

# CLIMATE INVESTMENT FUNDS

November 06, 2008  
(Revised)

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TERMS OF REFERENCE (TORs)/ GUIDANCE FOR THE EXPERT GROUP ON THE  
SELECTION OF COUNTRIES TO PARTICIPATE IN THE PILOT PROGRAM FOR  
CLIMATE RESILIENCE (PPCR)

## **Background and Introduction**

1. Recognizing that UNFCCC deliberations on the future of the climate change regime are underway, including discussions on a future financial architecture and funding strategy for climate change, multilateral development banks (MDBs) have developed an interim measure to scale-up assistance to developing countries and build the necessary knowledge base in the development community. The Climate Investment Funds (CIF) are to build on progress made by many of the developing countries, with the objectives of scaling up investments in low-carbon technologies (Clean Technology Fund), and supporting various programs to test innovative approaches to climate action (Strategic Climate Fund). Designed as an interim instrument, the CIF include specific sunset clauses linked to agreement on the future of the climate change regime.
2. The SCF will provide financing to pilot new development approaches or to scale-up activities aimed at a specific climate change challenge or sectoral response through targeted programs. The first program to be included in the SCF, the Pilot Program for Climate Resilience (PPCR), will pilot national level actions for climate resilience in 5 to 10 highly vulnerable countries.

## **PPCR Goals and Objectives**

3. The Pilot Program for Climate Resilience (PPCR) is designed to:
  - (a) deliver programmatic funding at scale in 5 to 10 highly vulnerable countries to help transform country-led national development planning to make it more climate resilient;
  - (b) be country-led and build on National Adaptation Programs of Action (NAPAs) and other relevant country studies, plans and strategies;
  - (c) be complementary to existing sources of adaptation funding and supportive of the evolving operation of the Adaptation Fund;
  - (d) provide crucial lessons on how to invest in climate resilience through national development planning consistent with poverty reduction and sustainable development goals.

## **Mandate of the Expert Group**

4. An Expert Group is to be established by the Sub-Committee of the PPCR and provided with appropriate guidance by the Sub-Committee to make recommendations on country selection for the pilot program based on:
  - (a) transparent vulnerability criteria;
  - (b) country preparedness and ability to move towards climate resilient development plans taking into account efforts to date and willingness to move to a strategic approach to integrating climate resilience into development; and

- (c) country distribution across regions and types of hazards (as appropriate to a pilot program).
5. The guidance provided in this note is to help the Expert Group in selecting 5 to 10 highly vulnerable countries to be recommended for inclusion in the PPCR.

### **Country Selection Core Questions**

6. It is recommended that the Expert Group take into account the eight core questions outlined below when formulating its recommendation on the countries<sup>1</sup> to be included in the pilot program:

#### First order selection criteria

##### ***I. Country Vulnerability***

7. Extent to which recommended country can be considered vulnerable to one or multiple climate risks (in terms of droughts, floods, storms, coastal 1 meter zone, coastal 5 meter zone, etc); extent to which recommended country has relevant special needs as guided by agreed international processes and Conventions, for example the IPCC, and relevant principles and articles of the United Nations Framework Convention on Climate Change (UNFCCC). In looking at country vulnerability, the Expert Group is expected to not only take into account the strength of the physical climate impact signal, but also consider country exposure, sensitivity (as a function of dependence of GDP on climate sensitive sectors), and adaptive capacity (being partly a combination of human development index (HDI) and governance).

##### ***II. Country Eligibility***

8. Is recommended country (a) ODA-eligible (as per OECD/DAC guidelines); (b) does recommended country have an active MDB country program (i.e., an MDB lending program and/or an on-going policy dialogue with the country), and (c) is the recommended country a highly vulnerable Least Developed Country eligible for MDB concessional funds, including the Small Island Developing States among them?

#### Second order selection criteria

##### ***III. Country Preparedness and Rapid Results***

9. Extent to which (a) country selection will maximize opportunities for quickly moving towards strategic climate resilient development planning that provides rapid results and replicable experiences and lessons over the next few years while ensuring coherent demand-driven support to national PPCR partners; (b) country is already receiving external funding for adaptation; (c) country can absorb additional external

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<sup>1</sup> In accordance with the design of the PPCR, a group of countries may propose to the PPCR-SC a regional or sub-regional program that brings together a number of country programs. A regional or sub-regional program will be considered as one pilot in the program.

support through PPCR; and (d) PPCR can build needed adaptive capacity by supporting national adaptation programs, plans, or policies.

#### ***IV. Country Distribution***

10. Extent to which the list of recommended pilot countries is regionally representative as befitting a pilot program. Within this context and sample-size permitting, the Expert Group is encouraged to consider other dimensions of ‘spread’ such as but not limited to: governance indices, various dimensions of vulnerability, a mix of developmental stages for selected countries. And it is important to re-emphasize that in line with the design of the PPCR, a group of countries may propose to the PPCR-SC a regional or sub-regional program that brings together a number of country programs. In such a case, a regional or sub-regional program will be considered as one pilot in the program.

#### ***V. Hazard Types***

11. Extent to which the group of recommended countries reflects the range of representative climate hazards (i.e., in terms of droughts, floods, tropical storms, storm surges, typhoons, river floodplains, etc) as appropriate to a pilot program.

#### **Third order selection criteria**

#### ***VI. Coherence and Value-Addition***

12. Extent to which PPCR-financed activities would be complementary to existing sources of adaptation funding and supportive of evolving national, regional or global activities. This includes specific consideration to fully exploiting synergies and potential to include climate change adaptation and disaster risk reduction activities in country programs.

#### ***VII. Replicability and Sustainability***

13. Extent and likelihood that program benefits, results and lessons will be applied widely and maintained during and beyond PPCR-financed activities.

#### ***VIII. Scalability and Development Impact***

14. Extent and likelihood that PPCR resources and activities are of sufficient size to help transform national development planning to make it more climate-resilient.

#### **Selection Methodology**

15. The selection will be undertaken in conformity with the above guidance and any other material that the expert group finds useful.

## **Outputs**

16. In reporting to the PPCR Sub-Committee, the Expert Group should include information on:

- (a) specific description of objectives;
- (b) methodology and justification used to arrive at the proposed pilot country listing;
- (c) responses to each of the 8 core selection questions;
- (d) comprehensive findings from their deliberations providing an assessment/review of key issues (e.g., specific threats/programs that should be addressed by each country).;
- (e) conclusions and recommended list of countries for inclusion in the PPCR. The proposed list should include 5 to 10 countries (with an alternate choice for each slot).

## **Consultation**

17. To promote broad acceptance and subsequent replication of the PPCR experience and lessons, the Expert Group should undertake consultations with key stakeholders prior to submission of their final report to the PPCR-SC.

## **Reporting**

18. The outputs from the Expert Group will be submitted to the PPCR Sub-Committee for consideration in advance of its meeting in January 2009 in both hard copy and electronic formats. Given the tight schedule of the PPCR, it is fully expected that even before the Expert Group finalizes the report, the PPCR-SC will be appropriately updated on the on-going deliberations of the Expert Group.

## **Resources**

19. The CIF Administrative Unit will submit to the PPCR Sub-Committee a proposed budget for the costs of the Expert Group for review and approval.

## **Proposed Time Frame and Schedule of Milestones**

20. It is expected that a proposed list of pilot countries will be reviewed and approved by the PPCR-SC at its meeting in mid-January 2009. The proposed schedule for the major tasks is as follows:

- (a) November 19, 2008: PPCR-SC appoints Expert Group members.
- (b) November 26, 2008: Administrative Unit enters into contract with the experts.

- (c) December 1-7, 2008: Consultations with stakeholders during the fourteenth session of the UNFCCC Conference of the Parties, Poznan, Poland.
- (d) December 19, 2008: Interim update to the PPCR-SC.
- (e) January 5-9, 2009: Expert Group Meeting and Report writing, Washington D.C.
- (f) January 14, 2009: Report of Expert Group submitted to the Administrative Unit.
- (g) January 20, 2009: Submission of report of Expert Group to the PPCR-SC

21. The PPCR-SC is invited to approve the schedule. Change may be necessary in light of the tight time constraints.

### **Roles and Responsibilities**

22. The PPCR-SC is responsible for selection of the experts to serve on the Expert Group, for providing general guidance to the group and for approving the necessary budgetary support. The PPCR-SC is also responsible for determining the countries to participate in the pilot program. The expert group is responsible for preparing a report to the PPCR-SC on the selection of pilot countries, including a recommended list of countries to participate in the program. The CIF Administrative Unit will service and coordinate the PPCR Expert Group process.