

September 24, 2013

**Comments from United Kingdom on Approval by mail: Zambia: Strengthening Climate Resilience in the Kafue Sub-Basin (AfDB)**

Dear Colleagues

Thank you for sending this project for approval which the UK is content to endorse. We would like to submit the following comments for consideration:

- The UK welcomes this project and is supportive of the priorities chosen. Food security and agricultural productivity are a major concern in Zambia, where lower than expected rainfalls have resulted in poor agricultural yields in parts of the country this year, not only affecting the incomes of farmers but adversely impacting on government revenues. Trying to build a sustainable agriculture system in Zambia is important for the long-term future of the country and making best use of resilience support is important for Zambia's growth prospects and poverty reduction.
- Strengths of the appraisal that were noted include the high degree of co-financing; assessment of risks around, and arrangements for procurement capacity; anchoring in national priorities – Zambia's NAPA and 6<sup>th</sup> National Development Plan; the inclusion of a Strategic Environment Assessment with costed mitigation measures; and thorough stakeholder consultation process
- The economic performance and appraisal section is light, we would like to see a better explanation of how the benefit cost ratio was reached, including a methodology, what discount rates were used and how costs and benefits are appraised over time, and a more detailed sensitivity analysis.
- We would also like to see more practical detail on how it is planned to link up with other donor and government initiatives outside of the PPCR, especially in the agricultural sector, to maximise synergies. For example complementary market access initiatives.
- The co-financing summary includes other Zambia SPCR projects, and while it is good that these projects are well coordinated it is perhaps misleading to list these as co-finance. More information on which parts of the UN and World Bank are providing the co-finance would be welcome, along with more detail on what this will fund.
- It is not immediately clear from the project document how specific activities within the components will be chosen, can more explanation be provided? Also are the team confident that the social, economic and environmental appraisals are sufficient given that these activities are not yet known?

- What are the plans for ensuring that the support provided to the PIU in the Ministry of Finance is sustainable, particularly for staff recruitment and training? Will the Government support the unit with on-budget funding at the end of the project?
- The very short results framework provided has no baselines or targets and does not appear to be well aligned to the PPCR core indicators, when will a full RF be developed? Will the project measure number of people reached and integration into national planning? There are also headline results in the document that don't appear to be in the RF for example the 2,000 new jobs it is expected to generate.
- Related to this the document says 800,000 communities supported in headline impact, but 800,000 people in the economic assessment, presumably people is the correct metric?
- The gender aspects are short and quite high level at the moment – specific measures should be incorporated in the longer term. Good that communities for support will be selected on basis of criteria including potential for engaging women and youth – can more detail be provided on how this will be done?
- Whilst there appears to be a high degree of stakeholder consultation it is less clear how far private sector organisations been consulted and what their role will be in the project?
- Good to see lessons from other PPCR AfDB projects reflected in design, hope that this will be captured by CIF AU for broader PPCR lesson learning. Would be good to test these findings and assumptions through evaluations (e.g. that road maintenance better under output based contracts, and positive effect on natural resource base of generating jobs that are not dependent on the natural resource base).

Many thanks

Juliet Field