

CLIMATE INVESTMENT FUNDS

PPCR/SC.3/4
April 24, 2009

Meeting of the PPCR Sub-Committee
Washington, D.C.
May 14-15, 2009

Agenda Item 5

PPCR PROGRAMMING AND FINANCING MODALITIES

Proposed Sub-Committee Decision

The Sub-Committee reviewed document PPCR/SC.3/4, *PPCR Programming and Financing Modalities*, and approves the procedures and financing modalities described in the document. The Sub-Committee agrees to keep the programming guidelines under review in order to allow for flexibility to respond to challenges that may arise during implementation of the PPCR. The CIF Administrative Unit and the MDBs were requested to report on experience in carrying out the program so that the Sub-Committee can review the programming procedures and financing modalities after a year of operational experience.

Background

1. At its first meeting on November 19, 2008, the Pilot Program on Climate Resilience Sub-Committee (PPCR-SC) requested operational guidance to be prepared for the PPCR. Due to a range of open questions it was felt that further guidance from the Sub-Committee would be required to finalize such guidance.

2. A powerpoint presentation given to the subsequent PPCR-SC meeting on January 27-28, 2009, served as a basis for an exchange of views on PPCR programming and financing. It was agreed that the principles presented in the powerpoint (PPCR/SC.2/4) provided a sound basis for drafting the programming and financial modalities, while the Sub-Committee raised a number of comments to be further elaborated¹ in the paper:

- (a) the PPCR should be country-led, and should be undertaken in the broader context of sustainable development and poverty reduction;
- (b) a primary objective of the PPCR is to mainstream climate resilience in development planning with a focus on the upstream planning process: the time and effort required to achieve successful high level policy coordination should not be underestimated;
- (c) reporting requirements under the PPCR should be clarified;
- (d) implementation of the PPCR will need to be country specific, and the programming paper will need to be sufficiently flexible to adapt to country circumstances; and
- (e) more consideration is required to guide resource allocation, and in particular, what activities/components are suitable for grants and what activities may usefully be supported by highly concessional loans.

3. Furthermore, it was recognized that the programming paper is closely related to the performance measurement framework and both papers have been therefore prepared in parallel. It should be noted that these guidelines in principle apply to regional pilots unless otherwise specified in the Guidance Note on Regional Programs (Guidance Note on PPCR Regional Programs, April 6, 2009). As requested, the CIF Administrative Unit has also prepared guidance for the initial joint missions to the PPCR countries for review and approval by mail prior to the next PPCR-SC meeting in May 2009.

4. The present paper provides overall guidance on PPCR programming and financial modalities. For issues on which further PPCR-SC guidance is sought during the May 2009 meetings, the paper presents options (indicated in grey highlights in the text).

5. The MDB committee – in drafting this guidance – further pointed out that

- (a) the PPCR is a “pilot” program and, therefore, by design will include ‘learning-by-doing’; and

¹ See Summary of Co-Chairs, PPCR-SC Meeting, January 27-28th, 2009 (dated February 5, 2009)

(b) pilots have been chosen as to represent a diversity of climate risks and impacts and wide geographic coverage.

6. Program guidelines should be sufficiently detailed to provide guidance to countries and at the same time flexible enough to allow for innovation and accommodate existing engagement and expertise in addressing climate risks in each participating country. The PPCR-SC may, therefore, decide to review the guidance a year from now and amend it as needed based on experiences and feedback.

I. PPCR Objectives and Design Elements

7. PPCR aims to help countries transform to a climate resilient development path, consistent with poverty reduction and sustainable development goals. In its nature as a pilot program and supporting learning-by-doing, PPCR implementation ultimately aims to result in an *increased application of knowledge on integration of climate resilience into development*². The PPCR will complement yet go beyond currently available adaptation financing, in providing finance for *programmatic* approaches to upstream climate resilience in development planning, core development policies, and strategies.

8. Importantly, the PPCR is designed to catalyze a transformational shift from the business as usual' sector-by-sector and project-by-project approaches to climate resilience. The PPCR will promote a participatory approach towards development of a broad-based strategy to achieving climate resilience at the national level in the medium and long-term. The process will involve a broad range of stakeholders from cross-sectoral government departments, non-government actors, including civil society groups and highly affected communities and the private sector. The PPCR aims for an equal effort from all development partners to cooperate, engage in dialogue, and align behind this strategic approach as a common platform.

PPCR Objectives

9. The PPCR objectives have been laid out in the PPCR design document (PPCR/SC.1/CRP.1) and are summarized here:

- (a) Pilot and demonstrate approaches for integration of climate risk and resilience into development policies and planning³;
- (b) Strengthen capacities at the national levels to integrate climate resilience into development planning;
- (c) Scale-up and leverage climate resilient investment, building on other ongoing initiatives;
- (d) Enable learning-by-doing and sharing of lessons at country, regional and global levels.

² See also PPCR Performance Framework.

³ This could include public and private sector investment planning, as well as approaches to enhance the enabling environment for investments towards climate resilience, such as through regulatory reforms.

10. In addition, regional PPCR pilots will aim to strengthen cooperation and capacity at the regional level to integrate climate resilience into national and appropriate regional development planning and processes.

PPCR Expected Outcomes

11. The expected PPCR intermediate outcomes on the program level are⁴:

- (a) Improved integration of climate resilience into planning, processes, and implementation (as appropriate to each country);
- (b) Increased consensus on an approach to climate resilient development appropriate to each country;
- (c) Increased finance availability (e.g., scaled-up investment commitment) in approaches to climate resilient development;
- (d) Enhanced learning and knowledge sharing on integration of climate resilience into development, at the country, regional and international levels.

12. While outcomes (a)–(c) focus on results in the participating countries, outcome (d) relates to both country level and the overall aim of PPCR at the global, program level. The PPCR performance framework and logic model lays this out in a separate paper.

13. The PPCR is designed to provide lessons over the next few years that can be taken up by countries and regional groupings, the development community, and the future climate change regime, including the UNFCCC-based Adaptation Fund. Underlying principles state that the PPCR should: (i) be country-led and country driven; (ii) build on the National Adaptation Programs of Action (NAPAs); (iii) complement the existing adaptation funds and be supportive to the emerging operations of the Adaptation Fund; and (iv) support actions that are both an outcome of a comprehensive planning process and consistent with the countries' development and poverty reduction goals.

14. The PPCR program is based on pilot programs to be carried out in a set of selected countries. Following completion of the country selection process, the Program will be carried out in two Phases. Phase 1 will initiate a series of tasks in each respective country⁵, including facilitation of a cross-sectoral dialogue process to arrive at a common vision of climate resilience in the medium and long-term, and formulation of a strategic approach for climate resilience. During Phase 1, to support this strategic approach an underlying investment program, a *Strategic Program for Climate Resilience*, will be developed. Endorsement by the PPCR-SC of the Strategic Program for further development marks the transition to Phase 2. Phase 2 will focus on implementing the Strategic Program through actions such as support to policy reform, institutional capacity building, and scaling-up other investments in key sectors (see figure 1).

⁴ Note: these are anticipated outcomes of the overall program, (including both phases of programming - as explained later in the text); these will be adapted within the design of *specific* country/regional pilots

⁵ The present paper assumes that all programming steps pertaining to a single country pilot are in principle the same for regional pilots, unless otherwise noted. A guidance note for regional pilots has been provided (Guidance Note on PPCR Regional Programs, April 6, 2009).

II. Selection of Pilots

15. The design of the PPCR provides for the appointment of an independent Expert Group to make recommendations to the PPCR-SC on the selection of countries to be financed under the PPCR.

16. Based on an open and transparent process, the PPCR-SC finalized its selection and appointment of the Expert Group members at its meeting in November, 2008. The Expert Group is comprised of eight individuals with scientific, economic, social, environmental, development, policy and/or governance/institutional expertise, as well as climate-related knowledge.

17. At its meeting held in Washington, D.C., in January, 2009, on the basis of the recommendations presented by the Expert Group, the PPCR Sub-Committee agreed to invite the following eight countries to participate in the PPCR as pilots: Bangladesh, Bolivia, Cambodia, Niger, Mozambique, Nepal, Tajikistan, and Zambia.

18. To ensure that all regions of the World Bank are represented in pilots and to enhance the generation of new knowledge from implementing the PPCR both as individual country programs and as regional programs, the PPCR-SC has requested the Expert Group to undertake further analysis of the countries in the Middle East and North Africa (MENA) region and of two regional pilot programs for the Caribbean and the Pacific.

19. In all, PPCR has agreed to include eleven pilot programs: nine individual pilot country programs and two regional pilot programs.

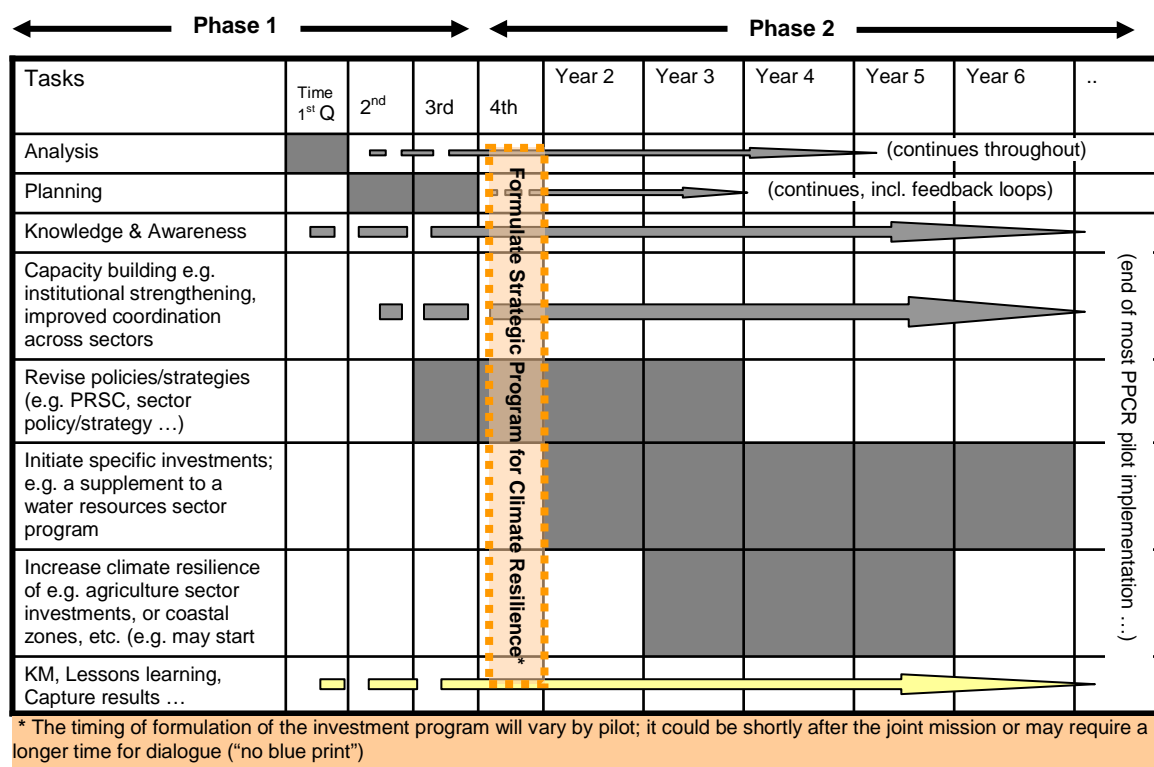
III. Phase 1: Development of a Strategic Approach for Climate Resilience

20. The participating countries in the PPCR are at very different stages in addressing climate risks to their development planning and budgeting processes. Therefore, the PPCR process needs to be flexible and in all cases should take account of and build on existing efforts, such as existing climate change and/or adaptation strategies.

21. The time for Phase 1 should respond to country needs and readiness; an indicative range of 3–18 months is being suggested, with an understanding that most countries will choose and be able to achieve the aims of this process within a year's time (from the time of the joint mission).

22. The key tasks in Phase 1 are outlined in the following sections: (a) initial joint mission; (b) tasks during phase 1; (c) second joint mission; and (d) output of phase 1. It is important to note that extracting lessons learned will be a continuous effort throughout implementation of PPCR from its beginning. *Figure 1* below provides an overview.

Figure 1: Illustrative outline of phase 1 tasks of PPCR and transition to phase 2



Initial Joint Mission

23. An initial joint mission will be fielded led by government together with the respective MDBs. Mission preparation will be facilitated by MDB cooperation and dialogue with the government and across MDB teams. Solid mission pre-work is expected to ensure that the joint mission team will be able to involve and consult with a range of stakeholders, including: relevant government agencies; NGOs, academe and other civil society groups; private sector groups (e.g. through the local business council or directly with strategic players); other country based development partners, such as UN agencies, bilaterals, and international finance institutions/regional development agencies, which carry out complementary programs.

24. Detailed guidance on the joint mission has been prepared though a separate guidance note (Guidelines for Joint Missions to Design PPCR Pilot Programs (Phase I), April 21, 2009). The output of the joint mission includes a proposal detailing a workplan, timeline, and budget for supporting Phase 1 activities leading to the formulation of the *Strategic Program for Climate Resilience* (as outlined in detail in the joint mission note). The government will submit this proposal to the PPCR-SC⁶ for finance and approval by mail.

⁶ Through the CIF Administrative Unit

25. It is important to emphasize that the PPCR country programs would be implemented through the MDBs alongside their lending and technical assistance portfolio. Hence, it is expected that the proposal for developing the *Strategic Program* will identify the roles and responsibilities of each MDB, and arrangements for collaboration and coordination with other relevant agencies, in supporting the government in the development of the *Strategic Program*. For the preparation of the *Strategic Program*, the government may choose to (i) ask the MDBs concerned to have an equal partnership role in assisting the government, or (ii) ask one of the MDBs to assume a lead administrative role to assist in administering the PPCR funds for preparation of the *Strategic Program*. It is expected that other interested development partners will be kept closely informed and actively engaged in the process

Overview of Initial Tasks

26. The development of the *Strategic Program for Climate Resilience* during Phase 1 will entail a range of tasks, such as: analysis of climate risks, an institutional analysis, knowledge and awareness raising, key capacity building actions, and a consultative planning process to agree on a common vision and strategic approach for climate resilience and to define priority actions and investment needs to implement this approach (see *Box 1*).

27. The extent and length of Phase 1 tasks is expected to vary among pilot countries depending on previous and ongoing efforts in the respective countries. For example, some countries will have solid information available to assess scenarios and options within key sectors or sub-regions to address climate change impacts. Others will need time to first acquire such information before being able to launch a cross-sectoral dialogue and planning discussion on options to address impacts. Similarly, in countries where the NAPA or a similar process has already created a platform for analytical work and exchange, the process of moving forward will be advanced.

Box 1: Illustrative range of initial tasks contributing to development of the Strategic Program for Climate Resilience

While the extent and length of Phase 1 activities will be dependent on country circumstances, the following list provides an illustrative list of activities. There should be no duplication of previous efforts, and not all countries will need to address all points, while others may choose to add other activities.

Analysis of Climate Risks:

- a. Using appropriate modeling tools and existing assessments, to identify
 - i. climate risks to key national economic sectors (such as agriculture, hydropower, tourism, etc.); sub-regions within the country (such as coastal zones, glaciers and steep mountain areas, etc.); specifically vulnerable groups, and natural resources and ecosystems; and
 - ii. priorities sectors and themes for adaptation interventions based on the analyses obtained above;
- b. Rapid vulnerability assessments targeting various levels and using a range of approaches.

Institutional Analysis:

- c. Identify and initiate a cross-sector coordination mechanism suitable in the specific country context⁷ to support the priority sectors and themes identified above ;
- d. Identify cross-ministerial/sectoral institutional gaps and overlaps, resource needs, recommendations to promote sectoral coordination to promote/build climate resilience.
- e. Identify gaps, knowledge, and institutional capacities to build climate resilience through participatory processes.
- f. Assess adequacy or possibilities for strengthening participatory processes

Knowledge and Awareness Raising:

- g. Disseminate key messages and discuss the outcomes of the analytical studies and institutional gaps and needs analysis with a broad range of stakeholders and through communication channels such as the media, networks - such as industry associations -, etc..

Capacity Building:

- h. Develop relevant capacity building modules to address critical capacity constraints; where filling these capacity gaps are prerequisite to a meaningful identification of climate risks and vulnerabilities as well as options for priority actions these should be carried out early on in phase 1 of PPCR (*note: longer term institutional strengthening and support for policy reform and implementation needs are better implemented through a well designed technical assistance program in phase 2. Phase 1 could be used to identify the key elements and agree on implementation mechanisms.*)

Consultation Process:

- i. Ensure a socially inclusive process during consultations to provide inputs from a wide range of actors, such as NGOs and other civil society groups, specifically vulnerable groups, academe, and the private sector.
- j. Within government, ensure that the consultation process leads to a common understanding and agreement on a long-term approach to climate resilience.
- k. As the countries' economies are based on private sector investments, from small farmers to large global companies, the private sector will be a key partner in understanding vulnerabilities and in development of options.
- l. Ensure that issues raised during consultations are sufficiently addressed in the identification of investment priorities, including assuring donor coordination.
- m. Conduct regular consultations with relevant stakeholders, identified in a stakeholder analysis, throughout the PPCR process to ensure broad ownership; the Strategic Approach and Program for Climate Resilience should be understood as a living document that can benefit from new science and global experience, and local knowledge.

Definition of Priority Action Needs, including Investments:

- n. In conjunction with country stakeholders (including NGOs and other civil society, and private sector) using a participatory approach to develop and prioritize alternative climate resilient development interventions within the identified priority sectors and themes, including the definition of roles of different stakeholders under different options (e.g.

⁷ It will therefore be important that the country-based PPCR process be led by a ministry with a mandate for cross-sectoral coordination, planning, and budgeting.

public sector, private sector, NGOs). Action needs could include activities that do not necessarily require substantial investments and are within the current scope of activities, such as, redefining of building codes by the Association of Engineer's, Agricultural Institutes liaising with ongoing global crop modeling efforts and initiating analysis on agricultural resilience, etc.

- o. Identify policies, strategies, development plans, and regulations that need to be updated in order to achieve climate resilience (PPCR main entry points will be the countries' development and poverty alleviation plans, while also taking account of previous, ongoing and planned efforts to support climate resilience in the country (including countries' NAPAs)).
- p. Define key agencies to address risks; and long-term coordination structures.
- q. Identify non-government interventions that need to be addressed in order to adapt to climate change (e.g. the provision of finance to allow private sector stakeholders – such as small businesses – to adopt new technologies or make necessary investments).
- r. Discuss division of labor among government, MDBs, and other partners, including the private sector, in terms of finance, implementation and phasing.
- s. Estimate the notional investment costs and identify co- and parallel finance.
- t. Develop an overall, high level results framework with key performance indicators to track progress.

28. Cooperation with development partners in the design and implementation of the *Strategic Program for Climate Resilience* is outlined in Section VI. Framing the main climate risks, impacts and adaptation options will be based on a socially inclusive, broad based consultative process within the country. This will assure that PPCR supported actions will build on local experiences and reflect the views and needs of a range of stakeholders, including specifically vulnerable groups and sectors (such as small farmers, women and other vulnerable groups).

29. Capacity building and raising awareness will be part of the initial tasks of Phase 1 especially in those countries where knowledge and awareness of the extent of climate impacts is still limited. A capacity gaps and needs analysis, which is part of PPCR support, should be used to design a longer term comprehensive support program for institutional strengthening and policy reform as part of the Strategic Program implementation. Essential technical assistance work may already be part of support programs by other development partners,⁸ in which case PPCR will build on and not duplicate these efforts.

30. While it is realized that mainstreaming climate resilience in development planning will require time and effort to achieve successful high level policy coordination, it is important to stress that the initial tasks in Phase 1 can only *initiate* this process. To be sustainable, cross-sector coordination and institutional strengthening require longer term strengthening processes that should be an important component of the investment program, with other investment implemented in parallel.

⁸ This may be relevant for other investments besides technical assistance. In all instances these ongoing activities should be part of the strategic approach, while being financed by respective development partners.

31. Actions towards climate resilience on the policy level are necessary, but not sufficient to achieve climate resilience. Therefore, PPCR is *designed to deliver financial support for scaled-up investments on the ground*. The range of investments will depend on the country context and should be focused on one to three sectors or themes, or could be focused on a key sub-region of the country; this decision needs to be based on a solid analytical and participatory process during Phase 1, including assessment of climate risks on specifically vulnerable groups, natural resources or ecosystems, as well as the private sector (including small farmers). Focus of activities on a limited number of priority actions will lead to higher impact and measurable shifts.

Second Mission

32. A second joint mission will be carried out involving the appropriate MDBs, irrespective of their specific involvement in Phase 1, prior to the submission of the Strategic Program by the government to the PPCR-SC. The mission will involve and cooperate with country-based development partners (including UN agencies, bilateral and other development agencies, and other relevant non-government actors).

33. This mission will serve to finalize the *Strategic Program for Climate Resilience*. The Strategic Program should indicate the MDBs' respective roles, division of labor, and co-finance of components of the investment program. It should also confirm agreement on cooperation with other partners, including parallel and co-financing of identified priority actions (see Section VII).

34. During the mission the government, together with the MDBs, will convene a meeting of key development partners (including UN and bilateral agencies, country based NGOs and the private sector) to present the draft of the Strategic Program and solicit final inputs prior to submission.

Phase 1 Output: Strategic Program for Climate Resilience

35. In summary, the initial tasks within Phase 1 will lead to the formulation of a *Strategic Program for Climate Resilience*. The preparation of the *Strategic Program for Climate Resilience* is a key process towards concretizing the main objective of the PPCR to initiate transformation in the approach to development planning, budgeting, and investments so as to include considerations of climate resilience. The Strategic Program should outline the government's agreed long-term vision to achieve a climate resilient development trajectory and a critical path to get there. This should include consideration of vulnerable economic sectors, specific social groups, and ecosystems. The Strategic Program will summarize the country driven strategic approach to climate resilience, building on related relevant efforts, and define the underlying investment program proposed for PPCR support.

36. The Strategic Program should also include a investment program including a range of technical assistance and other investment components to support the

implementation of the strategic approach. Activities included in the Strategic Program should:

- (a) be embedded in the broader context of sustainable development and poverty alleviation as elaborated in the Strategic Program, and not a stand-alone design (except on an exceptional basis);
- (b) aim to be ambitious and innovative in their objectives towards climate resilience;
- (c) strengthen collaboration and complimentary with support by other development partners and seek to identify other sources of financing;
- (d) build on existing efforts supporting climate resilience (including NAPAs); taking care not to duplicate;
- (e) outline how lessons learned will be captured and widely shared; and
- (f) be inclusive through provision of mechanisms to ensure that voices and needs of a wide range of stakeholders are taken into account.

37. The PPCR design recognizes that creating an enabling environment, including integration of climate resilience consideration into development/sectoral planning and strengthened institutions, is essential for successfully responding to climate risks by the public and private sector. Therefore, PPCR will be opportunistically ambitious; for example, in a country where a revision of the PRSP is planned, it will work within the PRSP revision process and support integration of climate resilience considerations in the revised PRSP.

38. The program will include a performance framework laying out ways to allow the country to measure progress towards achieving the agreed long-term vision. For example, the Strategic Program may include proposed core metrics and/or may outline how the specific indicators for components of the investment program may be aggregated on a national level.

39. Each Strategic Program will vary depending on the participating country and on prior processes on which the country has embarked and to which it can refer, such as existing climate change/adaptation strategies. The goal of Phase 1 is to support a broadly owned process for greater climate resilience, and not to produce a lengthy document. See Annex 1 for a proposed outline of overall topics to be addressed in a Strategic Program.

Review and Endorsement of the Strategic Program

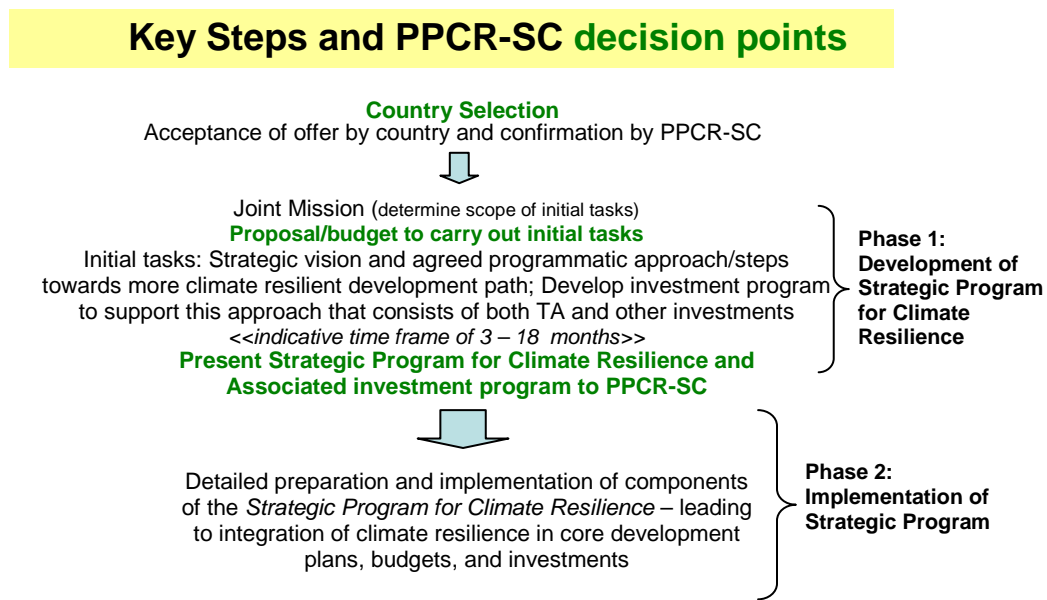
40. The PPCR-SC is to review the Strategic Program and to endorse it as a basis for preparing program and project proposals for additional PPCR financing. In endorsing the Strategic Program, the PPCR-SC should consider the country's vulnerabilities and long term goals for strengthening its climate resilience in light of those vulnerabilities, how and whether the proposed investment program is realistically supporting the

mainstreaming of climate resilience in policy environments and whether the scaled-up investments will lead to measureable improvement in climate resilience.

41. Such review should consider the soundness of the process followed in preparing the program as well as the performance framework and metrics to measure progress towards the goal and how progress will be reported over time.

42. A set of structured guidance questions to aid the PPCR-SC in this assessment within the specific country context has been developed (within the PPCR Results Framework, PPCR/SC.3/6).

Figure 2: Key Steps and PPCR-SC Decision Points



IV. Phase 2: Implementation of the Strategic Program

43. Once the Strategic Program has been endorsed by the PPCR-SC and financing approved for program and project preparation, a preparation grant will be made available to the respective participating country to enable detailed preparation of the components of the program. Preparation and implementation of the investment program will follow the respective MDB procedures.

44. An illustrative list of examples of initiatives and actions contributing to climate resilience that could be supported by PPCR is provided in Box 3.

Box 3: *Illustrative examples of possible actions for PPCR support in participating pilots*

Support to technical assistance such as for human capacity building, institutional strengthening, and policy reform processes will be grant supported. PPCR also provides an opportunity to, for example, add the climate dimension for redesign and addressing climate risk in existing and planned infrastructure for water storage serving water supply, irrigation, flood protection, and/or hydropower production, including for public-private partnerships in such operations. It will remain to the country dialogue to agree on which components in specific pilot may be more amenable to grant and/or to highly concessional loans.

In general, PPCR supported actions may include a range of activities, such as:

- (a) Engagement of policy-makers and/or other key stakeholders, including economic decision-makers, planners, academia, NGOs and the private sector, in knowledge building activities on climate impact scenarios – including seminars/workshops and other events for the dissemination of applied research findings – to strengthen their understanding of how climate change will affect economic development and growth.
- (b) Analytical capacity and provision of solid information inputs. This could include, establishment or rehabilitation of hydromet networks, flood & drought early warning systems and their linkage to pre-emptive humanitarian responses; and R&D (e.g. research and development of crops that would suit the local characteristics and new climate conditions, benefiting numerous small farmers). This could be through public and/or private actors, supported by grants resources that would cover the additional costs of mainly ‘public good’ benefits.
- (c) Institutional strengthening and revisions of relevant policies, strategies, plans and/or regulations to integrate climate resilience into development planning and policy reform across sectors. PPCR is to be opportunistically ambitious in taking advantage of ongoing policy reform efforts (e.g. such as upcoming revisions of PRSPs, sector policies and strategies, etc.). It should also contribute to improving the enabling environment and/or access to finance for the private sector to invest in adaptive measures (including innovative adaptation technologies).
- (d) Investments to support climate resilience in key/priority sectors and/or in important eco-systems and/or addressing particularly vulnerable groups. This may include, for instance, enhancing linkage between disaster risk management and proactive adaptation measures; implementation of measures for integrating climate resilience within infrastructure design and spatial planning processes, or modifying building construction standards/codes along with designation of ‘no-construction’ areas.

- (e) Concessional financing, to attract private sector investments that may on their own not deliver the required rates of return, but where blending highly concessional loans with conventional financing to the private sector can help buy-down the additional costs and risks of private sector investments that would bring significant contribution to increasing national climate resilience. Some examples include:
- i. Guarantees and risk mitigation (e.g. first loss may be necessary to cover the risk of a bank lending to small scale farmers for water conserving irrigation technologies);
 - ii. Monitoring and data collection programs (e.g. weather and yield patterns in strategic agricultural crops where the benefits are both private and public but where only blending with concessional finance would provide a private company with the incentive to invest in the project);
 - iii. Additional costs that address climate uncertainties in public-private partnerships.

Approval of PPCR financing for Programs and Projects

45. The *Strategic Program for Climate Resilience* will include proposed activities or program components for PPCR financing, including technical assistance and other investments involving the public and/or private and non-sovereign entities. Short descriptions of each activity will be included in the Strategic Program submitted for endorsement (see *Annex I*). Detailed preparation of each activity will be pursued in accordance with the procedures of the MDB(s) partnering with the country on the activity. A specific activity or program component may involve one or more MDBs and possible co-financing by other development partners.

46. The PPCR-SC will:

- (a) provide comments on draft Project Concept Notes⁹ during the review of the Strategic Program and approve project preparation grants for the proposed activities;
- (b) approve PPCR financing for specific PPCR projects and programs at pre-appraisal stage; and
- (c) receive the final Project Appraisal Document¹⁰ for information when such final document is circulated to the MDB Board¹¹.

V. Financing Modalities

47. The PPCR is designed to provide both grants and highly concessional loans to implement the Strategic Plans allowing the broad range of financing instruments

⁹ The terminology differs slightly among MDBs, e.g. in IDB the equivalent to a *Project Concept Note* is a *Technical Cooperation Profile*.

¹⁰ The terminology differs slightly among MDBs, e.g. in IDB the equivalent to the Project Appraisal Document is called the Project Operational Plan.

¹¹ At the same time as being circulated to the MDB board.

available through the MDBs (see section on financing instruments below). The PPCR design document recognizes that “significant portion of funding under the PPCR is expected to be provided in the form of grants, while the PPCR may also consider the option of additional concessional lending that may be blended with existing sources of concessional funding and national resources to increase the climate resilience of existing development priorities. PPCR funding for additional costs directly associated with technical assistance and institutional adjustment should be provided through grants.”¹²

48. It is expected that *grants* will be provided to finance:

- (a) the preparation of the Strategic Program for Climate Resilience (Phase 1);
- (b) project preparation;
- (c) the additional costs necessary to make an investment climate resilient.

(a) *Grant finance to prepare the Strategic Program for Climate Resilience (Phase 1):*

49. A grant amount of up to \$1.5m is suggested for Phase 1 preparation for single country pilots. The amount will be approved by the PPCR-SC based on reviewing a proposal for Phase 1 to be submitted by the participating country. Regional pilots may request additional finance in order to adequately cover the additional transaction costs in a regional pilot program.

(b) *Preparation grants for detailed preparation of activities in the Strategic Program (Phase 2)*

50. Once the *Strategic Program for Climate Resilience* has been endorsed by the PPCR-SC and preparation funds approved, the country will be provided with grant financing for the detailed preparation of the investment program (including all components). An envelope of \$1.5 million in preparation funds is estimated for each participating country (for a single country pilot); the government, in dialogue with the MDBs, will provide a proposal to the PPCR-SC detailing how these funds will be used.

(c) *Grant financing, to the extent it is available, may also be used to cover the additional costs associated with mainstreaming climate resilience into investments*

51. PPCR is designed to deliver additional finance to countries for integrating climate resilience into development planning and investments, including the blending of grant and highly concessional loans with domestic public and private financing.

52. Both grants and concessional loans will be available to finance the additional costs necessary to make a project climate resilient. When concessional loans are provided, the grant element of the loan should be sufficient to cover the additional costs of climate resilience. Financing terms for concessional loans will be determined by the PPCR-SC and are expected to be equal to or more concessional than IDA terms.

¹² The Pilot Program for climate Resilience under the Strategic Climate Fund, paragraph 18, November 18, 2008.

*Determination of financing for pilot programs*¹³ (Phases 1 and 2):

53. Based on current pledges, the average funds available per pilot program range from \$US 30-60 million, with approximately half the funds available for grant financing and the other half available as highly concessional loans. In considering the financing of each pilot, the PPCR-SC should take into consider the needs of the country or countries as presented in the *Strategic Program for Climate Resilience*.

54. Two options for balanced distribution of PPCR grants and loan components across pilots for discussion and decision by the PPCR-SC are described below. The PPCR-SC is invited to review these options, and other proposals that PPCR-SC members may wish to put forward, with a view to agreeing on procedures to be followed.

Option 1:

55. Approval of grant and loan resources on the basis of the Strategic Program for Climate Resilience, taking into account strength of the program and country based needs. This, therefore, will also ensure that countries supporting a path of greater potential for a transformational shift of approaches and scaled-up action, innovation, and/or co-finance through their Strategic Program will have enhanced opportunities to access to resources.

56. To ensure balanced financing among the pilot programs, a floor and ceiling should be agreed for any one pilot program. This assures that adequate resources are available for pilot programs independent of time of submission.

Methodology:

57. *Grant amount:* A grant financing envelope will be agreed by the PPCR-SC on the basis of the Strategic Program for Climate Resilience. While principally needs based, each pilot should be able to access at least 5% and up to a maximum of 10 % of the total grant amount (a range approximately between 12 – 25 million based on the current number of 11 pilots and the current pledged grant amount).

58. *Concessional finance:* In view of the uncertainty as to the need for, and interest in, accessing concessional loans, an initial ceiling is proposed to not exceed more than 20 % of the total available concessional finance amount per pilot program. Note: this figure may need to be re-evaluated within a year i.e., after the submission of the first 3 – 5 strategic investment programs for climate resilience.

Option 2 (proposed by the UK) – Ex Ante Allocation of PPCR Resources

59. Under this option, an overall envelope (of grants and loans) would be established for each pilot program in accordance with a needs-based allocation metric, which would set indicative ceilings (not entitlements) for each pilot's allocation.

¹³ Single country and regional pilots to be treated the same

Methodology:

60. It is proposed that an independent expert group be established to develop a methodology and propose an allocation framework to the PPCR-SC. The terms of reference for the expert groups could include the following criteria around which they would develop a methodology:

- (a) Extent of exposure to climate hazards;
- (b) Adaptive capacity/poverty (e.g. as measured by HDI, Gross Domestic Product, etc);
- (c) Sensitivity to climate change (e.g. % of Gross Domestic Product dependent on climate sensitive sectors);
- (d) Scale of exposure (e.g. population size, geographical area, etc).

61. The same allocation metric should be applied separately to the grant and loans element of the PPCR. SIDS are likely to require special consideration under an allocation framework due to the urgency of their adaptive needs.

Financing Instruments

62. PPCR financial support to participating countries will be provided in accordance with MDB procedures. A range of financing modalities that are amenable to support a programmatic approach will be employed. Diversity in financial instruments used should contribute to lesson-learning as to how best MDBs may work with countries to address climate resilience.

63. Recognizing slight differences in detailed MDB modalities, financial instruments may include budget support/development policy lending, coordinated investment programs across key sectors, and blending with national financing and/or existing international support mechanism targeted at the public and/or private sector, which may, for example, include credit lines and partnerships with financial intermediaries, guarantees, and equity based operations. The choice of specific instruments should be made case-by-case taking into account specific country circumstances and the financing requirements and goals of the specific activity.

64. As the PPCR is designed to integrate climate resilience into development plans, PPCR funded actions should, as an overall practice, not be free-standing and should be blended with MDB resources and/or other parallel and co-financing, including government and/or private sector resources. Stand-alone program components could be allowed as an exception and will require a detailed justification. Integration of PPCR activities and financing in larger programs will provide for larger impacts and sustainability.

VI. Cooperation among Development Partners

65. Cooperation with a range of development partners throughout the development and implementation of the pilot programs is an inherent element of efforts to achieve a transformative shift to a climate resilience development path and to create broad support and ownership. The composition and nature of these partnerships in participating countries will depend on country circumstances and will therefore evolve on a case-by-case basis. Key partners are likely to include UN agencies, bilateral and regional development agencies, NGOs, and the private sector. Furthermore, the knowledge and information management goals of the PPCR should usefully include an exchange of a wide range of experience and learning among development partners (see Section VII).

66. Cooperation should be initiated during the preparations for the initial joint mission. The mission should provide for a meeting with development partners working in the country early in the mission to provide an overview of the PPCR process, review ongoing activities on which to build a Strategic Program and to identify opportunities for cooperation.¹⁴ The aim of the outreach is to build constructive synergies with partners.¹⁵ Partners should be invited to contribute to:

- (a) shaping the long-term strategic approach and investment program;
- (b) analytical work in Phase 1;
- (c) identification of gaps and needs;
- (d) identification of opportunities for synergies and co-finance for Phase 1 and Phase 2 implementation of the investment program.

67. It is expected that the *Strategic Program for Climate Resilience* will set goals and activities that exceed that which can be financed through the PPCR. Other partners may decide to finance and implement certain strategic components of the program. This would lead to mutually reinforcing efforts to support the country. Furthermore, co- and parallel finance of PPCR activities by bilateral, UN agencies, and IFI's/regional development banks should be strongly encouraged. For example, UNDP is implementing a related program on adaptation in the Africa region ("Supporting Integrated and Comprehensive Approaches to Climate Change Adaptation in Africa"). This program may be a vehicle through which a range of capacity building activities within Phase 1 and, potentially, Phase 2 could be financed.

68. The CIF are designed to be implemented through the MDBs. It would be possible, if a country and the MDB agree, to designate other development partners as executing entities (such as UN agencies or NGOs) to execute certain interventions, such as technical assistance activities. Such arrangements are provided for in the MDB procedures (i.e., through a contractual relationship in accordance with the respective MDB procurement rules).

¹⁴ Details of the joint mission process are outlined in the respective guidance note.

¹⁵ Partners include UN agencies, NGOs, private sector, bilateral agencies and other development organizations (e.g., could also include regional climate centers and programs). In terms of the UN agencies, the UN resident coordinator's/UNDP resident representative's office in the participating country will be the entry point for cooperation with the UN agencies.

69. The text below highlights the potential role of a number of key development partners that may collaborate with the country and the MDBs to achieve the goals of the Strategic Program. This list is to provide a number of examples, and it is not an exhaustive list. Other potential partners, such as regional climate centers, may have a very important role to play in specific actions at the country and regional levels.

Cooperation with UN Agencies

70. A range of UN agencies are supporting activities that are crucial for making development more climate resilience. This includes programs and projects supporting agriculture and fisheries, food security, disaster risk management, health services, natural resource management, and development of institutional and human capacity for the management of climate risks. A key entry point for collaboration with UN agencies in specific countries is the UN country team coordinated by the UN coordinator/UNDP resident representative.

Cooperation with UNDP

71. While a range of UN agencies are relevant to decreasing vulnerability within a county, it is worth noting the lead role that UNDP is playing through its existing and emerging programs on mainstreaming adaptation. Close alignment of the PPCR program and UNDP programs on country level, specifically in the Africa region (see box below), will lead to synergies and greater impacts. The UNDP program (through parallel finance) has the potential to contribute substantially to the development of the strategic approach and a range of the initial tasks in phase 1, such as analytical work, awareness raising, and capacity building efforts.

72. Furthermore, both UNDP and the World Bank are engaged in the Adaptation Learning mechanism, a mostly web-based effort for dissemination of knowledge and lessons learned. The Global Support Program of the PPCR, described in section VII below, should create collaborative linkages with this effort.

UNDP Adaptation Program in Africa:

Supporting Integrated and Comprehensive Approaches to Climate Change Adaptation

Under its \$92 million program, “**Supporting Integrated and Comprehensive Approaches to Climate Change Adaptation in Africa,**” supported by the Government of Japan, UNDP will assist 21 countries across the African continent in incorporating climate change risks and opportunities into national development processes to secure development gains under a changing climate. The program will help countries establish an enabling environment and develop the capacity required at local and national levels to enable them to design, finance, implement, monitor and adjust long-term, integrated and cost-effective adaptation policies and plans that are

robust within a wide range of possible changes in climate conditions. UNDP will engage the World Food Program, the United Nations Children’s Fund, and the United Nations Industrial Development Organization, in the execution of some activities under this program. The program is also expected to lay the foundations for follow-up investments by the World Bank and other national, regional and multilateral financial institutions; as well as forge cooperation with other ongoing adaptation programs at the national, regional, and global level, e.g., programs supported by the EC, the GEF, and bilateral donors.

Cooperation with the Adaptation Fund

73. PPCR has been designed to provide lessons over the next few years that might be taken up by countries, the development community, and the international climate change regime, including the Adaptation Fund (AF). To promote continuous interaction with the AF, the developing country chair or vice-chair of the AF Board is a member of the PPCR Sub-Committee.

74. The Knowledge Management and Learning Component of PPCR (described in Section VII below) will extract and disseminate lessons regularly to key stakeholders. Global learning events and meetings –such as the Partnership Forum – will include a broad-based meeting of stakeholders, including the Adaptation Fund, donor and eligible recipient countries, MDBs, UN and UN agencies, GEF, UNFCCC, bilateral development agencies, NGOs, private sector entities, and scientific and technical experts. The Partnership Forum will be convened annually to provide a forum for dialogue on the strategic directions, results and impacts of the Climate Investment Funds.

Cooperation with the GEF

75. PPCR resources will complement other multilateral financial mechanisms, such as the GEF and the Adaptation Fund, and bilateral sources of financing and seek co-financing where appropriate. Within LDCs, it will build on the NAPAs and the experiences gained in the NAPA formulation process.

76. The GEF has piloted a range of actions and gained a broad set of experiences in financing adaptive measures through the Strategic Program for Adaptation, the Least Developed Country Fund and the Strategic Climate Change Fund, which will provide valuable lessons and potential opportunities on which the countries should build their Strategic Program.

Cooperation with NGOs

77. Country-based NGOs should be important contributors to the development and implementation of the Strategic Program, and in particular, to the learning agenda. National, regional and global NGOs are traditionally key players at the global, regional

and national levels in actions such as knowledge dissemination, organizing community based consultations, providing training, and enhancing agricultural and health extension services, and they should be strong partners in knowledge exchange and support of south-south learning mechanisms.

78. NGOs may choose to cooperate with PPCR actions as part of their on-going activities, and they could be contracted by the government to carry out targeted activities within components of the Strategic Program.

Cooperation with the Private Sector

79. The private sector is the foundation of economic growth and stability and job creation. Private sector companies should have the ability to adapt to climate change in order to maintain economic and social prosperity and stability. In order to effectively contribute to climate resilience, private sector companies will need to have the knowledge, capacity and financial incentives necessary to undertake appropriate and timely climate change interventions.

80. While some larger private companies will have the knowledge and expertise to assess and implement appropriate actions, many private sector companies might not have the expertise or resources necessary to elaborate and interpret appropriate climate models. This may be particularly true for medium and small companies (e.g., small farmers). The analysis of climate risks in Phase 1 should, therefore, include an analysis of risks to the private sector and possible impacts on the economy and human welfare.

81. Public sector interventions may be needed to manage uncertainties, catalyze the private sector to adapt, and to guide new investments (e.g., by leading impact analyses on various climate scenarios, establishing procedures for the evaluation of climate risks, developing adaptation options and disseminating knowledge among those companies/sectors most at risk). Once investment needs are identified, financing and incentives may be needed to enable private sector operators to undertake necessary investments.

82. Similarly, appropriate regulation may be necessary to ensure private sector adaptation actions and enhance climate resilience (e.g., requirements for climate risk and adaptation assessments or development of new building codes). Given the dynamics of climate and adaptation related research and information, the above processes need to be continuous and reiterative.

VII. Learning and Knowledge Management

83. PPCR was designed to generate learning and lessons from its implementation and to transfer lessons to other ongoing and emerging mechanisms for adaptation, such as the Adaptation Fund and the GEF-administered UNFCCC funds. To achieve the learning objective of PPCR, implementation will require that lessons are captured continuously,

which will start with capturing lessons of the initial joint missions and carry through to final program evaluation.

84. This kind of targeted learning and dissemination of experiences requires that designated resources be set-aside within the PPCR program at a global level and that knowledge and management learning efforts are fully integrated in all pilots. It is proposed that the PPCR program provide for the establishment of a Global Support Program within the CIF Administrative Unit to provide the “glue” to bring together all of the individual pilot programs and to promote learning among them. This Program would support frequent exchanges and dialogue among pilots, provide tools and expertise to the participating countries, and disseminate lessons among a broad range of stakeholders within and beyond the immediate PPCR community of practice. It is expected that the Global Support Program would eventually be expanded to cover other SCF programs as they become operational.

Knowledge Management and Lessons Learned within each Pilot

85. Each component of the country’s *Strategic Program for Climate Resilience* will be requested to include, and budget for, knowledge management and learning activities. These will aim at reaching stakeholders within the country as well as across PPCR pilots and at the global level. Creative ways of both capturing as well as disseminating lessons learned and relevant knowledge products should be piloted. The CIF Administrative Unit, through the Global Program, would serve as the central advocate for promoting effective and robust implementation of such knowledge management and learning activities. These could include, among others:

- (a) continuously capturing and disseminating lessons learned all along; feeding information into the global support program and maintaining an own website (in local languages and in English);
- (b) use of innovative and locally adapted media for knowledge dissemination (both text based and visual media to illustrate progress and lessons; websites are not sufficient);
- (c) south-south learning on shared climate threats and solutions, through exchanges among experts and practitioners among pilots with similar threats;
- (d) strengthen understanding and methodologies on specific issues, such as for assessing the costs and benefits of adaptation and enhancing metrics to monitor effectiveness of adaptive measures;
- (e) development of a pilot specific training-of-trainers program and other relevant professional development programs targeting government staff, NGOs, others;
- (f) outreach and awareness campaigns within each country (aimed at e.g., public, policy makers, schools, private sectors), including media training;
- (g) an expert support desk to provide just-in-time expertise, and facilitate dissemination of innovative tools and knowledge resources on national level (see also Global Support Program).

Global Support Program

86. The Global Support Program should ensure that lessons are captured and disseminated across the pilots and to other stakeholders at global and regional level, that shared knowledge products, taking into account the needs and experiences of the pilot programs, are produced in a cost effective way, and that expertise and tools are provided to the participating countries as needed. Activities may include:

- (a) maintaining a global PPCR website to disseminate information on progress of the pilot programs supported by PPCR and providing information to teams in participating countries and beyond (building on and collaborating with existing global adaptation learning efforts) and providing interactive tools for communication among country pilots (such as e.g., listservs, blogs for practitioners; or a virtual help desk)
- (b) convening annual learning meetings of all pilot countries (likely in conjunction with the Partnership Forum) and inviting a range of related stakeholders to enrich the exchange and capture of experience¹⁶ (e.g., there may be yearly themes and/or parallel session);
- (c) enabling targeted common activities among participating countries with similar threats and experiences;
- (d) providing tools and knowledge resources to PPCR countries through an evolving 'sourcebook.' The sourcebook should be accessible virtually, designed in dialogue with countries and based on an analysis of specific gaps and needs. The sourcebook should include targeted information and knowledge designed for specific issues that are key for PPCR, such as vulnerability assessment tools for countries with similar threats and examples of successful integration of climate resilience in sector policies. Dissemination within the country of these resources and facilitation of use of innovative tools and approaches should be part of the design of each pilot;
- (e) capturing progress and strengthening metrics/indicators for progress in terms of climate resilience across pilots through a variety of means and working with the teams in participating countries to promote robust measurement of results, and providing support to design of performance frameworks for the pilots;
- (f) provide technical support/ just-in-time expertise to strengthen the expert support desk in each pilot program and to facilitate dissemination of innovative tools and knowledge resources to PPCR pilot programs (e.g., through training-of-trainers programs);
- (g) cooperation with other global learning platforms and programs, such as the Adaptation Learning mechanisms; exchange of cutting edge and emerging knowledge and innovative efforts to address adaptation challenges. This should be designed as a two-way interaction with participating/PPCR countries uploading experiences and lessons, as well as benefitting from the increasing global knowledge base.

¹⁶ Including representatives from other regional and global programs relevant to climate resilience, such as the UNFCCC NEEDS program, experiences based on the HYOGO framework of action, and so forth.

87. The global support program should be established at the beginning of FY10 to ensure that knowledge management and lesson learning is embedded in the pilot programs from the start.

VIII. Reporting

88. For the PPCR objective of learning and dissemination of lessons, reporting on progress and disseminating this information widely and in a variety of media is of central importance. This should contribute to a spirit of transparency and collaboration among development partners. The CIF Administrative Unit will take a central role in this effort.

PPCR program level

89. Consistent with SCF and PPCR design, an annual portfolio and funds review will be prepared by the CIF Administrative Unit, based on inputs by the respective MDBs.

90. In addition, the CIF Administrative Unit, through the Global Support Program, will be the central point for capturing and disseminating lessons learned across participating countries, including interacting with and assuring lessons are transmitted regularly to the UNFCCC, Adaptation Fund Board, and other relevant fora.

91. At the time of the annual portfolio reporting by the CIF Administrative Unit, the PPCR-SC will review the progress in implementing the PPCR portfolio. This review will provide an opportunity to explore major delays or barriers to implementation in the program. The PPCR-SC may consider establishing some benchmarks which, when not met, would trigger the need for an explanation from the country as to why benchmark has not been achieved, such as:

- i. *A Strategic Program for Climate Resilience* should be submitted within 18 months of the initial joint mission;
- ii. Specific components within the Strategic Program for Climate Resilience should be submitted for approval (at pre-appraisal stage) no later than 12 months after the review of the Project Concept Note.

92. Based on the explanation submitted by a country, the PPCR-SC could consider what steps should be taken to improve performance or whether funds should be allocated to other PPCR activities.

Country (pilot program) level

93. On the country level (including the regional level for PPCR regional pilots) there will be various steps in the PPCR cycle that provide an opportunity for capturing progress and lessons, including the joint mission reports, the proposal for phase 1, the *Strategic Programs for Climate Resilience*, and regular reporting on implementation of the

strategic programs both through MDB and in more detail through the country-based learning and knowledge management components of the program.

IX. Monitoring and Evaluation

PPCR program level

94. Regular reporting mechanisms have been agreed upon during PPCR design. The Performance Framework provides a structure for designing program evaluations of PPCR. Beyond the final program evaluation, intermediate thematic reviews may be considered to both enhance context specific lessons learning, such as on disaster risk management and adaptation linkages, and to identify, and allow for steps to address, bottlenecks to implementation of specific components at pilot level.

95. As the impacts and effectiveness of adaptation measures, including sustainability, are only apparent after the typical lifespan of interventions of PPCR, it will be important to set aside funds for an ex-post evaluation of the program in the future.

Country (pilot program) level

96. On the level of single and regional pilots, the pilot specific *Strategic Program for Climate Resilience* will establish an overall framework for tracking progress aggregated on national level, including mechanisms to aggregate progress under the various components of the strategic programs. Phase 1 will be important to establish a baseline and key indicators for national and regional pilots.

97. It is understood that metrics and approaches will differ depending on country and targeted sectors. Improving the monitoring frameworks will be part of support and learning agenda of the PPCR. The MDBs and the Administrative Unit (through the Global Support Program) will work with counterparts in the participating countries to periodically (e.g., specifically at mid-term reviews) assess progress of individual components of the Strategic Programs towards the overall countries' agreed approach to climate resilience and to refine metrics for climate resilience.

Investment component level

98. For each project or program component under a Strategic Program, a detailed results based indicator framework will be established in accordance with MDB procedures. Biannual supervision of progress will be carried out by the MDB and specific reporting mechanisms established for each program component. Consistent with MDB procedures, mid-term reviews and completion reports will be key points for critically evaluating progress and effectiveness of interventions. Terms of Reference for the mid-term reviews will be reviewed by the CIF-Administrative Unit and the MDB committee, and shared with the PPCR-SC for comment.

Annex 1

Guidance for drafting Strategic Program for Climate Resilience (proposed outline)

(Total of around 20- 30 pages main text plus annexes as outlined)

While part 1 mainly summarizes the government's vision and agreed approach towards climate resilience, part II –outlining a proposed program for investments for PPCR finance– is aimed at the PPCR-SC's review and endorsement of proposed investments for further development.

Part 1 – Background and Rationale

1. *Country circumstances*
2. **Development context and climate risks:** Identify key climate risks and vulnerabilities in key sectors, sub-regions, for specifically vulnerable groups, for the private sector, important eco-systems and natural resources (include data to support the argument)
3. **Overview and linkage to existing development plans and programs** (as immediately relevant) and to existing policies and strategies that address climate resilience (including supported by national, bilateral, multilateral funds) (provide references; attach short summaries for any immediately relevant ones (such as the country's climate and development strategy – if existing))
4. **Rational for PPCR support**, including (i) where can PPCR program add value?; (ii) what are country main priorities towards climate resilience (e.g. one or two sectors)?; (iii) what & why is PPCR support requested?; (iv) How does this support a shift in approach to development planning and scaled-up action towards climate resilience?; what is the potential cost effectiveness of proposed actions? How is it sustainable?
5. **Institutional Analysis:** (i) list key agencies to address the risks (current set-up; gaps and needs that PPCR will support (X-sector coordination is of key importance); (ii) private sector role and potential to achieve climate resilience; (iii) implementation structure and associated risks of proposed investments for PPCR finance.
6. **Outline of the Strategic Program for Climate Resilience:** PPCR process/investment plan will require more than the time span and finance of PPCR alone. Therefore this outline should include a view on phasing of the needed actions and division of labor between PPCR and other actors. In that context, it should be described which of the components are suggested for PPCR finance (as part of long part process), as well as describe how this links with ongoing and/or planned MDB programs. A short overview to be provided on components financed & implemented by other partners should be provided in the text or in an annex.
7. **Participation process** – describe the participation process that lead to the development of the Strategic Program. incl. details and list of meetings and stakeholders consulted in an annex)

Part 2 – Proposed Investment Program Components for PPCR finance

8. Summarize the overall programmatic approach and rationale for components in light of the country's agreed strategic approach to climate resilience. Provide a Performance Framework with country specific metrics. Attach more detailed descriptions of the components of the programmatic approach in an annex (3 - 6 page annex each):

- (a) Title
- (b) Background
- (c) Development and specific objectives
- (d) Key indicators and baseline
- (e) Anticipated components and activities incl. Learning and Knowledge Management activities)
- (f) Institutional Arrangements – options and risks; link and strengthening of cross-sectoral coordination mechanism within the country and support to sectoral climate units (as applicable); interim support structures during project preparation; link with the private sector
- (g) Risks
- (h) Investment costing – notional allocation (PPCR and co-finance (incl. counterpart finance)
- (i) Results and Performance Framework

Part 3 – Request for Project Preparation Funding