



## **Meeting of the Global Climate Action Programs (GCAP) Sub-Committee**

Washington, D.C.

**Thursday, February 2, 2023**

**RIGHT-SIZING PROPOSAL FOR THE NATURE, PEOPLE AND CLIMATE (NPC)  
INVESTMENT PROGRAM**

**PROPOSED DECISION**

**[TO BE ADDED]**



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## 1 Introduction

1. This document includes a right-sizing proposal for consideration and endorsement by the GCAP Sub-Committee, and a proposal on how to include a Dedicated Grant Mechanism (DGM) in the NPC Program to engage and support Indigenous People and local communities.
2. At the [Intersessional Meeting](#) of the CIF Global Climate Action Programs (GCAP) Sub-Committee on October 25, 2022, the Sub-Committee [decided](#) to invite four countries and one regional program to develop and undertake implementation of an investment plan under the newly launched CIF Nature, People and Climate (NPC) Investment Program. The five recipients expected to receive funding from the program's initial capitalization are:
  - a. Dominican Republic,
  - b. Kenya,
  - c. Egypt,
  - d. Fiji, and
  - e. Africa's Zambezi River basin region, which will be led by Zambia and includes Malawi, Mozambique, Namibia, and Tanzania.
3. The Sub-committee determined that these recipients would be allocated a cumulative total of \$200 million, which was the amount held in the CIF Trust Funds for the NPC program at the time of Intersessional Meeting. The Sub-Committee's noted that the allocation of funds to the first cohort of 4 countries and one regional program would be determined by a "right-sizing" process to be undertaken by the CIF's MDB partners.
4. An additional five countries (Brazil, Rwanda, Zambia, Namibia and Ethiopia) were selected to prepare an investment plan that could be supported once additional resources became available.
5. Since the Intersessional Meeting in October 2022, additional contributions of roughly \$155m have been pledged to the NPC Program by the UK, Germany and The Netherlands. The possibility of incorporating these funds in the consideration of the requested right-sizing was weighed by the MDBs. However, these newly received contributions have not been included as part of this proposal. Instead, the MDB's agreed preference was to target these contributions towards the second cohort of five countries.
6. While the table below suggests an allocation range, the proposal text indicates that the minimum amount suggested for each country/region, which cumulatively totals USD 200 million, represents the proposed allocations for the programs. The upper ranges were added so that Investment Planning can include project ideas for funding "should additional resources become available in the future" either through the CIF or external funding sources.
7. As requested by the Sub-Committee, and with facilitation and coordination from the CIF Administrative Unit, the right-sizing proposal below represents the result of a process leading to consensus among the six MDB focal points comprising the newly formed NPC MDB Committee.

## 2 Right sizing proposal for consideration and endorsement by the GCAP Sub-Committee


8. In response to the above request, the MDBs propose the following indicative range allocations to guide the IP preparation consultation process for consideration by the GCAP Sub-Committee:

| Country/Region   | Funding range (min. – max.)                      |
|--|--|
| Dominican Republic   | USD 35 – 50 million                              |
| Egypt  | USD 35 – 50 million                              |
| Fiji   | USD 30 – 50 million                              |
| Kenya  | USD 35 – 50 million                              |
| Zambezi River Basin Regional (Zambia, Malawi, Mozambique, Namibia, and Tanzania) | USD 65 – 100 million                             |
| <b>Totals</b>  | <b>USD 200 million (min) – 300 million (max)</b> |

9. The proposed lower ranges, adding to USD 200 million, represent indicative allocations for projects to be prioritized in the IPs for funding by the Program. The IPs may include additional project ideas for funding by the Program, should additional resources become available in the future, or by other funding sources.
10. The MDBs would like to note that based on the number of countries involved and the anticipated need for more coordination, the regional program (which includes five countries and a regional organization) may require more resources for IP preparation and implementation than national projects. Population, vulnerability, and readiness were also discussed as criteria for sizing allocation.
11. As part of the right sizing process, factors such as absorptive capacity, leveraging potential, innovation, readiness, or information from the vulnerability and biodiversity index will be further considered during the IP planning process in consultation with the respective country(ies).
12. The MDBs would like to thank the countries that have contributed to the NPC Program and request all contributor countries in a position to do so, to pledge additional, substantial resources to the NPC Program to support the countries that have been selected to participate in the NPC Program.

## 3 Proposal on DGM support to Indigenous Peoples and Local Communities (IPLCs) in the NPC investment program

13. The GCAP Sub-Committee will recall that the inclusion of the Dedicated Grant Mechanism (DGM) to engage and support Indigenous People and Local Communities (IPLCs) was set out in the approved [NPC Design Document](#). The NPC DGM is expected to draw from the experience and impact of the CIF Forest Investment Program: *“Building on lessons learned and demand from Indigenous Peoples and local communities (IPLC), this new phase of DGM will continue empowering these groups by providing them with direct access to funds...”*
14. Given the impact of the DGM model, which has been corroborated by independent evaluations of the FIP model, it is proposed that up to \$5 million out of each country allocation be earmarked for



DGM activities in those countries. These funds should be targeted at empowering IPLCs and align with the country's program to scale up nature-based solutions for improved use of land, coastal and other natural resources.

15. Due to the operational challenge of implementing a DGM at a regional scale, it is recommended that regional programs invited to participate in the NPC are excluded from this request.



## The Climate Investment Funds

The Climate Investment Funds (CIF) were established in 2008 to mobilize resources and trigger investments for low carbon, climate resilient development in select middle and low income countries. To date, 14 contributor countries have pledged funds to CIF that have been channeled for mitigation and adaptation interventions at an unprecedented scale in 72 recipient countries. The CIF is the largest active climate finance mechanism in the world.

### THE CLIMATE INVESTMENT FUNDS

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