

Key note contributory paper:

How PPCR supports ‘mainstreaming climate resilience’ in developing countries?

Neha Rai, IIED, Researcher, Climate Change Group, neha.raiiied.org

Abstract: As National Adaptation Planning processes are beginning to unfold in many countries, this paper draws on experiences of programs outside the UNFCCC such as Climate Investment Fund’s Pilot Program for Climate Resilience (PPCR). One of the key components of PPCR is to mainstream climate resilience development into development planning. The paper shares some early lessons from a cross-country assessment of experiences and trends in PPCR approaches in implementing its programmatic cycle, prioritisation of programs for mainstreaming, institutional strengthening, and supporting mainstreaming. These trends also give clear evidence that climate readiness of the countries and strength of institutional arrangements significantly influenced the way PPCR has approached different participating countries.

Integrated adaptation planning and mainstreaming climate resilience is a desired outcome of the process by which Least Developed Countries would formulate and Implement National Adaptation Plans as guided by the Cancun Adaptation Framework. Decision 5/CP.17 National adaptation plans clause 2 also agrees that planning for adaptation at the national level is a continuous, progressive and iterative process, the implementation of which should be based on nationally identified priorities, including those reflected in the relevant national documents, plans and strategies, and coordinated with national sustainable development objectives, plans, policies and programmes [1]. This would require comprehensive adaptation planning where ‘strategies’ are intertwined with ‘action and implementation’ through institutional strengthening and capacity building[2]. Reflecting on NAPAs experiences, some of the key adaptation challenges for LDCs were the financing of climate adaptation efforts, and the interconnected institutional, capacity and coordination challenges[3]. Single streamed and unpredictable financing mechanism further adds to these challenges by hindering institutional capacity to act [4]. Recognising these challenges, the emerging climate finance arrangements (Green Climate Fund) could be a much needed support in pursuing programmatic approaches to climate adaptation.

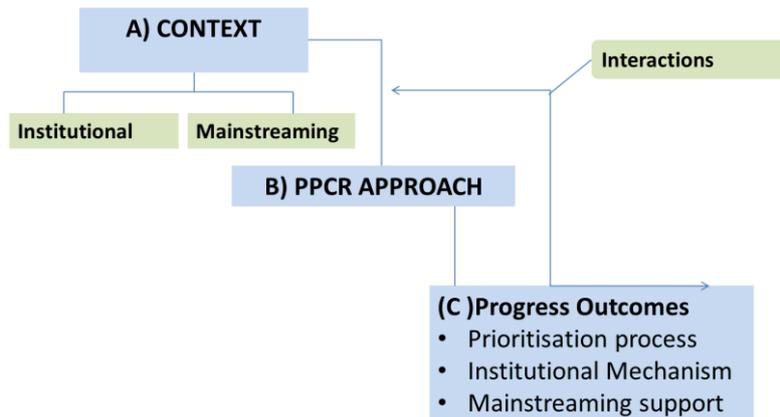
In furtherance, the national Governments could also usefully draw on the experience of adaptation initiatives outside the UNFCCC such as the Climate Investment Fund’s Pilot Program for Climate Resilience (PPCR). PPCR offers good lessons to draw from due to its common objectives to mainstream climate resilience into development for transformational change. The programme is the adaptation arm of the World Bank led Climate Investment Funds (CIFs) that aim to help countries move onto a climate resilient development path, in consistency with their national poverty reduction and sustainable development goals. The programmatic design of PPCR aims to mainstream climate resilience into development planning by:

- Piloting and demonstrating approaches for the integration of climate risk and resilience into development policies and planning,
- Strengthen capacities at the national levels to integrate climate resilience into development planning and

- Scale-up and leverage climate resilient investment, building on other on-going initiatives.

IIED has undertaken a cross country assessment to examine how PPCR has progressed to achieve its mainstreaming objectives. This paper captures key lessons on how PPCR *processes* and mainstreaming *trends* vary across countries and are often influenced by interaction between *climate readiness and/or the strength of national arrangements* and the *PPCR approach* in those countries (See figure below)

Figure 1: Interactions between country context and PPCR approaches



PPCR programmatic cycle: A longer preparatory phase, a sign of flexibility or delay? The PPCR is implemented in two phases; the *first phase* is the *Preparatory Phase* where the countries are supported as they develop a Strategic Programme for Climate Resilience (SPCR). The endorsement of the SPCR marks the transition of Phase 1 into Phase 2. The *second phase* is the *implementation phase* that supports the Implementation of the Strategic Programme. The intermediate outcome of Phase 1 which results in formulating an SPCR entails:

- Enhanced cross sector coordination for integration of climate resilience into national development planning.
- Development of an SPCR with program proposed for priority investments: (a) Technical assistance component on institutional strengthening and policy reform as well as (2) Investment plans for sector investments.

PPCR in a snapshot

- PPCR is a targeted program of the Strategic Climate Fund (SCF) under the CIFs.
- Pilot countries and regions: Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia; Caribbean region.
- PPCR Contributor countries: Australia, Canada, Denmark, Germany, Japan, Norway, Spain, UK, USA.
- Out of 18 countries 13 SPCRs endorsed for a total funding of \$800 million by April 2012 and PNG endorsed in recent CIF forum in Istanbul.
- Countries pending SPCR approval: Yemen, Haiti, Dominica and Tonga
- Funds Pledged: USD 1.2 Billion. 38% pledged as Loans and 63% as grants.
- Expected to Leverage: USD 1.48 Billion
- PPCR projects to date: 61
- Highest grant approvals by PPCR Subcommittee to Niger and Nepal (status till April 2012)
- Highest loan approval for Bangladesh (status till April 2012).

Most pilot countries have completed their SPCR Investment planning by the end of 2012, and SPCR of 14 countries were endorsed by mid-2012. However, participating countries are at very different

stages in addressing climate risks within their development planning and budgeting processes. Country readiness has thus significantly influenced the time taken by the countries to complete Phase 1. The indicative time frame of Phase 1 was 3-18 months, with an understanding that most countries will choose and be able to achieve the aims of this process in less than a year's time. In reality more than six countries are now expected to complete their Phase 1 by 2013 and many experience overlapping phases. Key reasons for the variation and delays are:

- Countries with lower readiness levels required a longer preparatory time to achieve absorptive capacity for the program: Tajikistan, Bolivia
- Countries such as Zambia, with an evolving and progressive institutional arrangement, made a strategic choice to have a longer preparatory phase with a focus on mainstreaming climate resilience in development planning, clearly in alignment with their recently established National Climate Change Strategy in 2010.
- Countries with an advanced institutional arrangement have leapfrogged Phase 1 and build on their existing national priorities and strategies to propose priority investment under the SPCR: Bangladesh.
- Lastly, a few others experienced delays due to administrative challenges, inadequate coordination between internal government offices, and/or government instabilities, etc.: Cambodia, Mozambique, Yemen, etc.

Delays in programmatic cycle are not necessarily undesirable. The flexibility in the process has allowed the governments to absorb and prepare for PPCR according to country specific needs. In some cases, where countries have well defined priorities for mainstreaming, this detailed preparatory phase could seem unnecessary and prolonged, and country 'buy in' might be difficult throughout the process. However, for many others it offers a first step towards strengthening institutions and initiating a process of mainstreaming.

Ownership in Prioritisation of SPCR components: The prioritisation of SPCR components involves the selection of priority investments, which could be Technical Assistance (TA) for institutional strengthening and policy reform, and/or investment plans for sector investments.

The nature of the PPCR prioritisation process and its outcomes were a direct result of country leadership in the process, their institutional engagement, and their previous experience in identifying national priorities within their climate strategies and plans. This process has had the following characteristics:

- *Country led:* The prioritisation process in Zambia and Bangladesh was very much a country led process, where investment components were selected based on the National Development Plans and the National Climate Change Strategy of Zambia and the Climate Change Strategic Action Plan of Bangladesh. The investment strategies also built on the themes identified under the NAPAs in both countries.
- *Less systematic:* The prioritisation process in some countries was relatively less systematic, and some existing Multi-Donor Bank (MDB) projects were selected in a rushed manner. In some other countries although selected projects were based on NAPA priorities and historical evidences, the civil society felt that the process was a bit adhoc and a logical sequence wasn't followed.

- *Consultant driven:* Depending on what stage the country is in addressing their climate risks, some countries needed more technical support in the first phase to arrive at their selection decisions. For example, countries that are in a relatively nascent stage in addressing climate issues, consultants were commissioned to facilitate the central government.

Thus more country ownership is evident in contexts where countries have established pre-defined priorities and strategies. On the other hand, where country ownership is less and coordination between ministries is lacking, there is a risk of projectised and silo'ed selection of projects instead of a programmatic selection.

Institutional mechanism: a temporary home or a sustainable arrangement? PPCR was posed with two dilemmas while national governments defined institutional arrangements: (a) where should PPCR sit within a government? (b) How to embed PPCR institutionally within some part of government that would be more than just a temporary structure?

Institutional home: The decision to select a focal agency and a coordinating body for PPCR significantly rested on the convening authority of the selected Ministry and their existing relationships with the Multi-Donor Banks. Traditionally, MDBs have had strong relationships with ministries with a financial mandate, and it is also believed that Finance Ministries have higher convening authority as they control budget and finance across ministries. It is generally felt that climate change being a cross sectoral issue, the operationalization of PPCR requires resting control with an entity that has the convening authority to implement projects across ministries. As a result we see three trends emerging during the operationalization of PPCR:

- *Approach 1, where the Ministry of Finance is the focal authority for administering and coordinating PPCR activities.* For example, in Zambia: Ministry of Finance and National Planning is the focal agency as well as the lead coordinator and executioner of PPCR. In Bangladesh and Cambodia both, the Ministry of Finance has a focal administrative role while the Ministry of Environment has an executioner role, with Ministry of Finance playing a key role in decision making.
- *Approach 2, where the Central Presidential or Prime Ministerial office has the highest coordinating authority.* For example, in Tajikistan PPCR has found home within the central presidential apparatus of the country. In Mozambique, PPCR is administered by both Ministry of Planning and Development (MPD) and Ministry of Environment (MICOA), but the institution for managing PPCR rests under a National Sustainable Development Council which is led by the Prime Minister's office.
- *Approach 3, where the PPCR has followed a traditional approach to host PPCR within Ministry of Environment that has the technical mandate to address climate change issues.* For example, In Bolivia, PPCR is placed within the Ministry of Environment and Water, while Ministry of Development Planning is another key agency. In Nepal, it's within Ministry of Environment and Science and Technology.

In Bolivia, the placement of PPCR under the Ministry of Environment is not the first choice for MDBs as it is commonly felt that Ministry of Environment has less authority to convene across sectors. Natural preference in many other countries has also been to approach the MoF, planning or the cabinet. It is believed that the Ministry of Environment have limited financial experience, cross

departmental experience and coordinating authority in comparison to Ministry of Finance, Economic Ministry, PM or cabinets office; which affects the process of mainstreaming climate resilience across different institutions and plans. Besides, it is also true that if PPCR is placed within an office that has authorities and convening powers, it would allow more certainty of quick results. On the other hand, although placing PPCR within a neutral agency may allow cross sectoral mainstreaming, the long term vision to strengthen capacities at the national levels and institutional strengthening of other relevant technical ministries cannot be ignored.

Institutional mechanism: The second decision was to define an institutional mechanism for PPCR that is more than just a temporary arrangement and has longer term vision for addressing climate change. The PPCR approach to defining an institutional arrangement is thus significantly correlated with the strength of the national arrangement of the participating countries. Three key trends can be observed:

- *Approach 1: Harness or revive existing institutions:* In countries with clear institutional arrangement for climate change, PPCR has built on or enhanced existing institutions. For example, since the establishment of its Climate Change Strategy and Action Plan in 2008, Bangladesh has experienced a proliferation of institutions under the MoEF. These include a Governing Council, Steering Committees, Technical Committees, Climate Change Cells, and a Climate Change Unit. Due to the presence of this existing arrangement, PPCR in Bangladesh assumes that these arrangements will naturally lead and coordinate PPCR activities. In reality, there is a general sense of confusion amongst the Ministries about the roles and responsibilities of the institutions responsible for implementing PPCR activities. In Cambodia, the intention is to revive or enhance the existing institutions. The Climate Change Office within the Ministry of Environment was recently elevated to the status of a Department. PPCR will strengthen this arrangement, particularly the CCD and the Climate Change Technical Team, through the Technical Assistance Component of the SPCR.
- *Approach 2: Transition from an adhoc to a long-term institutionalised arrangement (More national government led):* Zambia had an adhoc institutional arrangement with a Climate Change Technical Unit with a fixed time mandate, which was under the Ministry of Tourism, Natural and Environment Resources (MTNER). However, in 2010, Zambia established a National Climate Change Strategy that proposed setting up a new Long-Term Institutional Arrangement for Climate Change. Thus GRZ has established a Secretariat under the MoFNP with climate change coordination roles for all climate change related activities (including PPCR) and transferred roles from the temporary climate change technical unit that existed under MTNER. The GRZ has also established inter-stakeholder platforms for climate change and is currently developing a central National Climate Change Council.
- *Approach 3: Plans to establish new institutions:* PPCR has plans to support the establishment of new institutions in countries that are fairly nascent in terms of institutional strength for addressing climate risks. For example, Bolivia has proposed the establishment of new institutions such as National Programme Coordination Unit (UCNP), Operating Units and a coordination committee within its National Climate Change Programme under the Ministry of Environment and Water. In Tajikstan, the PPCR has recently approved a new coordination mechanism comprising of a PPCR focal point, PPCR Secretariat, Inter-Ministerial Committee, Steering Group and a Technical Expert Group. In the absence of any funding approvals, the Asian

Development Bank (ADB) is currently funding the PPCR secretariat on an ad-hoc basis. In the future it is expected that the Technical Assistance component of the PPCR will fund the Secretariat. Mozambique has also established a National Climate Change Coordination Unit/ Secretariat under the Sustainable Development Council. The Government of Mozambique aims to fund this body from the TA component for few years, following that it will be funded nationally. Although these arrangements are an effective starting point in countries which are in dire need for stronger mechanism for climate change, the sustainability of these institutions rests on political will and the ability of the national governments to take on the responsibility of these institutions in future.

Mainstreaming support under the Technical Assistance component of PPCR: PPCR has a long term objective to strengthen capacities at the national levels, and to integrate climate resilience into development planning as well demonstrate approaches for integration of climate risk and resilience into development policies and planning. The Technical Assistance component within the PPCR has clear objective for institutional strengthening, mainstreaming policies and policy reform within countries. The nature of TA priorities also seems to correlate with the strength of national arrangements of the countries and the extent to which the country's mainstream climate resilience with their development plans. For example, countries with the least evidence of mainstreaming, such as Tajikstan, have three out of six TA components focusing on building capacities, institutional strengthening, etc., while in Bangladesh technical assistance is a very small component amongst sector projects prioritised by the country.

One can also see some early outcomes as a result of the assistance in the preparatory phase. Zambia was the first country to have mainstreamed climate resilience within their 6th National Development Plan, and they have also established a cross-ministerial technical stakeholder groups. Mozambique established its National Climate Change Strategy in November 2012. Cambodia's Climate Change Strategy is also underway, which will have a clear vision of how to integrate climate resilience within its next NSDP. Although one can see some early results of mainstreaming within the participating countries, their attributing them to PPCR would be a rudimentary judgement.

Conclusions:

This initial analysis for the assessment shows there is clear evidence that climate readiness and strength of institutional arrangements significantly correlates to the way PPCR has approached in different countries. Also the interaction between the two determines the extent to which the countries have been able to demand that PPCR aligns with national priorities and institutional arrangements. A tailored approach, would be responsive to country needs and readiness, and would adopt a flexible programmatic cycle and institutional mechanism. However, the extent to which investments reflect country priorities, rather than business as usual, appears to be linked to the MDB approaches and strength of institutions supported. The points below summarises some initial learning's from the approaches of PPCR.

Programmatic Cycle: A flexible phase wise programmatic cycle with a strong preparatory mainstreaming component (that is responsive to climate readiness of the countries) allows to enhance or build on to the absorptive capacity of the countries. However, a long mission based

approach in some countries (which have fairly defined priorities) could cause a risk of reduced Ministerial interest.

Programme Prioritisation: More country ownership is evident in contexts where countries have established pre-defined priorities. On the other hand, where country ownership is less and coordination between ministries and banks is lacking, there is a risk of projectised and silo'ed selection of adaptation projects instead of a programmatic selection.

Selecting an institutional home: Although selection of a neutral agency with high convening authority (such as MoF) may allow cross sectoral mainstreaming and certainty of results, the long term vision to strengthen capacities of relevant technical ministries (MoEF) cannot be ignored.

Institutional Mechanism: A tailored approach, which is responsive to country needs and readiness, allows for an institutional mechanism that is aligned with existing institutional arrangements. This could mean harnessing institutions where countries have strong arrangements, in place, nurturing or reviving old institutions where institutions need revival or establishing new institutions where arrangements are absent. Establishing new institution could be an effective start for some countries; the sustainability of these institutions rests on political will and the ability of the national governments to take on their responsibility in future.

Notes:

This assessment is drawn from a status review of Pilot Programme for Climate Resilience (PPRC) conducted by Institute of Environment and Development (IIED). The information is collated from several SPCR documents, joint mission reports and interviews with relevant MDB, Ministry Official and DFID country office representatives. This information is still in its draft stage and therefore it is not meant for general citation.

1. UNFCCC, *Decision 5/CP.17, National adaptation plans, FCCC/CP/2011/9/Add.1* 2011.
2. Germanwatch and WWF, *National Adaptation Plans, Towards Effective Guidelines and Modalities* 2011.
3. Zakiideen, S., *IIED- Q and A with Sumaya Zakiideen*. 2012.
4. Jarju, O.P., in *Presentation on National Adaptation Plans, European Capacity Building Initiatives*.