

Summary of Project/Program

PILOT PROGRAM FOR CLIMATE RESILIENCE			
Summary - Project/Program Approval Request			
1. Country/Region:	Zambia	2. CIF Project ID#:	XPCRZM041A
3. Project/Program Title:	<i>Zambia Strengthening Climate Resilience(PPCR Phase II)</i>		
4. Type of PPCR Investment	<i>Private:</i>	<i>Public: X</i>	<i>Mixed:</i>
5. Funding Request (in USD million total) for Project:	<i>Grant: USD31 Million¹</i>	<i>Loan: USD5 Million</i>	
6. Approved Preparation Grant	<i>Amount (USD):USD²2 Million</i>	<i>Date: June 29th, 2011</i>	
7. Implementing MDB:	<i>International Bank For Reconstruction and Development (IBRD)</i>		
8. Other MDB Involvement	<i>MDB: AfDB, IFC</i>	<i>Type of Involvement: Parallel and Complementary Project</i>	
9. National/[Regional] Project Focal Point:	<i>Mr. David Chama Kaluba PPCR National Coordinator/ Ministry of Finance/ dckaluba@juno.com</i>		
10. National/[Regional] Executing Agency ³ for project/program:	<i>National Climate Change Secretariat Plot 90 Makishi-Broad Road, P.O. Box 30547 Economic Management Department Ministry of Finance, Zambia</i>		
11. MDB PPCR Focal Point and Project/Program Task Team Leader (TTL):	<i>Headquarters-PPCR Focal Point: Kanta K. Rigaud Lead Environment Specialist and PPCR Program Coordinator</i>	<i>TTL: Sofia Bettencourt Lead Operation Officer, Africa Region</i>	
12. Project/Program Description:			
<p>The proposed project (US\$36 million) would have three components:</p> <ol style="list-style-type: none"> 1. Strategic National Program Support 2. Support to Participatory Adaptation 3. Pilot Participatory Adaptation 			

¹ This includes part of the agreed allocation of grant funds during the PPCR SC meeting of November 2012 (USD 3 million of the USD 5 million) and is subject to approval by the PPCR Sub-Committee

² This is a joint PPG (AfDB and IBRD) implemented through IBRD and executed by the Recipient

³ Can be Government agency or private sector firm

Component 1 would be national in scope. Components 2 and 3 would focus on the Barotse sub-basin of the Zambezi – the pilot area for Project activities.

Component 1: Strategic National Program Support (*US\$9.6 million grant*). This component aims to strengthen the national institutional and financial framework for climate resilience, thus providing the umbrella for long-term transformational change in Zambia. The strengthened framework and public awareness will in turn contribute to a more effective mainstreaming of climate resilience in vulnerable economic sectors, and allow lessons learned from the field to be progressively scaled-up. It includes two sub-components:

(a) *Sub-component 1.1 Institutional Support to National Climate Change Program* (*US\$5.8 million grant*), comprising the following activities:

- (i) *Mainstreaming Climate Resilience* into key national and sectoral policies and programs, through use of screening guidelines adapted to the Zambian context;
- (ii) *Institutional strengthening*, through post-graduate and short-term training for climate change champions, knowledge sharing and upscaling of lessons learned;
- (iii) A study on *Management of External Resources and Climate Risk Financing*, to enhance Zambia's capacity to access and manage climate funds directly, and support the establishment of climate risk financing mechanisms; and
- (iv) *Incremental support to the National Climate Change Secretariat*, including technical assistance, fiduciary support, monitoring and evaluation, and incremental operating costs.

(b) *Sub-component 1.2: Strengthened Climate Information* (*US\$3.8 million grant*), providing more reliable, accessible and timely early warning and climate information to users. The project would support:

- (i) A *Social marketing awareness campaign* to promote the importance of addressing climate change risks from national to local level;
- (ii) *Strengthened early warning system* through the application of rapid communication systems between line agencies and communities in the pilot sub-basins, and establishment of a pilot open data platform to facilitate the sharing of climate risk data amongst decision makers.

Component 2: Support to Participatory Adaptation (*US\$5.6 million grant*). This component would strengthen the adaptive capacity of vulnerable rural communities in the Barotse sub-basin, through:

- (i) *Facilitation and strengthening of community decision-making*, through the services of experienced non-governmental organizations (NGOs), who would assist target communities in understanding and articulating climate risks, use participatory approaches to prioritizing adaptation options, preparing sub-grant proposals and implementing and monitoring the sub-grants; this would also include facilitation of community-based canal management.
- (ii) *Specialized technical assistance and training* to Western Province and district councils, including (a) a climate risk and assessment study for the Barotse floodplain, and a plan for optimal and long-term management of the wetland; (b) technical assistance to provincial

and council-level planners to incorporate climate resilience into spatial plans and regional budgets; (c) provision of experts on both structural (infrastructure) and non-structural (soft) adaptation options; (d) communication equipment and services to facilitate access (by the beneficiaries) to best practice adaptation knowledge and centers of expertise; and (e) technical assistance and workshop support to Western Province in improving the policy for, and recurrent financing of traditional canals.

- (iii) *Incremental project management support* to Western Province and target councils, including in financial management, safeguards screening, monitoring and evaluation, equipment, vehicles and incremental operating costs to oversee field operations.

Component 3: Pilot Participatory Adaptation (*estimated costs US\$15.8 million grant and US\$5 million credit*). This component would fund actual participatory adaptation investments in the Barotse sub-basin. It would include two sub-components, the first focusing on investments prioritized through climate resilient planning, and the second on optimizing the climate resilience function of traditional floodplain canals:

(a) *Sub-component 3.1: Community Adaptation Sub-grants* (*US\$15.8 million grant*), would fund priority adaptation sub-projects identified through the process of climate resilient planning supported by Component 2. It would be piloted in approximately 8 districts⁴ and 24 wards of the Barotse sub-basin. The sub-grants would be available at the (i) district; (ii) ward; (iii) community/group; and (iv) individual innovators (champions⁷) level, and would be disbursed directly to beneficiaries. Beneficiary proposals would have to demonstrate clear adaptation co-benefits and meet the eligibility and capacity criteria specified in the Operational Manual. The sub-projects would be largely demand-driven, but also benefit from external expertise to ensure transformational change. At the community/group level, the interventions would specifically target women-headed households, as well as households classified as very or extremely vulnerable. The project would further support (v) an Adaptation Contingency Fund to progressively reward the best performing beneficiaries, and fund additional sub-projects upon early warning of a disaster.

(b) *Sub-component 3.2. Rehabilitation and Strengthened Management of Traditional Canals* (*US\$5 million credit*). This sub-component would focus on rehabilitation and strengthened management works of about 5 priority traditional canals on the floodplain, to optimize their use in climate resilience (particularly in the management of floods and droughts). The project would fund both mechanized as well as labor-intensive (cash-for-works) activities. Self-reliance arrangements would be promoted amongst water user groups for tertiary/feeder canals, although the project could consider sub-grants to these beneficiary groups to fund tools and other required materials. Facilitation of water user groups and labor-intensive works would be done under Component 2.1. The design of the works would be done in close collaboration with traditional and local authorities to retain as much as possible their traditional structure, while optimizing their use in managing climate related stresses. Prior agreement on the sustainable operation of the canals (including the roles of the Government, traditional authorities and water users) would be a pre-condition to the financing of the works. This sub-component would be financed through a Strategic Climate Fund credit, since the economic returns are substantial, and there are considerable baseline development benefits (see Economic and Financial Analysis in PAD).

⁴Kazungula (Southern Province), and Kalabo, Kaoma, Lukulu, Mongu, Senanga, Sesheke and Shangambo (Western Province).

Sectors and Themes:

Sectors: -General agriculture, fishing and forestry sector (20%), General transportation sector (20%), General information and communications sector (20%), General public administration sector (20%), Flood protection (20%).

Themes: -Climate change (40%), Natural disaster management (40%), Other social protection and risk management (20%).

13. Objective

The development objective of the project would be to *strengthen Zambia's institutional framework for climate resilience and improve the adaptive capacity of vulnerable communities in the Barotse sub-basin.*

14. Expected Outcomes:

Zambia will have a fully operational National Climate Change and Development Council or equivalent institution, effectively coordinating climate change funding, programs and projects; through its efforts, the Government will have achieved 25% real increase in budgetary allocation supporting climate resilience in vulnerable sectors (agriculture; natural resources, transport, health, water and energy, and disaster risk management)

At least 70% of direct beneficiaries under targeted districts, wards and communities assessed to have used information and planning tools and resources provided by the project to respond to climate change and variability.

The design and management of up to 5 important traditional canals in the Barotse sub-basin will have been strengthened to near optimum flow (0.6 m/s) to allow for improved resilience during flood and dry seasons. An average flow velocity target of 80% for the canals

Total number of direct project beneficiary households (of which number of women and very vulnerable households)

In addition, the project would also monitor achievement of transformational (long-term) program impact indicators as required by the PPCR Sub-Committee (summarized in Annex 1 of project document)

15. Key Results and Indicators for Success (consistent with PPCR Core indicators):

Result	Indicator
(a) Allocation to climate resilient development programs increased by 25%	Changes in budget allocation to climate smart programs in national budget. <i>(Equivalent to indicator A.2.2 of the Revised PPCR Results Framework)</i>
(b) 70% of targeted councils, wards and community groups assessed as having developed decision making capacity and applied climate information to adapt to longer-term climate change and variability	Vulnerable districts, wards and communities use improved tools, information and instruments to respond to climate change and variability. <i>(Equivalent to core indicator B.1 of the Revised PPCR Results Framework)</i>
(c) Number of direct beneficiaries (cumulative): <ul style="list-style-type: none"> • Total Households: 25,800 • Women-headed Households: 11,000 • Other Vulnerable Household: 14,800 • Total no. of people: 130,000 	Number of people supported directly by the project to cope with effects of climate change <i>(Equivalent to core indicator A.1.3 of the Revised PPCR Results Framework)</i>

(d) National Climate Change and Development Council (or equivalent) established and fully operational, effectively coordinating climate change funding, programs and projects	Evidence of strengthened Government capacity and coordination mechanism to mainstream climate resilience. Note : this is Intermediate Result for the Investment project (<i>Equivalent to core indicator B.2 of the Revised PPCR Results Framework</i>)	
(e) 70% of Integrated Development Plans and Area Development Plans of pilot districts and wards mainstreamed with climate resilience considerations	Degree of integration of climate resilience in local area planning (<i>Equivalent to core indicator A.2.1. in the Revised PPCR Results Framework</i>)	
(f) Number of screening guidelines for climate resilience programs and policies developed and applied to key sectors	Climate resilient programs and policies in key vulnerable sectors screened for their impact. Note: this is an Intermediate Result for the Investment project) (<i>Equivalent to core indicator B.5 of the Revised PPCR Results Framework</i>)	
(g) Number of climate risk financing instruments <ul style="list-style-type: none"> • developed • tested 	Climate responsive financial instruments developed and tested. Note: this is Intermediate Result for the Investment project. (<i>Equivalent to core indicator B.5 of the Revised PPCR Results Framework</i>)	
16. Budget:		
Expenditures⁵	Amount (USD) - estimates	
Component 1: Strategic National Program Support	9,600,000 (grant)	
Component 2: Support to Participatory Adaptation	5,600,000 (grant)	
Component 3: Pilot Participatory Adaptation	20,800,000 (of which 15,800,000 grant and 5,000,000 credit)	
Contingencies (max. 10%)		
Total Cost	36,000,000	
Co-Financing ⁶ :	<i>Amount (USD million):</i>	<i>Type of contribution:</i>
• Government	160.0	In-kind (staff) Cash: Operation and maintenance of canals, early warning, climate-smart programs mainstreamed
• Beneficiaries	0.8	In-kind
• Private Sector (IFC and Partners/PPCR)	55.5	Cash (Climate smart investments, index weather insurance, climate information)
• Private Sector (AGORA)	2.4	Cash (Micro-finance)

⁵Expenditure categories should be provided by the MDBs based on own procedures.

⁶Please note that these projects are implemented in parallel and in complementarity to the current project. See Annex 8 of the PAD for further details

• Others: Nordic Development Fund	5.2	Grant (Climate Resilient Infrastructure Standards and Codes)
• AfDB/PPCR	39.0	Grant and Credit (Strengthening Climate Resilience in Kafue Sub-Basin)
• World Bank (IDA)	16.0	Credit (Reinforcement of Hydro-Meteorological Network and Flood Forecasting)
• UN	16.0	Grant (Joint UN Programme on Climate Change and Disaster Risk Reduction)
• UNDP (GEF)	8.0	Grant (Strengthened Climate Information and Early Warning and Adaptation to Drought)
• German Development Cooperation (KfW/GIZ)	10.7	Grant (Water and Climate Monitoring: Establishment of an Integrated Water Resources Management Information System)
• WorldFish	9.0	Grant (3 CGIAR projects in the Barotse sub-basin)
• Concern Worldwide	4.0	Grant (Poverty Reduction and Women Empowerment Programme in Western Province)
• Zambia Red Cross Society	1.1	Grant (Zambezi River Basin Initiative)
• Oxfam	0.3	Grant (Citizen Participation in Adaptation to Climate Change)
Co-Financing Total	329,900,000	
17. Project/Program Timeframe		
Expected Board/MDB Management ⁷ approval date: May 9 th , 2013		
Expected Mid-Term review date: mid-2016		
Expected Project/Program closure ⁸ date: December 31 st , 2019		

⁷ In some cases activities will not require MDB Board approval

⁸ Financial closure date

18. **Role of other Partners involved in project/program⁹:**

The project has a multi sectoral focus at national, provincial, district and ward levels; hence a wide range of actors and partners have indicated interest to play various active roles such as implementation, coordination, facilitation, complementary parallel project implementation etc. In Zambia, the project will be implemented through a close collaboration between the World Bank, the AfDB, NDF and IFC, under the coordination of the National Secretariat for Climate Change.

In addition, many other partners (listed above and in Annex 8 of the PAD) are financing complementary aspects of Zambia's national climate change program. These include GiZ/KfW, IDA and UNDP in upgrading the hydro-meteorological network and data analysis; the United Nations Joint Program, with investments in the national climate change strategy and policy, institutional strengthening and mitigation; USAID, with an active role in mitigation; WorldFish, active in the Barotse sub-basin in establishing links between farmers needs and CGIAR centers; Concern Worldwide, with ongoing programs in four pilot districts, specializing in vulnerability, gender issues, and improved agriculture and natural resources practices; the Zambia Red Cross Society, with programs in two pilot districts specializing in disaster risk management; AGORA, a micro-finance institution established in Western Province; the National Heritage Conservation Commission, who is seeking to promote the Barotse sub-basin as a World Heritage Site; and Oxfam, financing citizen participation in climate change adaptation in selected pilot districts.

In addition to the donors cited above, national program partners include the Cabinet Office; Ministry of Finance; Disaster Management and Mitigation Unit (under the Office of the Vice President); Ministry of Agriculture and Livestock; Ministry of Lands, Natural Resources and Environmental Protection; Ministry of Transport, Works, Supply and Communications (Roads Development Agency, Maritime Department, Zambia Meteorological Department); the Barotse Royal Establishment; Provincial Administration of Western Province; District Councils; the Zambia Climate Change Network (a network of local NGOs involved in climate change); local Communities and Villages, and youth groups. The role of these various partners is explained in further detail in Annexes 3 and 8 of the Project Appraisal Report.

⁹Other local, national and international partners to be involved in implementation of the project/program.

19. Implementation Arrangements (incl. procurement of goods and services):

The National Climate Change Secretariat, under the Ministry of Finance (MoF) will take overall responsibility for project execution, and oversee and coordinate project implementation. The Secretariat – already operational - was established by a committee of Permanent Secretaries in March 2012, and endorsed by directive of the Secretary to the Cabinet on 16 October 2012. The Secretariat has the mandate to coordinate all climate change activities across sectors and projects in Zambia. It is also responsible for facilitating stakeholder consensus and development of Zambia’s Climate Resilient and Low Emissions Development Program, and facilitate Zambia’s role at international negotiations (namely in UNFCCC, and Green Climate Fund). The Secretariat has already been coordinating Phase I of the PPCR. The Secretariat presently reports to the Committee of Permanent Secretaries (chaired by the Secretary to the Treasury) and relies on a multi-stakeholder Technical Committee, with representatives of key Government agencies (including Cabinet), civil society and private sector. The Secretariat is being staffed by 8 experts, seconded from various stakeholder Ministries. This is being supported by key operational contracted staffs like procurement officer, financial management specialist, communications officer and a participatory advisor.

In addition to the secretariat oversight and coordinating mandate, other implementation arrangements include:

- i) The Disaster Management and Mitigation Unit (DMMU) will be responsible for implementation of the early warning and open data platform activities.
- ii) A small sub-project implementation unit will be established in Mongu (Western Province) to oversee the planning, provide specialized technical support, and carry out fiduciary, safeguards and monitoring oversight of Component 3 *Pilot Participatory Adaptation*. The unit will report directly to the Chief Planner (at the Provincial level) and to the National Coordinator at the Secretariat level. Its technical experts would be expected to actively assist the Provincial Development Committee, the Barotse Royal Establishment (BRE) and the targeted District Councils to mainstream climate resilience into provincial and district-level planning.
- iii) The canal rehabilitation works would be coordinated through the Chief Planners’ office at the provincial level, through an agreed annual work plan with the Secretariat. Traditional BRE leaders (*Indunas*) and a specialized NGO would assist with community organization and manual labor. Cooperating arrangements are being envisaged between the local Government, BRE, and facilitating NGOs.

The Secretariat designated procurement officer will prepare the bidding documents in accordance with World Bank procedures and a procurement plan agreed by the World Bank. In order to ensure the quality required under the PPCR, all procurements under national competitive bidding procedures will be based on procedures acceptable to the Bank as stipulated in the Zambia Public Procurement Act No 12 of 2008 as amended by amendment No 15 of 2011 and the Statutory instrument No 63 of 2011 “Procurement Regulations” and the accompanying National Standard Bidding Documents of November 2012. All prior review procurement will be based on the

Guidelines Procurement of Goods, Works and Non Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers (dated January 2011) and the *Guidelines for Selection and Employment of Consultants under IBRD loans and IDA Credits and Grants by World Bank Borrowers* (January 2011 edition). The Secretariat is already familiar with these procedures given their role in the execution of Phase I of the PPCR as well as a Project Preparation Grant.

Accountability over procurement, record keeping, and frequency and scope of prior and post review will be elaborated in a Project Operational Manual which is being prepared and is expected to be finalized prior to negotiations.

The project will employ standard procurement methods, acceptable to the World Bank. Given the paucity of qualified consultants in climate resilience, particular attention will be paid to quality. Qualified NGOs with demonstrated experience in facilitating climate resilience in the target districts could be sole sourced. Community-driven development procurement procedures – described in detail in a Participatory Adaptation Implementation Manual – would be used for the Participatory Adaptation component, with the exception of specialized canal works, where force account could be authorized if properly justified by the remoteness of the location and the scattering of the works (making bidding by qualified construction firms unlikely at reasonable prices). This would be subject to prior approval by the World Bank.

20. Other Information:

Refer to the Project Appraisal Document and Project Information Document for further details.