

# CLIMATE INVESTMENT FUNDS

SCF/TFC.10/3  
October 21, 2012

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Meeting of the SCF Trust Fund Committee  
Istanbul, Turkey  
November 3, 2012

Agenda Item 4

## **PROGRESS REPORT ON SCF TARGETED PROGRAMS**

**PROPOSED DECISION**

The SCF Trust Fund Committee reviewed document, SCF/TFC.10/3, *Progress Report on SCF Targeted Programs*, and welcomes the progress achieved in the three targeted programs: FIP, PPCR and SREP.

## **I. INTRODUCTION**

1. This progress report provides an overall summary of the progress of the SCF programs, the Forest Investment Program (FIP), the Pilot Program for Climate Resilience (PPCR) and the Scaling-Up Renewable Energy Program in Low Income Countries (SREP), since the last report in May 2012. During the reporting period, significant progress has been made in the three SCF programs in terms of launching and/or completing the country programming process.
2. There has been a notable increase in the number of projects and programs being approved across the SCF targeted programs, particularly in the PPCR, signaling a clear shift from programming to preparation and implementation of projects.
3. The FIP, PPCR and SREP Sub-Committees will each review a semi-annual operational report<sup>1</sup>. These reports document the progress in the operations of each SCF program as of September 30, 2012, and include a summary of the status of the investment plans for each pilot in the SCF programs, and information on the expected delivery of planned activities.
4. The SCF Trust Fund Committee is invited to provide its views and guidance to the Sub-Committees on the progress being made in each SCF targeted program.

## **II. FOREST INVESTMENT PROGRAM (FIP)**

### **FIP Pilot Country Programming and Endorsement of Investment Plans**

5. As of September 2012, four of eight pilot countries finalized their country programming process and had their investment plans endorsed: Brazil, Democratic Republic of Congo, Lao PDR, and Mexico. Thirteen projects and programs are currently being developed under these plans (FIP/SC.9/3, *FIP Semi-Annual Operational Report*). It is expected that by mid-2013, all FIP investment plans will have been endorsed.
6. Burkina Faso, Ghana and Indonesia have submitted their investment plans for review and endorsement at the Sub-Committee meeting in Istanbul, Turkey on November 5, 2012.
7. Peru's investment plan is expected to be endorsed during the Sub-Committee meeting in May 2013. An update on the country programming process will be provided at the FIP Sub-Committee in November.

### **Approvals**

8. As of October 2012, the Sub-Committee approved funding for two projects totaling USD 57 million in FIP resources (USD 30.7 million in grant resources, and USD 26.3 million in near-zero interest credits). These resources are expected to leverage a total of USD 703 million in co-financing (ratio 1:12.3). It is expected that by June 2013, a further 11 projects and programs will be submitted to the FIP Sub-Committee for review and approval.

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<sup>1</sup> FIP/SC.9/3, Semi-Annual Report on FIP Operations, PPCR/SC.11/3 Semi-Annual Report on PPCR Operations and SREP/SC.8/3, Semi-Annual Report on SREP Operations.

## **Implementation of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM)**

9. The development of the implementation framework for the DGM is well underway. Meetings are being held in FIP pilot countries to launch the DGM process and introduce the DGM at the country level. The intention is to inform a wide group of indigenous peoples groups and local community stakeholders about the DGM design principles and objectives. Such meetings have already been held in Ghana, Indonesia, and Lao PDR.

10. A transitional committee composed of representatives from indigenous peoples groups and local communities will meet on November 2, 2012, to establish a common framework and agree on operational guidelines allowing the DGM activities in the eight FIP pilot countries to move forward.

### **FIP Sub-Committee Meeting – November 5, 2012**

11. The FIP Sub-Committee meeting on November 5, 2012, will discuss the following substantive agenda items<sup>2</sup>:

- a) Investment Plan for Burkina Faso;
- b) Investment Plan for Ghana;
- c) Investment Plan for Indonesia;
- d) Revised FIP Results Framework;
- e) Proposal for the allocation of FIP resources; and
- f) Report on the FIP pilot countries meeting.

## **III. PILOT PROGRAM ON CLIMATE RESILIENCE (PPCR)**

### **PPCR Pilot Country Programming and Endorsement of PPCR Investment Plans**

12. As of September, 2012, 16 pilot countries have completed their programming process: Bangladesh; Bolivia; Cambodia; Dominica; Grenada, Jamaica, Mozambique; Nepal; Niger; Samoa; St. Lucia; St. Vincent and the Grenadines; Tajikistan; Tonga; Yemen and Zambia. The two regional tracks for the Caribbean and Pacific have also been endorsed.

13. The PPCR investment plan for Papua New Guinea has been submitted for review and endorsement by the PPCR Sub-Committee at its November meeting. Haiti, the final pilot country, is in the process of finalizing the programming process and has developed a first draft of its SPCR. An update will be presented by a representative of Haiti at the November meeting.

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<sup>2</sup> [http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP\\_1\\_Provisional\\_Agenda.pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP_1_Provisional_Agenda.pdf)

## **Approvals**

14. As of October 2012, PPCR funding for 17 projects have been approved by the Sub-Committee totaling USD 273.6 million in PPCR resources (USD 147.8 million in grant resources and USD 125.8 million in near-zero interest credits). These resources are expected to leverage a total of USD 286.7 million in co-financing (1:1.05 ratio).

### **PPCR Sub-Committee Meeting – November 1, 2012**

15. The PPCR Sub-Committee meeting on November 1, 2012, will discuss the following substantive agenda items<sup>3</sup>:

- a) Strategic Program for Climate Resilience for Papua New Guinea;
- b) Report on PPCR pilot countries meeting;
- c) Revised PPCR results framework; and
- d) Proposal for the allocation of PPCR resources.

## **IV. SCALING-UP RENEWABLE ENERGY PROGRAM IN LOW INCOME COUNTRIES (SREP)**

### **SREP Pilot Country Programming and Endorsement of Investment Plans**

16. As of September 2012, five country investment plans (Ethiopia, Honduras, Kenya, Mali, and Nepal) have been endorsed. The investment plan for Maldives has been submitted for review by the Sub-Committee meeting on October 31, 2012.

## **Approvals**

17. Funding for the first SREP project of US\$25 million in SREP funding was approved by the Sub-Committee in November 2011: the Menengai Geothermal Development Project in Kenya with the African Development Bank (AfDB). The project was approved by AfDB in December 2011, and became effective in July 2012. Since then no new SREP projects have been submitted to the Sub-Committee for funding approval.

### **SREP Sub-Committee Meeting – October 30, 2012**

18. The Sub-Committee meeting on October 31, 2012, will discuss the following agenda items<sup>4</sup>:

- a) Follow up to revised SREP results framework;

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<sup>3</sup> [http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR\\_1\\_Provisional\\_Agenda.pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR_1_Provisional_Agenda.pdf)

<sup>4</sup> [https://climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/SREP\\_1\\_Provisional\\_Agenda\\_0.pdf](https://climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/SREP_1_Provisional_Agenda_0.pdf)

- b) Report on SREP pilot country meeting;
- c) Investment Plan for Maldives; and
- d) Proposal for the allocation of SREP resources.

**V. SCF APPROVALS SUMMARY**

19. The table below shows the rate project approval and funding for each SCF targeted.

**APPROVALS- Number of Projects/Funding Based on Endorsed SPCRs-IPs(in \$ million)**

Program	No. of Projects	Approved projects	% Project Approval	SPCRs/IPs Endorsed	Approved Allocations <sup>1/</sup>	% Funding Approval
PPCR	61	17	27.87%	901.4	288.1	32.0%
FIP	13	2	15.38%	250.0	60.3	24.1%
SREP	21	1	4.76%	210.0	34.1	16.2%
<b>TOTAL SCF</b>	<b>95</b>	<b>20</b>	<b>21.05%</b>	<b>1,361.4</b>	<b>382.5</b>	<b>28.1%</b>

1/ Includes project preparation grant and investment preparation grant (SREP).

**VI. GLOBAL SUPPORT PROGRAM (GSP)**

**Knowledge Management in the SCF**

20. Over the past months, the GSP has generated a series of learning products to capture the experiences of pilot countries across the SCF programs. These products will be showcased in the Knowledge Bazar at the CIF 2012 Partnership Forum in Istanbul, Turkey. Pilot country meetings will also be held in Istanbul in November.