

Strategic Program for Climate Resilience for Zambia

Note to the PPCR Sub-Committee prepared by the African Development Bank and the World Bank

This Note is intended to provide further clarification to the summary of the Co-Chairs of the meeting dated June 28-29, 2011 in Cape Town, Republic of South Africa regarding the approval of the Zambia Strategic Program for Climate Resilience (SPCR). In Paragraph 14 (c), the PPCR Sub-Committee approved a Project Preparation Grant (PPG) as follows:

“c) The Sub-Committee approves a total of USD 2 million in PPCR funding as a preparation grant for the following projects to be developed under the SPCR:

- i. USD 1,000,000 for the project, *Strengthening Climate Resilience in Zambia/Barotse* (World Bank);
- ii. USD 1,000,000 for the project, *Strengthening Climate Resilience in Kafue River Basin* (AfDB)“.

The approval of a total of USD 2 million for a preparation grant, as indicated above, is to finance the baseline and readiness studies to prepare two projects: one is the investment project entitled, “Strengthening Climate Resilience in Zambia and the Barotse sub- Basin”, to be implemented through the IBRD (in the amount of USD 1 million), and the other is the investment project entitled “Strengthening Climate Resilience in the Kafue River Basin”, to be implemented through the AfDB (in the amount of USD 1 million).

In order to ensure that: (a) the studies are efficiently coordinated; and (b) there is absolute consistency in the approach and operational modalities in undertaking such studies, the Government of Zambia requested to the AfDB and IBRD that the Ministry of Finance execute a single combined PPG of USD 2 million to support the preparation of both investment projects. The two MDBs agreed to this request and implemented this logical, yet unprecedented MDB coordination principle which is in line with the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda of Action. The African Development Bank agreed that IBRD would administer the combined USD 2 million PPG, executed by the Ministry of Finance with the appropriate and necessary feedback and clearance from AfDB for which the components and output will feed into the Strengthening Climate Resilience in the Kafue River Basin Project.

Accordingly, the AfDB and IBRD wish to inform the PPCR Sub-Committee of this proposed follow-up arrangement including the transfer of the total amount of USD 2 million from the Trustee to IBRD in order to ensure efficient and timely preparation of the two Projects in Zambia.