commitments	(0.25)
	Total Outstanding Commitments Not Yet Transferred	(643.10)
Funds Available to support CIF Programming - End Dec. 2015		15.62
Pipeline	Program/Project Funding (<i>January 2016 onwards</i>) ^{2/}	(133.70)
	MDB Project Implementation and Supervision Services (Fees) ^{3/}	(2.35)
	Funding Decisions (May 2015)-IPPGs/Country Programming	(16.48)
	Total Planned Pipeline	(152.53)
Programming Surplus/(Shortfall) - exclusive of restricted funds		(136.91)
Future Funding	Receivable from UK	17.78
	Funding from Provisional Account (net of reserves) ^{4/}	45.35
	Total future funding	63.13
Surplus/(Shortfall) with Future Funding applied		(73.78)
	Reserves ^{5/}	56.21
Programming Surplus/(Shortfall) - inclusive of reserves		(17.57)

1/ Outstanding commitments are legally binding obligations which have been recorded in the Trustee's ledger.

2/ Projects/programs for submission to committee for approval based on recent updates from MDBs.

3/ Fee balances from existing projects.

4/ Includes the amount of GBP36 million received from UK in December 2015 and posted in January 2016. This amount excludes the USDeq. 8 million withheld to mitigate the currency risk

5/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.

Annex 3: Private Sector Set Aside Progress Update

Country/ Region	Project Title	MDB	Total Request (USD million)	Public / Private	SC approval status	MDB approval status	Project Status/Remarks
Bolivia	Financial Risk Management for climate Resilience in the Agriculture Sector	IDB	10.0	Public			Ministry of planning gave green light to develop the project proposal. IDB teams are moving forward with proposal development and it is expected to present it by August 2016.
Bolivia	Microfinance and Climate Resilience for Smallholder Farmers in Bolivia	IDB	4.0	Private			There has been a delay in the approval of the banking license of the designated microfinance institution for the project – The project will be delayed until these banking licenses are obtained.
Bolivia	Building Climate Resilience in Small Livestock Producers in the Bolivian Chaco Region	IDB	5.5	Private			IDB team is working with the Ministry of Planning and the Ministry of Water to solve the last issues before receiving final green light.
Bolivia	Inclusive Finance to Improve Climate Resilience of Bolivian Agricultural Producers	IDB	5.0	Private			IDB team continues working with the identified counterparty to complete the design of the financial instrument.
Cambodia	Rainwater Harvesting and Drip Irrigation for High-Value Crop Production in Cambodia	ADB	5.0	Private	✓	✓	Phase II of the project (involving PPCR funds) is experiencing implementation delays. ADB is working on resolving a number of issues relating to Phase I implementation hurdles with a target to disburse PPCR funds within 2016.

Caribbean-Haiti	Support for the building of a climate resilient sorghum supply chain in Haiti	IDB	3.0	Private			The counterpart initially identified to take the PPCR loan has now expressed significant concerns on their capacity to borrow and on lend to farmers. Since then, the project team has worked keenly to identify a suitable replacement but, finally, concluded that the institutions that could play such a role –are not in a financial position to take on the PPCR loan.
Caribbean-Jamaica	Financing water adaptation in Jamaica's new urban housing sector	IDB	5.75	Private	✓		The project is ready to be sent to MIF Donor Board for the final approval – the process has suffered a few weeks delay due to an internal reorganization of the Multilateral Investment Fund.
Caribbean-Saint Lucia	Supporting climate resilient investments in the agricultural sector	IDB	1.0	Private			Following the chance of borrower and executing agency, the project team is now on a field mission to conclude negotiations and agree on the loan terms. The project is expected to be completed shortly.
Mozambique	Lurio Green Resources Forestry Project	AfDB	11.0	Private			
Tajikistan	Enhancing the Climate Resilience of the Energy Sector	EBRD	10.0	Private	✓	✓	The project was approved by EBRD's Board in July 2014 and is now under implementation. Procurement processes have been completed for the three core consultancy assignments that will underpin the delivery of the assignment: i) Support to Barki Tojik's Project Implementation Unit, ii) Basic Engineering and Design Services and iii) Technical Cooperation to Build the Climate Resilience of the Hydropower Sector. With these major contracts now in place, the detailed preparations for the physical upgrade of the HPP will commence. Concurrently, technical support on climate resilience has also been launched and a major workshop is under preparation for March 2016. This will kick off the capacity-building

							activities. In parallel, EBRD is seeking further finance from the Green Climate Fund to scale up further its climate resilience/hydropower operations in Tajikistan – this is a good example of CIF/PPCR pilot activities laying the foundations for larger scale financing by other climate finance mechanisms such as the GCF.
Tajikistan	Small business climate resilience financing facility	EBRD	5.0	Private	✓	✓	This project was approved by EBRD’s Board in October 2015. Since then, loan agreements have been signed with three Tajik partner financial institutions (Eskhata Bank, IMON and HUMO) and a substantial three-year package of technical support has been put in place. A major Launch Event of the Product, entitled CLIMADAPT, is expected to take place in February 2016 in Dushanbe, with the participation of a wide range of the Tajik government and private sector organizations, plus a range of international partners and CIF AU. First disbursements of funds to the partner financial institutions are planned for end of March/April 2016.
			65.25				