

## Daily Report - PPCR and SREP

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### CIF 2012 PILOT COUNTRY MEETING HIGHLIGHTS: TUESDAY, 30 OCTOBER

The sixth meeting of pilot countries and regions participating in the Pilot Program for Climate Resilience (PPCR) and the fourth meeting of pilot countries participating in the Scaling Up Renewable Energy Program in Low Income Countries (SREP) convened today in Istanbul, Turkey, in association with the Climate Investment Fund (CIF) 2012 Partnership Forum that will convene on 6-7 November. Both the PPCR and SREP are programs under the CIF's Strategic Climate Fund.

#### MEETING OF PPCR PILOT COUNTRIES

**OPENING SESSION:** Andrea Kutter, PPCR Coordinator, CIF Administrative Unit, provided an overview of the program portfolio, noting it currently totals 20 projects, of which 18 have been endorsed by the Sub-Committee. She highlighted sectors prioritized by countries as: agriculture and food security; water management, including irrigation; and infrastructure. She drew attention to private sector involvement in adaptation efforts, particularly in agriculture and food production, and stressed ongoing discussions on how to incentivize further private sector investment.

#### UPDATES FROM PILOT COUNTRIES AND

**DISCUSSION:** During this session, participants broke into three groups to discuss pilot country updates on the status of implementation of their Strategic Programs for Climate Resilience (SPCRs). Groups noted important challenges facing countries, including: improving coordination among government agencies and other stakeholders; establishing buy-in from implementing agencies and partners; building capacity; engaging the private sector and NGOs; promoting knowledge management, data sharing, and education and awareness; linking SPCR to broader national processes; and the need to study gender-differentiated impacts of programs.

One group highlighted, as a "climate justice" issue, the fact that some countries did not have a loan component in their portfolio. Others emphasized: the value of approaches that take into account national needs, circumstances and realities; challenges of coordinating among multiple partners, including on procurement issues; and the importance of regional cooperation, for example on water issues involving neighboring countries.

#### PRESENTATION OF PPCR LEARNING PRODUCT

**AND DISCUSSION:** Anna Hidalgo, CIF Administrative Unit, presented on the PPCR's recent use of online tools, highlighting challenges of internet connectivity, and the need to encourage sharing among countries and delve deeper into more technical topics.

Participants broke into small groups to consider priority themes, which to date include: coastal zone management, disaster risk management, hydro-meteorological and climate information services, water and watershed management, natural resource management and tourism, agriculture and food security, climate-resilient infrastructure, gender, and private sector involvement. Reporting back to plenary, the groups proposed also focusing on: mountain ecosystem management; climate-induced migration; restoring livelihoods of vulnerable groups affected by climate change; impacts of climate change on health, especially related to water scarcity; impacts of

climate change on biodiversity; and youth employment. They further recommended addressing management issues, such as: capacity building in knowledge management, including in tracking success stories; creating appropriate investment plans for and engaging the private sector; collecting baseline information to enable monitoring and evaluation (M&E); and formalizing roles to enable civil society organizations to contribute to projects.

During the ensuing discussion, the World Meteorological Organization highlighted current efforts to develop a global framework for climate services, while the International Finance Corporation emphasized the need to quantify the opportunities for private sector investors.

#### BRIEFING ON CONSULTATIONS FOR SUB-COMMITTEE SEATS:

Patricia Bliss-Guest, Program Manager, CIF Administrative Unit, briefed participants on consultations for selecting Trust Fund Committee and Sub-Committee seats, which will be held on Monday evening, 5 November. She said membership terms are 18 months to coincide with the Partnership Forum cycle, and stressed the importance of continuity of individual members during this period. She emphasized that: Trust Fund Committees have eight seats each for eligible recipient and contributor countries, while each Sub-Committee has six seats for each; for the PPCR, the six eligible recipient country seats are reserved for pilot countries; and for the SREP and Forest Investment Plan (FIP), four seats are reserved for pilot countries and two for non-pilot countries. She emphasized the self-selection process for choosing seats within their respective constituencies.

**PPCR M&E SHOWCASES:** Cambodia reported SPCR resources of around US\$411 million from donors and the private sector, and described efforts to build on national and sectoral M&E systems in Cambodia to monitor implementation of the National Strategic Development Plan.

Mozambique presented a phased approach to building on existing M&E, describing three phases: design and initiation based on a low-carbon development strategy from 2013 to 2014; refining indicators, improving baselines, and testing the framework from 2015 to 2020; and further development up to 2025.

Guido Geissler, CIF Administrative Unit, commended the use of the PPCR process as a catalyst, involvement of other donors, linkages between the national and sectoral levels, and emphasis on baselines and targets.

#### SHARING EXPERIENCES FROM OUTSIDE THE

**PPCR: MEASURING RESULTS IN IFAD'S ASAP:** Elwyn Grainger-Jones, Director, International Fund for Agricultural Development (IFAD), presented IFAD's results framework in its Adaptation for Smallholder Agriculture Programme (ASAP), which provides about US\$1 billion annually to farming communities. He emphasized that climate financing can potentially benefit adaptation, and reduce greenhouse gas emissions and poverty.

#### MEETING OF THE SREP PILOT COUNTRIES

**OPENING AND INTRODUCTION:** Zhihong Zhang, SREP Coordinator, CIF Administrative Unit, noted total pledges and contributions of US\$392 million and said the SREP Sub-Committee has endorsed investment plans from five of the seven pilot countries. He noted 18 countries, mostly from Africa, have expressed interest in joining the SREP.

Among recent Sub-Committee decisions, he stressed, *inter alia*, approval of a results framework, and the decision on distribution of grants versus loans depending on a country's risk rating. He said the upcoming Sub-Committee meeting would address, *inter alia*, a semi-annual operational report and presentation of an investment plan for the Maldives.

#### **UPDATES FROM SREP PILOT COUNTRIES:**

Ethiopia presented on the development of a geothermal field and sector study, a wind power project, and a capacity building and investment facility for clean energy small and medium enterprises. He underscored challenges of schedule delays, a longer than expected process to establish a project implementation unit, and the temporary local currency liquidity challenge.

Honduras elaborated on three components of its investment plan: strengthening the renewable energy policy framework; grid-connected renewable energy development support; and sustainable rural energy. She also stressed as challenges: maintaining coordination between domestic institutions and multilateral development banks (MDBs); ensuring continuity during the upcoming government transition; completing terms of reference for key studies; and consolidating stakeholder input as a result of consultations.

Kenya highlighted three projects: geothermal development of 400 MW; hybrid mini-grid systems, with the aim of achieving 30% solar contribution and 70% thermal; and solar water heating. She underscored challenges, including harmonization among, and funds disbursement from, multiple MDBs. She said SREP impacts included leveraging of private sector support, and development of innovative business models to finance high-risk projects.

The Maldives underscored the special challenges facing small island developing states in data collection and analysis, and efforts to strengthen human resources, institutional frameworks and policies. He highlighted plans to remove or reduce dependence on imported fossil fuels, and for an investor conference to bring in private funding, using SREP funds as a catalyst.

Mali described project components, including solar energy, rural electrification, micro-hydro, and strategic coordination, noting that political turmoil in the country had interrupted international technical cooperation. He highlighted the government now in place, observing that stability is a strong element in implementing programs.

Nepal said activities under its investment plan include small hydropower development, and mini- and micro-initiatives related to off-grid electricity (solar and micro-hydro) and biogas. He highlighted: the lengthy process of preparing an investment plan; difficulties in aligning MDB requirements with national government systems and policies; and leveraging finance versus reaching the poor and vulnerable.

**UPDATES FROM SREP RESERVE COUNTRIES:** This session included presentations from four reserve countries on progress in preparing their investment plans, and one pilot country, Tanzania, which also has yet to develop its investment plan. Armenia underscored lack of fossil fuel resources, but nearly unlimited solar energy potential and significant small hydro and wind energy potential. She noted current achievements, including existing legal and institutional frameworks and progress with realizing hydro energy potential, and elaborated on challenges in scaling up renewable energy and opportunities for SREP investments.

Liberia noted abundant renewable energy resources, including biomass and solar. She pointed to lack of a regulatory and policy framework to attract private investment, limited human capacity and absence of financing.

Noting most of its electricity is derived from coal, Mongolia underscored the potential for developing renewable energy. He noted an ongoing 100,000 solar house national program for nomadic people, a national renewable energy program, and a renewable energy law.

Yemen highlighted agreed plans for two wind farms, a geothermal well, photovoltaic systems and biogas digesters. He also underlined several opportunities for SREP investments, including installment of on-grid renewable energy projects and development of a commercial wind energy policy.

Tanzania noted problems of poor energy access and said renewables contribute less than 1% to its energy mix. He highlighted renewable energy potential and, as areas for potential SREP investment, suggested development of geothermal energy, mini-grid systems to connect rural areas, and energy efficiency measures.

#### **EMERGING FINANCING INSTRUMENTS, AND**

**BUSINESS AND DELIVERY MODELS:** Ethiopia presented on a results-based partnership with Norway to provide NOK 500 million over a five-year period for increasing access to sustainable energy and avoiding and reducing greenhouse gas emissions in rural areas through the use of renewable energy and increasing energy efficiency. In the following discussion, participants addressed, *inter alia*: the potential of carbon finance; and the importance of involving the private sector in pre-financing implementation activities.

Armenia shared a success story based on a hydropower development project where it received a US\$5 million credit from the World Bank and was able to leverage an additional US\$28 million without sovereign guarantees, leading to the installation of 26 small hydro stations. She also noted that renewable energy generation increased from 0.5 to 7% as a result of financing and policy reforms, such as a feed-in tariff system and guaranteed purchase of electricity.

Honduras presented on an infrastructure project funded on concessional terms by the World Bank with Global Environment Facility and EU support to strengthen communities and develop photovoltaic energy. He noted the project employs subsidies for installation and microfinance. A civil society observer noted that Honduras paid special attention to incorporating the social development component into investment plans.

**BRIEFING ON CONSULTATIONS FOR SUB-COMMITTEE SEATS:** See briefing under PPCR Pilot Country Meeting.

**SREP M&E SHOWCASE:** Guido Geissler, CIF Administrative Unit, said M&E systems: act as a communication tool to convey how countries are progressing in investment plan implementation, including successes and challenges faced; and facilitate evidence-based decision making through information and data generation. He also stressed their role in accountability, both to donors and within their own countries.

Presenting on his country's SREP M&E system, Nepal discussed transformative impacts of SREP in his country, including gender and social inclusiveness, scaling up investments and energy access, and innovation. He discussed a recently convened national M&E workshop, which emphasized, *inter alia*, the need to strengthen: M&E systems; and coordination among programs and ministries. He urged aligning SREP M&E systems with national M&E systems, the comparative advantage of the SREP in integrating climate change concerns at the national level, and capacity building for key stakeholders.

**IDEAS FOR THE NEXT MEETING OF SREP PILOT COUNTRIES:** During this session, participants stressed the SREP's positive outcomes, such as development of renewable energy plans in countries and bringing stakeholders together to work on renewable energy. In breakout groups, participants discussed existing actions, knowledge needs and experiences to share on: renewable energy financing; renewable energy technologies; renewable energy policies, regulations, and enabling environments; SREP policies, processes and procedures; case studies and lessons learned; and measuring results. This information will be synthesized by the CIF Administrative Unit.

#### **OTHER ISSUES PRESENTED IN BOTH MEETINGS**

Jeff Brez, CIF communications, encouraged participants to write articles and blog posts about their experiences with the CIF. The World Bank's Independent Evaluation Group noted the comprehensive CIF evaluation will be conducted by an external firm next year under the oversight of a committee specially formed by the MDBs.