

# CLIMATE INVESTMENT FUNDS

SCF/TFC.4/3  
October 13, 2009

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Meeting of the SCF Trust Fund Committee  
Washington, D.C.  
October 28, 2009

## **PROGRESS REPORT ON TARGETED PROGRAMS UNDER THE STRATEGIC CLIMATE FUND**

**Proposed Sub-Committee Decision**

The Trust Fund Committee reviewed document, SCF/TFC.4/3, Progress Report on Targeted Programs under the Strategic Climate Fund, and welcomes the progress achieved in the three targeted programs under the SCF: PPCR, FIP and SREP.

The Trust Fund Committee welcomes the pledges that were made by contributor countries to the Forest Investment Program and the Program for Scaling-Up Renewable Energy in Low Income Countries. The Trust Fund particularly welcomes the establishment of the FIP Sub-Committee and looks forward to the prompt operationalization of the program. The Trust Fund Committee calls upon CIF contributors and other potential donors to make pledges to the Program for Scaling Up Renewable Energy in Low Income Countries to enable the program to move towards becoming fully operational as early as possible and requests the CIF Administrative Unit, in collaboration with the MDBs, to seek to mobilize additional resources for the program.

The Trust Fund Committee approves a \$50,000 supplement to the FY10 Administrative Budget for the CIF Administrative Unit for the purpose of providing support to the World Resources Report 2010, to be prepared by the World Resources Institute. The report will be focused on adaptation and climate change. The Trust Fund Committee believes that the report and associated website can serve as an important source for disseminating lessons from the PPCR, and that the report can also serve to enhance the knowledge tools available to the pilot countries in the program.

## Introduction

1. This document provides information to up-date the SCF Trust Fund Committee on progress made in each of the SCF targeted programs since the its last meeting in May.

## Pilot Program on Climate Resilience (PPCR)

2. In addition to the eight countries that were selected to become pilots under the PPCR (Bangladesh, Bolivia, Cambodia, Niger, Mozambique, Nepal, Tajikistan, and Zambia) the PPCR SC approved by mail on August 26, 2009 the following decision regarding the regional programs for the Caribbean and the South Pacific:

“The Sub-Committee, having reviewed the Proposal prepared by the Inter-American Development Bank and World Bank Group for the Caribbean, dated July 31, and the Proposal prepared by the Asian Development Bank and the World Bank Group for the PPCR Regional Program for the Pacific Island Countries, dated July 31, and recognizing that the proposals build upon the work of the Expert Group and the agreed guidance for regional programs, approves the proposed approach and countries to be targeted in the regional programs. More specifically, it is agreed that:

(a) for the Caribbean Region, the program will proceed along two tracks which will include: (i) country-based investments in Haiti, Jamaica and four small island states from the Organization of Eastern Caribbean States, (Dominica, St. Lucia, St. Vincent and the Grenadines, and Grenada); and (ii) region-wide activities focused on climate monitoring, institutional strengthening, capacity building and knowledge sharing; and

(b) For the Pacific Region, the program will be developed along two tracks which will include: (i) country specific components in Papua New Guinea, Samoa, and Tonga, and (ii) region-wide activities focused on climate monitoring, institutional strengthening, capacity building and knowledge sharing.

The Sub-Committee requests the CIF Administrative Unit to invite each identified country to participate in the PPCR regional pilot and to confirm its interest in participating through the submission of an Acceptance of Offer to Participate. The CIF Administrative Unit and MDB Committee are requested to review and revise, if necessary, the agreed format for the Acceptance of Offer to Participate to ensure that it is appropriate for use in a regional program".

3. During the reporting period, the first joint mission to a pilot country took place (Nepal, September 3-9, 2009). Joint missions to the other pilot countries are planned to take place before the end of 2009. (See tentative schedule annexed to the *PPCR Quarterly Operational Report*, document PPCR/SC.4/4).

4. A first meeting among PPCR pilot countries is to take place on October 26 and 27, 2009. The meeting will provide an opportunity for the pilot countries and the MDBs to discuss their expectations and challenges associated with activities to be supported under the PPCR. A second

knowledge exchange meeting is planned in association with the Partnership Forum in March 2010.

5. Participants from the meeting of pilot countries will present the results of their meeting to the PPCR Sub-Committee during its meeting on October 28, 2009.

6. The PPCR Sub-Committee meeting on October 28, 2009, will discuss the following substantive agenda items:

- a) report on the meeting of pilot countries;
- b) *Quarterly Operational Report on PPCR Activities* (PPCR/SC.4/3); and
- c) *Review of ongoing Work of the MDBs in Djibouti* (PPCR/SC.4/4).

7. The CIF Administrative Unit, through the World Bank, has received a request from the World Resources Institute for support to help finance the latest World Resources Report (WWR). Each biennial WWR focuses on a specific issue, and WWR 2010 will focus on adaptation to climate change. With WWR 2010, WRI is adopting a new format, a web-based platform to share information in a more timely, accessible and interactive manner. While a hard copy will still be published at the end of the process, the web-based platform supports interaction throughout the development of the report.

8. The CIF Administrative Unit has a strong interest in supporting the next WWR both because of its focus on adaptation to climate change and because of the new format WRI will adopt. The web-based platform for WWR provides an excellent opportunity to disseminate knowledge from the PPCR program, and WRI is very keen to collaborate with PPCR on this. We are, therefore, requesting a supplemental \$50,000 be added to the budget of the CIF Administrative Unit to allow it to pass this funding on to WRI. This contribution would also be matched by a \$50,000 contribution from the World Bank Environment Department. The total costs of the WWR are estimated at \$2 million.

### **Forest Investment Program (FIP)**

9. The SCF Trust Fund Committee approved by mail the design document for the FIP (July 2009) together with the following decision:

“The SCF Trust Fund Committee, having reviewed the document, *Design Document for the Forest Investment Program, a Targeted Program under the SCF Trust Fund*, dated July 7, 2009, approves the Forest Investment Program. The Committee requests the Administrative Unit to work with potential contributor countries to mobilize resources to support the program and to take steps to establish a FIP Sub-Committee once pledges sufficient to meet a minimum funding level of \$250 million has been reached. Such steps should include:

- a) the organization of a self selection process for representatives to serve as members of the Sub-Committee consistent with paragraph 18 of the design document. For purposes of identifying representatives from eligible recipient countries, the Administrative Unit is requested to work through the offices of the Executive Directors of the World Bank to solicit nominations for members of the Sub-Committee and to hold consultations, on a regional basis, with representatives from eligible recipient countries to select the members. For purposes of identifying representatives from contributor countries, the Administrative Unit is requested to invite contributors to identify members for the Sub-Committee when pledges are made;
- b) the Administrative Unit should circulate to the SCF Trust Fund Committee, for approval by mail, the proposed composition of the Sub-Committee that results from the self selection process; and
- c) once the Sub-Committee membership is approved by the SCF Trust Fund Committee, the Administrative Unit should convene an organizational meeting of the Sub-Committee to agree upon its program of work and to initiate steps to appoint the FIP Expert Group.”

10. Thereafter, the CIF Administrative Unit convened a meeting to initiate pledging for the new SCF targeted programs, the Forest Investment Program and the Program for Scaling Up Renewable Energy in Low Income Countries, in Brussels on July 9, 2009. At the meeting, five contributors pledged \$348.5 million for the FIP. As the pledges to the FIP exceeded the minimum funding level established by the Trust Fund Committee, it was agreed that the five initial contributors would be represented on the FIP Sub-Committee with one seat still available for an additional contributor country.

11. Subsequently, the CIF Administrative Unit took steps to solicit nominations and organize consultations with eligible recipient countries, through the offices of the Executive Directors of the World Bank, with a view to reaching agreement on the eligible recipient country representatives to serve on the FIP Sub-Committee.

12. As a result of this process, the following six recipient countries have been identified to serve on the Sub-Committee for the FIP: Brazil, Democratic Republic of the Congo, Indonesia, Morocco, Nepal and Romania.

13. During the consultations with the eligible recipient countries, the following was recognized:

- a) that the recipient country seats on each Sub-Committee under the SCF Trust Fund should be representative of the six operational regions of the World Bank;
- b) that the FIP design document provides for an equal number of representatives from contributor countries and recipient countries to be members of the Sub-Committees. Nevertheless, it is recommended that all six members nominated to represent recipient

countries should be permitted to take their seats even though at present there are only five contributor country members nominated for the FIP Sub-Committee; and

- c) that paragraph 27 of the *SCF Governance Framework* provides that Sub-Committee Members should serve for one year terms. Recognizing that the *Rules of Procedure for the SCF Trust Fund Committee* provides that a year term shall run from the date immediately after the last day of a Partnership Forum meeting until the last day of the next Partnership Forum, it is recommended that the initial term of FIP Sub-Committee members should run until the last day of the Partnership Forum in 2011.

14. Taking into account the above, the SCF Trust Fund Committee was requested to approve the following decision by mail regarding the FIP:

“Further to its decision establishing the Forest Investment Program (FIP) as a targeted program under the Strategic Climate Fund, the SCF Trust Fund Committee:

- a) welcomes the pledges that have been made to the FIP and notes that the pledges exceed the minimum level established for initiating the operationalization of the program;
- b) agrees to the establishment of the FIP Sub-Committee with the following membership:

Australia, Brazil, Democratic Republic of the Congo, Denmark, Indonesia, Morocco, Nepal, Norway, Romania, United Kingdom and the United States.
- c) takes note that there is an open seat for a contributor country which should be filled as soon as an additional contributor pledges resources to the FIP;
- d) agrees that the term for the initial members of the FIP Sub-Committee should run from the first meeting of the Sub-Committee until the last day of the Partnership Forum in 2011;
- e) requests the CIF Administrative Unit to organize the first meeting of the Sub-Committee at the end of October, in conjunction with the SCF Trust Fund Committee; and
- f) requests the Sub-Committee and the CIF Administrative Unit to report regularly to the SCF Trust Fund Committee on the work undertaken by the Sub-Committee.”

15. If no objection is received, this decision will be approved on October 16, 2009. The first meeting of the FIP Sub-Committee is scheduled for October 29, 2009. The substantive agenda items before the meeting are:

- a) proposed FY 10 Work Program for the Forest Investment Program Sub-Committee;

- b) criteria for selecting expert group members under the Forest Investment Program terms of reference and working modalities; and
- c) criteria for selecting country and regional pilots under the Forest Investment Program

### **Program for Scaling-Up Renewable Energy in Low Income Countries (SREP)**

16. The SCF Trust Fund approved the design of SREP at its meeting in May 2009. Thereafter, at the meeting to initiate pledging convened in July 2009, USD 199 million was pledged for the SREP.
17. The CIF Administrative Unit and the MDBs are continuing to reach out to potential contributor countries to raise funds to reach the minimum funding target of \$250million. In this regard, it should be noted that the Leaders Statement from the G-20 Pittsburgh Summit includes the following references to SREP:
  - a) Paragraph 23: "...We will increase, on a voluntary basis, funding for programs to bring clean affordable energy to the poorest, such as the Scaling Up Renewable Energy Program.", and
  - b) Paragraph 40. "To increase access to energy, we will promote the deployment of clean, affordable energy resources to the developing world. We commit, on a voluntary basis, to funding programs that achieve this objective, such as the Scaling Up Renewable Energy Program and the Energy for the Poor Initiative, and to increasing and more closely harmonizing our bilateral efforts."
18. In addition, some contributors indicated their support for SREP in their statements at the 2009 joint Bank/Fund Annual Meetings in Istanbul.
19. It is hoped that these expressions of growing interest can be built upon to secure additional pledges to SREP.
20. When the CIF Administrative Unit undertook to organize regional consultations to identify Members from eligible recipient countries for the FIP Sub-Committee, it invited the regional consultations to also consider seats for the SREP Sub-Committee in order to enhance the efficiency of the process by avoiding the need to organize similar consultations once the minimum funding level for SREP is reached. As a result of these consultations, the following six Sub-Committee Members have been identified for the SREP: Armenia, Bangladesh, Nicaragua, Solomon Islands, United Republic of Tanzania and Yemen.
21. Once the minimum funding level is reached, the SCF Trust Fund Committee will be requested to approve the establishment of the SREP Sub-committee in line with the *Rules of Procedure for Trust Fund Committee Meetings*. The CIF Administrative Unit will thereafter move expeditiously to organize the first SREP Sub-Committee.