

# CLIMATE INVESTMENT FUNDS

PPCR/SC.8/CRP.2  
June 28, 2011

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Meeting of the PPCR Sub-Committee  
Cape Town, South Africa  
June 28 and 29, 2011

## **DECISION BY THE PPCR SUB-COMMITTEE ON AGENDA ITEM 4 USE OF CONCESSIONAL FINANCE IN THE PPCR**

## **Decision by the PPCR Sub-Committee on Agenda Item 4, Use of Concessional Finance in the PPCR**

The PPCR Sub-Committee reviewed document PPCR/SC.8/3, *The Use of Concessional Finance in the PPCR*, and agrees that PPCR pilot countries whose SPCR were endorsed prior to the Sub-Committee meeting in June 2011 (Bangladesh, Grenada, Niger and St. Vincent and the Grenadines) may continue to program up to the ceiling of the resources requested in the SPCR. For the remaining six country pilots and countries participating in the Caribbean regional pilot that have expressed an interest in requesting concessional resources, each pilot may program up to USD 36million, which is an equal share of the remaining capital contributions pledged to the PPCR. The PPCR Sub-Committee recognizes that these countries are, in many cases, interested in accessing higher levels of concessional resources and calls upon contributors and other countries, the MDBs and other developments partners to seek to mobilize additional resources that will allow the aspirations in funding of all SPCRs to be met. The Sub-Committee fully recognizes and supports the importance of providing predictability in funding.

The Sub-Committee requests MDB teams to assist PPCR pilot countries falling under high and moderate debt distress risk rankings to conduct a macro-economic analysis in order to evaluate the potential for impacting their debt sustainability if they were to draw on PPCR credits. Each public sector project and program requesting the use of PPCR credits presented for review and approval by the PPCR Sub-Committee should include an annex presenting the macro-economic analysis. It is also noted that concessional credits channeled through the private sector arms of the MDBs may be particularly useful in supporting private sector programs and projects, and that this would not impact in any way the debt sustainability of the country.