

Aide Memoire
Zambia:
Joint Mission for the Pilot Program on Climate Resilience (PPCR)
November 16 to 27, 2009

Introduction

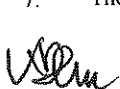
1. The Pilot Program on Climate Resilience (PPCR) is designed to pilot and demonstrate ways to integrate climate risk and resilience into developing countries' core development policies, plans and programmes. Zambia is one of nine countries worldwide and two regional groups selected for participation in the program. The PPCR in Zambia will be implemented by Government and it is expected to be financed through the Government budget, the Multilateral Development Banks and other development partners in cooperation with the United Nations Development Programme (UNDP), and the Department for International Development (DFID).
2. A meeting of Pilot Countries in Washington D.C. on 26-27 October 2009 concluded that the PPCR should: i) be tailored to individual country needs; ii) build on existing in-country processes; iii) reflect a cross-cutting solution across sectors; iv) offer an opportunity for donor coordination; v) build and share adaptation knowledge and vi) move from policy to legislation to implementation. These principles will guide the formulation of the PPCR proposal.
3. A mission led by the Ministry of Finance and National Planning (MoFNP), with the Africa Development Bank (AfDB), the World Bank (WB), the International Finance Corporation (IFC), UNDP and DFID as members took place from November 16 to 30, 2009. The terms of reference and mission composition are attached as Annex to the Proposal.
4. The PPCR is structured in two Phases. Phase 1 involves formulating a Strategic Program for Climate Resilience to integrate Climate Resilience into Core Development Plans, Budgets and Investments. Phase 2 will focus on the investment in the selected sectors and also support on-the-ground adaptation activities by reinforcing climate resilience in priority sectors selected in Phase 1. In line with the PPCR principles of donor harmonization and complementarity with existing efforts, Phase 2 would not necessarily lead to a new program, but might involve support to a Programmatic Investment Framework on Climate Resilience.
5. The specific objectives of the mission were the following:
 - a. review progress in addressing climate risks;
 - b. review policies, plans, and strategies and other relevant documents to assess the extent to which they take account of climate risks; and
 - c. provide a platform for joint work of the cooperating partners, the private sector and NGOs to support government in the formulation of an agreed strategic approach and investment program for integrating climate resilience into core national and sub-national development and key sector strategies and actions.
6. The findings and recommendations of this draft aide memoire were discussed at a wrap-up meeting chaired by the MoFNP on November 30, 2009.

PPCR Participatory Process Followed

9. The Joint Mission marked the initial preparation of the PPCR process. Prior to the commencement of the Joint Mission, the lead Government agency which is the MoFNP, engaged two consultants to prepare a stocktaking analysis and carry out initial consultations with stakeholders (a process that took two weeks, from November 2-14, 2009). This initial process involved:
 - Stocktaking of relevant information on climate resilience,
 - Compilation of all country level programs and activities that are planned or already in place, relevant to the (PPCR)
 - Initial consultation with relevant stakeholders.
10. Consequently, the Joint Mission has been forward-looking and focused on the following main activities:
 - Analysis of stocktaking and key documents
 - Engagement of key stakeholders
 - Agreement on priority sectors and activities for Phase 1 focus
 - Advance the preparation of the Phase I proposal
11. It has been reported during the presentation of the results of the FNDP that Zambia "recorded reduced poverty levels from 80% to 64 % midway through the FNDP" and that both Ministries of Health and Education were on the way to achieve the Millennium Development Goals (MDGs). The mission held an initial 2 day consultation workshop from November 16 - 17, 2009 with a range of Government entities, civil society organizations, limited private sector and cooperating partners. The Mission organized follow-up consultation meetings with representatives of these groups to discuss their recommendations, suggestions for involvement in the PPCR, and potential concerns. The mission has continued with more intensive consultations with key stakeholders in the priority sectors, aiming at helping build the elements of the proposal for Phase I. Sectoral discussions have been under the responsibility of mission specialists. In addition, each thematic area of Phase I (e.g. analysis, planning and strategy) and of potentially Phase 2 components (agriculture, infrastructure) have been under the responsibility of one of the senior joint mission members.

Context for Climate Risk Management (CRM) in Zambia (Summary of Stock-Taking and Initial Consultations)

7. The stock-taking exercise led by two national consultants has informed the mission of the following:



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- Zambia's vulnerability to climate change is due to, among other things, the high dependence on the country's economy on climate-sensitive sectors such as agriculture and natural resources.
 - Zambia is already experiencing climate change and variability which has an impact on human development, in particular at the local level.
 - These trends are expected to intensify in the future as projected temperatures for Southern Africa are expected to increase by a minimum of 2.0° degrees by 2070. Climate variability is expected to intensify in the future.
 - Zambia has 3 Agro-ecological Regions all of which will be affected, but region 1 remains the most vulnerable zone (the southern province was the bread basket of Zambia as it always boasted of bumper harvests but the situation has changed because of natural disasters).
 - Zambia has completed an analysis of historical climate change trends. Gaps remain in future climate change scenarios for the country.
 - The early warning system remains a major weakness. Sectoral impact analyses have been comprehensive (though not necessarily integrated), and the attribution with respect to climate change has not always been clear. Further economic analysis is also needed.
 - As pointed out by stakeholder consultations, there is a need for stronger coordination amongst different Government agencies involved in climate change adaptation and disaster risk management. Internal dialogue is proceeding with a view to finding a solution.
8. Vulnerability baseline and participatory assessments are on-going. However, decision makers have not sufficiently taken into account climate change impact and adaptation strategies.

Mission findings

12. The consultative process identified opportunities and gaps to mainstream climate resilience into priority sectors and agreed on four (4) priority areas of work and activities to be implemented during phase 1 in Phase 1 and on the outline on the preparation for Phase 2.

13. The priority activities for Phase 1 with a planned duration of 12- 18 months are:

I: Mainstreaming of climate change, and in particular climate resilience in the Sixth National Development Plan (SNDP) and into operational plans and 2011 budgets of key sectoral ministries such as Agriculture and Co-operatives (MACO), Tourism, Environment and Natural Resources, (MTENR), Local Government and Housing (MLGH), Works and Supply (MW&S), Communication and Transport (MC&T), Health (MoH), Education (MoE), Energy and Water Development, (MEWD). A key performance for this activity would be that climate change, and in particular climate resilience, features prominently in the SNDP and is integrated/mainstreamed into development planning in the priority Sector Plans for the period 2011 – 2015 and budget items allocated for Climate Resilience/Climate Proofing. The mainstreaming of climate change should build on ongoing mainstreaming initiatives such as the Environment and Natural Resources Management and Mainstreaming Programme and work to develop the climate change strategy, policy and legal framework. Another key output is to prepare a mainstreaming guide or manual to help sector ministries in the process during preparation of the SNDP.

II: Strengthening and harmonisation of organisational and coordination functions between sectors and line ministries working on climate change and sustainable development issues. The mission recognises that it is up to the Government of Zambia to decide on the best institutional arrangements leading to efficient coordination and harmonisation between the stakeholders in meeting the objectives of the Program. The mission also recognises the ongoing work in DMMU and MTENR which could provide variable information for this process. The next joint mission in 2010 will verify, by using performance based indicators, the existence of an empowered structure, for sustainability and continuity purposes, that can provide adequate technical inputs and efficient coordination mechanisms for climate change, including climate risk and resilience, for Phase 2.

III: Improved information for Decision-Makers. This component aims to strengthen the targeted information available to decision makers and the general public on climate change. It would directly focus and support the mainstreaming needs of Component 1, as well as ongoing trends and the resulting impacts, thus enabling them to make more informed decisions. One information stream will focus on monitoring climate, short- to medium-term (less than 6 months) forecasting and providing information on the resulting impacts in agriculture, water (flooding) and other identified sectors, including economic analysis.

IV: Targeted awareness and communication. This component aims to strengthen public awareness of the critical importance of climate change adaptation in development processes and strengthening targeted information available to decision-makers, contributing to the formulation of national plans. This component would directly focus and support the mainstreaming needs of Component 1. The key audience would be policy makers in targeted sectors (e.g. Agriculture, Water, Local Government, and Environment), private sector (Commerce and Industry), legislators (parliamentarians and house of chiefs, municipal leaders), Non Governmental Organisations (NGO's) and Civil Society Organisations (CSO's), the media and academia.

14. A tentative budget as well as a schedule for the activities has been elaborated by the partners led by MoFNP. A draft proposal has been discussed at length and prepared by all partners to be presented to the PPCR board during the month of December 2009.

15. **Preparation of Phase 2 work programme.** During Phase I, considerable effort will be dedicated to preparing a Strategic Program for Climate Resilience. Through the mainstreaming, institutional strengthening, analytical and awareness efforts, in addition to the joint collaborative efforts of all key development partners, it is expected that by the end of Phase I Zambia will have identified the roles of development partners in an Integrated Program for Climate Resilience (programmatic approach for adaptation), of which the PPCR will finance a portion. Zambia will, however, require much more funding than what the PPCR can bring to become more climate resilient. The PPCR investment project will, therefore, need to be harmonized with other funding brought by the Government of Zambia,

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private sector and other development partners. Together, they will form an Integrated Programmatic Framework for Climate Resilience. As such, preparation for Phase 2 should result in two major outputs:

- A financing framework for a National Program for Climate Resilience – specifying the complementary role of the PPCR pilot investment relative to that of other funding,
- The design of the Pilot PPCR investment for Phase 2

16. During Phase 2, the pilot PPCR would focus on priority areas within the Zambezi River Basin. The priority project areas will be identified and based on the following:

- Win-win criteria (highest probability of success, high local commitment, access, etc).
- High vulnerability (as revealed by sectoral and regional vulnerability indices)
- Complementarity vis-à-vis other funding/development efforts

17. MoFNP would establish, during Phase 1, a preparation team and hire technical assistance to prepare the pilots. To the maximum extent possible, existing mechanisms of decentralized or de-concentrated budgeting will be explored to promote participatory adaptation at the local level. The principle should be to encourage local adaptive responsive, both in soft adaptation (sustainable agriculture production and ecosystems) as well as in hard, engineering solutions (climate resilient infrastructure) – while at the same time providing local communities with the support and knowledge needed to adapt to climate change.

18. As part of preparation for Phase 2, guiding principles have been used to select - a geographically restricted but representative demonstration area, to show integrated solutions for climate resilience and adaptation for the most vulnerable populations and clearly determined sensitive sectors and thematic areas (such as food security) -. Based on these criteria, the pilot sites off the Zambezi basin/watershed have been prioritized (that comprise agro- ecological regions 1 and 2). It is not meant here to describe in details the 4 components that were identified but to present them as part of the process of the (PPCR) and as concepts. These are:

I. Reinforcing early warning systems: This component will build upon the ongoing work in this area and recommendations of the workshops, namely the limitations in information and data in many parts of Zambia for prediction and prevention, as well as the need to install a number of agro-meteorological and hydrological stations. Besides improving the range of available ground observations there is a clear need to improve the integration of other technologies, such as remote sensing and GIS, as well as the models used to forecast climate (at seasonal timescales) and assess the resulting sectoral impacts e.g. crop and flood risk modelling/assessments. As well as improvements in deployed technologies, it will be necessary to improve the flow of information between different ministries and institutions, taking care that models, data and information is integrated in the best possible manner, and that the end products/information reach the DMMU in time to allow effective preparations and planning.

II. Agriculture production systems and ecosystems: This component will build on going initiatives in adaptation to will strengthen the adaptive capacity and livelihood in agriculture, fisheries, livestock, natural resources, and natural ecosystems in the most affected areas of the Zambezi River Basin, focusing on sustainable agriculture production and natural ecosystems' outcomes. Based on the results and findings of detailed analytical studies, priority sensitive and vulnerable targets (areas, farm blocks, integrated farm assets and resources) would be selected and targeted to make them climate resilient. The concept behind this component is to work in an integrated manner in a large agricultural and natural resources area where basic infrastructure for agriculture such as trunk roads, bridges, feeder roads, electricity and community irrigation infrastructure like dams and communication facilities as well as agro-met stations, can be "adapted" for climate variability and climate change. In this initiative small scale agriculture will be targeted as small scale holders are the ones most vulnerable to climate change. By prodding small-scale farmers to adopt conservation agriculture and farming for higher yields and soils improvement, resilience to future challenges imposed by climate change would be enhanced.

III. Climate Resilient Infrastructure: This component will integrate climate resilience concerns in infrastructure planning and investments to reduce the vulnerability of infrastructure to climate change impacts. Infrastructure is in many forms and includes, transport (roads, waterways, railways and pipelines), communication, water and sanitation, energy, recreation, housing and institutional infrastructure. Based on the findings of the assessment on risk levels (return periods) for various infrastructure such as transport, dams, irrigation systems, power generation facilities, and buildings, regional and national standards and codes of practice that need to be adapted to climate change resilience such as the SATTC (in full) Standards on the design of roads and bridges, and standards that are affected by climate change such as those on construction material (bitumen, etc.) will be upgraded including developing climate resilient infrastructure standards and specifications.

IV. Program Management: This component will serve to manage the entire programme and will monitor all the activities as well as assume financial / management and procurement functions.

Recommendations and Conclusions

19. The mission has formulated the following recommendations:

- It has been agreed that the Ministry of Finance and National Planning will coordinate the implementation of Phase 1, namely mainstreaming in the SNDF and institutional harmonisation being the two predominant activities: the MoFNP will work in close collaboration with relevant Ministries and units, including but not limited to (MTENR, CCFU) and DMMU.
- For Phase 2, it has been agreed that the Government of Zambia would, by the time of the next Joint Mission, determine the appropriate institutional arrangements for climate change adaptation in Zambia which would be acceptable to national stakeholders, and conform to the principles of sustainability and best practices, lead and coordinate the agenda of CC in Zambia. The mission noted that there were many institutional players and that there are various possible scenarios for the institutional and management arrangements to assume the institutional requirements of the CC and Climate Risk Management agenda.

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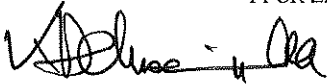
- An outline of the activities for Phase 2 and its components have been pre-identified (4 components including project's management). Preparation for Phase 2 will use the same participatory process as in Phase 1, namely consultations with stakeholders and meetings with concerned, vulnerable parties, partners and stakeholders.
- Activities in Phase 2 will adopt a sectoral approach as adaptation work is best suited with the line and sectoral ministries and the SAGs have been guiding the process of other donors' initiatives for adaptation in the priority sectors so as to complement existing projects and capitalise on the comparative advantages of the different partner institutions.
- The PPCR will work in collaboration with the MoFNP and line ministries in mainstreaming climate risk concerns into national and sectoral policies and in developing related monitoring and evaluation indicators. Phase 1 of the PPCR will be timed with the preparation of the SNDP.
- The PPCR will also provide sector-specific support on mainstreaming to individual line ministries including in sectoral policies and plans and in the identification and technical design of individual projects. Close dialogue will be maintained with other planned initiatives with mainstreaming objectives, including that PPCR activities complement and build on these undertakings.
- During Phase 1 private sector and civil societies' inputs will be sought comprehensively. Private sector input in particular will be sought during the implementation of Phase 1 in view of supporting and Phase 2 investments. It is noted that the MoFNP has a new Public – Private Partnerships Unit and that a PPP policy was promulgated in 2007 and launched in 2008, while the PPP Act was enacted in August 2009.
- The PPCR could make an important contribution in strengthening commitment and attention to CC adaptation by the MoFNP and others, via awareness - raising around the potential consequences of climate change for socio-economic development, including poverty reduction, long-term sustainable growth, macroeconomic performance and economic returns to individual development projects.
- In the longer-term, this awareness raising initiative to line ministries will influence their budgetary allocations by making the case for particular budgetary requests and thus it is important that they, too, can justify requests for financial resources to support climate change adaptation costs in the language of MoFNP.
- The PPCR will work in collaboration with MoFNP and other concerned government agencies in identifying and utilizing windows of opportunity to build climate risk concerns into the project preparation process, including relevant appraisal tools such as environmental impact assessment, and into related criteria for prioritizing projects for inclusion in the SNDP.

Lusaka, 30th November, 2009



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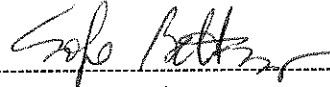
For the Government of Zambia:
Permanent Secretary,
Ministry of Finance and National Planning



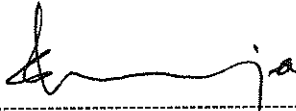
For the Government of Zambia:
Director Economic Management
Ministry of Finance and National Planning



For the African Development Bank Group
Dr. Hany Shalaby
Principal Environmentalist



For the World Bank
Sofia Bettencourt
Lead Operations Officer



For the International Finance Corporation
Saleem Karimjee
Country Director



For the United Nations Development Programme:
Viola Morgan
Country Director



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Attachments: Phase 1 Proposal Preparation Toward a Pilot Program for Climate Resilience, Government of Zambia.



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