

# CLIMATE INVESTMENT FUNDS

SCF/TFC.7/3  
June 15, 2011

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Meeting of the SCF Trust Fund Committee  
Cape Town, South Africa  
June 23, 2011

Agenda Item 3

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

### **Proposed Decision by SCF Trust Fund Committee**

The SCF Trust Fund Committee reviewed document, SCF/TFC.7/3, *Progress Report on Targeted Programs under the Strategic Climate Fund*, and welcomes the progress achieved in the three targeted programs under the SCF: FIP, PPCR and SREP.

The Trust Fund Committee invites each of the Sub-Committees to consider the following views as it provides guidance for the implementation of the programs.

- i) FIP: ....
- ii) PPCR:....
- iii) SREP: ....

## **I. INTRODUCTION**

1. This document provides information to update the SCF Trust Fund Committee on progress made in each of the SCF targeted programs since its last meeting in November 2010. The Trust Fund Committee is invited to provide its views and guidance to the Sub-Committees on the progress being made and the issues being considered under each program

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

### **Allocation of Resources to FIP Pilot Countries**

2. At its meeting in November 2010, the FIP Sub-Committee agreed on the method for allocation of CIF grant and concessional resources. FIP pilot countries, supported by the MDBs are now developing their investment plans through a country-led and participatory process consistent with the approved FIP Operational Guidelines. The first two investment plans (Burkina Faso and DRC) will be submitted for review and endorsement at the June 2011 meeting of the FIP Sub-Committee. The allocation of the reserve is to be decided by the FIP Sub-Committee after all investment strategies have been endorsed and agreement reached on the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities.

### **Update on the Development of the Dedicated Grant Mechanism for Local Communities and Indigenous Peoples.**

3. The FIP design provides for the establishment of a dedicated initiative for indigenous peoples and local communities “to ensure the full and effective, continuous participation of indigenous peoples and local communities in the design and implementation of FIP investment strategies.” A design proposal developed after extensive consultations with IPs and local community groups will be considered by the FIP Sub-Committee at its meeting in June 2011.

### **FIP Results Framework**

4. At its last meeting, the FIP Sub-Committee reviewed the FIP Results Framework and approved the FIP Logic Model, but requested that it be revised with a view to its adoption as part of the FIP Results Framework. The results framework was revised in consultation with the MDB Committee and approved by the FIP Sub-Committee on June 9, 2011. The revised version was based on an extensive stakeholder consultation process with particular emphasis on pilot country stakeholder consultations.

### **FIP Pilot Country Programming**

5. Country programming has been initiated through scoping and joint missions facilitated by the MDBs in all eight FIP pilot countries. These country visits are conducted in partnership with country stakeholder groups and other interested development partners. In response to a request from the Sub-Committee, scoping and joint missions make every effort to include gender or social development experts in their teams. All dates for scoping and joint missions, Terms of

Reference for joint missions; and mission reports are posted on the CIF website and updated on a regular basis and the FIP Sub-Committee is notified 4 weeks prior to mission departure.

### **Preparation Grant Requests**

6. As of June 1, 2011, five pilot countries (Burkina Faso, Ghana, Democratic Republic of Congo, Indonesia and Lao PDR) have requested preparatory grants totaling \$1.2million in support of the development of the investment plans. The FIP Sub-Committee is notified of the approved preparation grant proposals and grant proposals and related comments are posted on the CIF website.

### **Quality Review of FIP Investment Plans**

7. Technical experts have been identified to carry out quality reviews of the Burkina Faso and Democratic Republic of Congo investment plans. As proposed by the FIP Sub-Committee, the reviews were carried out by an expert from the FCPF Roster of Experts. Each expert was confirmed by the FIP Sub-Committee by mail.

### **Submission of Investment Plans**

8. Two countries, Burkina Faso and the Democratic Republic of Congo, have submitted their investment plans for review and endorsement by the FIP Sub-Committee. The remaining six pilot country governments are in the process of developing their investment plans.

### **FIP Sub-Committee Meeting – June 29, 2011**

9. The FIP Sub-Committee meeting on June 29, 2011, will discuss the following substantive agenda items: (i) Update on Operations; a. Semi-Annual Report on FIP Operations; b. Update on Indonesia; c. Update on Mexico; d. Update from other country pilots (as appropriate) (ii) FIP Investment Plan: Democratic Republic of Congo; (iii) FIP Investment Plan: Burkina Faso, (iv) FIP Dedicated Grant Mechanism for Indigenous Peoples and Local Communities ; (v) Proposal for the Allocation of the Funding Reserve ; and (vi) Quality Review of FIP Investment Plans

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

### **Endorsement of Strategic Program for Climate Resilience**

10. At the November meeting, the PPCR Sub-Committee endorsed three SPCRs (Bangladesh, Niger and Tajikistan) and agreed to the further development of projects under the investment plans. MDBs are now providing support to countries to assist in identification and measurement of tangible results through country visits. MDBs are also making every effort to ensure stronger participation of civil-society organizations in project preparation and implementation, and supporting linkages and compatibility with other existing funds. Gender consideration is being taken into consideration in project design and implementation. All project proposals and relevant comments are posted on the CIF website.

## **Disbursements**

11. In November the Sub-Committee agreed with the proposal in document PPCR/SC.7/CRP.1, *MDB Proposal for Reporting on Program/Project Disbursement in CIF Operations*, which each MDB provide disbursement information on a semi-annual basis which will then be made available in a consolidated disbursement report to be posted on the CIF website. The first disbursement report was prepared by the CIF Trustee based on information provided by the MDBs. The report was sent to the Sub-Committee for review in February 2011 and posted on the CIF website.

## **Pilot Country Programming**

12. During the last PPCR Sub-Committee meeting, six countries presented their proposals for the development of a Strategic Program for Climate Resilience (Phase 1 proposal): Cambodia, Tajikistan, Yemen, Mozambique and Bolivia. The Sub-Committee endorsed the proposals and approved the grant request of \$1.5million for each country. During the reporting period, additional joint missions were organized for all PPCR pilots.

13. Consistent with a decision by the Sub-Committee, Papua New Guinea, Saint Lucia, Samoa, Tonga and Grenada submitted their Phase 1 proposal for approval-by-mail. The Sub-Committee endorsed the proposals and approved the grant requests for the five countries. Three countries have finalized their programming processes and submitted their Strategic Program for Climate Resilience to the PPCR Sub-Committee for review and endorsement: Bangladesh, Niger and Tajikistan.

14. Document PPCR/SC.7/3, *PPCR Semi-Annual Operational Report*, provides a complete update on programming activities at the country level.

## **Preparatory Resources**

15. As of May 31, 2011, \$12.34 million have been approved for Phase 1 activities in 16 countries and planning the activities in the Caribbean region.

## **PPCR Sub-Committee Meeting – June 28-29, 2011**

16. The PPCR Sub-Committee meeting on November June 28 and 29, 2011 will discuss the following substantive agenda items: (i) Report from the PPCR Pilot Country Meeting; (ii) The Use of Concessional Finance in the PPCR; (iii) Strategic Program for Climate Resilience: Cambodia; (iv) Strategic Program for Climate Resilience: St. Lucia; (v) Strategic Program for Climate Resilience: Mozambique; (vi) Strategic Program for Climate Resilience: Nepal; (vii) Strategic Program for Climate Resilience: Zambia; (viii) Semi-Annual Report on PPCR Operations; and (ix) Proposal for the Preparation of Independent Technical Reviews of PPCR and SREP Investment Plans

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

##### **Pilot Country Programming**

17. At its fourth Sub-Committee meeting in November 2009, the SREP Sub-Committee approved the *SREP Programming and Operational Guidelines* and the *SREP Financing Modalities*, allowing the six countries selected to the program in June 2010 to begin programming activities. The Sub-Committee also approved a reserve list of pilots to be considered should additional funding become available, including: Armenia, Liberia, Mongolia, Pacific regional program, Tanzania and Yemen.

18. With the approval of programming documents in November 2010, SREP is well on target. At the invitation of country governments, the MDBs and other development partners participated in initial scoping missions in all six pilot countries during the months of January and February. In line with the FY10 projections, it is anticipated that all SREP pilot countries will have submitted Investment Plans for approval by November 2011, when the Sub-Committee will hold its sixth meeting.

##### **Preparatory Resources**

19. As of May 31, 2011, \$1.27 million have been approved as grants to countries for the development of investment plans in four SREP pilot countries (Honduras, Maldives, Mali and Nepal).

##### **SREP Sub-Committee Meeting – June 21, 2011**

20. The SREP Sub-Committee meeting on June 21, 2011 will discuss the following substantive agenda items: Update on Operations ; a.) Semi-Annual Report on SREP Operations, b.) Update by representative of Honduras, c.) Update by representative of Maldives, d.) Update by representative of Mali; and e.) Update by representative of Kenya; (ii) Quality review of SREP investment plans; (iii) Use of subsidies under SREP; (iii) Proposal for the Allocation of the Funding Reserve under SREP ; and Results-based financing instruments.

#### **V. GLOBAL SUPPORT PROGRAM**

21. Building on the discussions at the November meeting of SCF pilot countries, the CIF AU has established a Global Support Program (GSP) to help build a community of practice among the CIF pilot countries to exchange experiences, document good practices and lessons from the Investment Plan design process.

22. The GSP is organizing five pilot country meetings - one for each of the SCF programs, one for the CTF countries, and a joint meeting of all pilot countries - to be held in conjunction with the CIF Partnership Forum in June 2011. Representatives of SCF pilot countries will convene to exchange experiences and views on common elements of the design and implementation process, such as stakeholder involvement, reporting on results, gender

mainstreaming, and knowledge management and lessons sharing. Topics specific to each program are also included in the agendas. For example, FIP pilot countries will be updated on the Grant Mechanism for Indigenous Peoples and Local Communities, and will discuss linkages between FIP investment planning, REDD+ readiness initiatives and national processes. PPCR pilot countries will be discussing the role of the private sector in adaptation as well as reflecting on the experiences and lessons learned during PPCR's design and early implementation phase. SREP pilot countries will hear from technical experts on a range of issues related to renewable energy investments, including climate risks, technologies, policies and financial tools, before breaking into groups for discussion.

23. The GSP will also introduce pilot country meeting participants to an interactive web-based platform for communications and learning at the June meetings. Representatives will participate in training sessions where they will have the opportunity to hear about, test, and provide feedback on the platform.

24. Following each training session, the GSP has organized a poster session, where representatives will share the most up-to-date details on their CIF activities with one another, based on posters that they have been asked to prepare in advance. The posters will remain on exhibition throughout the week of the Partnership Forum and subsequent Trust Fund Committee and Sub-Committee meetings.

## **VI. LESSONS LEARNED WITHIN AND ACROSS SCF PROGRAMS**

25. The CIF Administrative Unit commissioned an independent consultant to document the experiences and lessons learned during PPCR's design and early implementation phases in PPCR pilots. A PPCR Learning Brief was prepared which will be introduced at the Partnership Forum and at the Pilot Country Meetings in June 2011. The brief is based on four themes—country programming, program and investment financing, stakeholder collaboration, and procedural issues, and is intended to inform the work of developing countries and development partners. It also provides useful information to enhance and strengthen PPCR's performance during implementation of the strategic programs.

26. Disseminating these early PPCR lessons should also contribute to the development of other CIF programs, such as the Forest Investment Program (FIP) and the Scaling up Renewable Energy Program in Low Income Countries (SREP). The Learning Brief is one of several tools designed to capture the lessons learned within and among the SCF programs. Others include regular PPCR pilot country meetings, the annual Partnership Forum, an interactive web-based platform for communications and learning, and PPCR-financed country workshops.