

February 26, 2013

**Comments from Germany and Spain on the Approval by Mail: Zambia:
Strengthening Climate Resilience (PPCR Phase II) Project (IBRD)**

Der Zambia team, dear Andrea,

please find attached our comments. We very much welcome the proposal, but are deeply concerned about uncoordinated approaches which duplicate efforts. We would therefore ask for reassurance that the Zambia team takes our recommendations on board and reviews the proposal accordingly. From our experience in the water&sanitation sector in Zambia we know how much additional work is necessary to correct non-aligned and non-integrated systems once installed. In the relatively new adaptation sector, this is a lessons to be learned and to be acted upon early on.

Kind regards
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Zambia Strengthening Climate Resilience (PPCR Phase II) Project

Joint Comments from PPCR Committee members Germany and Spain

Summary

Zambia, still belonging to the group of least developed countries, is considered one of the countries likely to be most severely affected by climate change in the years ahead. We appreciate that the proposal is well thought-out, ambitious for most of its parts, and addresses the issues of climate resilience and climate vulnerability in Zambia in an effective manner. We have no major objections to the implementation of the project. However, we have a number of concerns, particularly regarding the integration of the various management information and early warning systems, the involvement of the *Ministry of Mines Energy and Water Development* (MMEWD) in the development and operation of such systems, and parts of the results framework including the gender dimension. We would like to see our related recommendations (see **bold** highlights below) incorporated during project implementation.

Individual Comments on the Proposed Project

Component 1 and major parts of other components aim to address issues linked to water resources management and water resources emergencies. Therefore there are obvious linkages to the area of responsibility of the *Ministry of Mines, Energy and Water Development* (MMEWD). However, the proposal so far establishes only indirect linkages to the MMEWD, namely through membership of the *National Climate Change Secretariat*, under the *Ministry of Finance* (MoF). As this engagement mainly consists of consultations and coordination, these linkages does not appear to be strong and effective enough. Stronger linkages would be appropriate, especially since (a) MMEWD's *Integrated Water Resources Management Information System* (IWRMIS) is currently under development, and (b) the majority of Zambia's hydrological and meteorological stations are being renovated, both with German support provided through the project "*Integrating Climate Change in Water Resources Monitoring and Planning*"¹, the implementation of which is assisted by KfW and GIZ. Data from these stations and the management system will feed information directly into the *Early Warning System* envisaged to be strengthened under Component 1. **We therefore recommend a stronger involvement of the *Ministry of Mines, Energy and Water Development* (MMEWD) in strengthening the *Early Warning System*. To this end, the proposal should clarify the potential engagement and responsibilities of the MMEWD.**

¹ Referred to in the proposal as *Establishment of an Integrated Water Resources Management Information System (IWRMIS)*

Regarding the development of the MMEWD's *Integrated Water Resources Management Information System* (IWRMIS), which is hosted by the *Water Resource Management Authority* (WARMA), collection of data from hydro-met stations, and development of IWRMIS products, it is critical that stakeholders/clients are involved to ensure that the system is sustainable in institutional terms and that the data and products produced are relevant and timely. To this end, the IWRMIS, the *Zambia Emergency Preparedness and Response Information System* (ZEPRIS), designed by the *World Food Programme* and listed in the results framework as baseline for the indicator on developing an open climate platform, and the *Early Warning System* need to be developed in concert. At present, we see a considerable risk that the development of these three systems is done in parallel without sufficient coordination, and that the systems may not mutually consider and integrate their respective outputs. An integrated approach is however crucial as it should be possible, as a minimum, to smoothly exchange data between the systems. The outputs created by the MMWED IWRMIS need to fit the requirements of the *Early Warning System* to be able to support sound decision making. The long-term sustainability of the IWRMIS, ZEPRIS and *Early Warning System* would be compromised if they were not integrated appropriately. Processing of data to produce information required for timely decision making, and dissemination of such information, would be slow and labour-intensive. The systems could thus fail to produce the desired outcomes in a timely manner entirely. **We therefore strongly recommend addressing the linkages between the systems (IWRMIS, ZEPRIS and *Early Warning System*) and developing them in an integrated manner.**

In order to operationalize this recommendation, specific targets in the results framework related to the development of and the information transfer between the systems (such as “number of emergency support products developed jointly” or “mechanisms for data transfer between systems functional”) should be defined.

In addition to the more technical matters of system design and integration, institutional weakness and the lack of budgeting and funding are still considered a considerable risk for ensuring that operation and maintenance of the systems established or strengthened systems (IWRMIS, ZEPRIS and *Early Warning System*) will be sustainable. Failing to address these issues might result in a bundle of systems ultimately not effective in supporting decision making processes for emergency response. **We therefore recommend an integrated design and approach, not only regarding technical but also institutional and funding aspects, done in a coordinated manner between Zambian government institutions and cooperating development partners.**

Most of the indicators contained in the results framework are well formulated and suited to measure the extent to which the project achieves its objectives. The results framework also makes explicit reference to all five PPCR core indicators.

We welcome the proposal's approach to specifically target women-headed households, as well as male-headed households considered to be very, or extremely vulnerable. The project description explains in detail why women-headed households as such are particularly vulnerable to climate change and climate variability (see e.g. paragraph 68). The criteria applied to define the vulnerability of the male-headed households, however, appear equivalent to prevalent definitions of poverty. In this context, we consider it important to take into account that vulnerability to climate change, although closely related to poverty, also consists of other factors than merely poverty and food insecurity. Given the heavy reliance of the poor on climate sensitive sectors, and the fact that the households in question are located in a sub-basin prone to recurrent floods and droughts, this is possibly the most efficient way to identify vulnerable households in a meaningful manner. Yet as identifying the beneficiaries is one of the most important exercises during project design, **we recommend including additional criteria of vulnerability that would cover the climatic stimuli contributing to – and preferably also the climate impact chains explaining – the respective vulnerability of the beneficiaries/households.**

We appreciate that the indicator “number of climate risk financing instruments developed / tested” has been included into the results framework. This indicator is meant to be “equivalent to PPCR core indicator B5”, it lacks, however, explicit references to its qualitative dimension (“quality of ... climate responsive instruments/investment models ...”). **We therefore recommend explicitly including the qualitative dimension of core indicator B5 into indicator “number of climate risk financing instruments...” as well.**

Regarding the indicator “number of climate information products/services used in decision making at various levels”, we note that the units of measure cover aspects of disseminating information (“marketing awareness campaign ... implemented”, “early warning system ... operational”, “climate platform ... operational”), but not of its actual use. The “descriptions (indicator definition etc.)” then contain some references for measuring the use of information. **We would, however, like to see the aspect of use of information being covered more prominently, and recommend covering this aspect not only in the descriptions/indicator definition, but also in the units of measure and in their actual target values.**

Regarding the indicator “changes in budget allocations to climate-smart programs in national budget”, we would like to highlight some numbers. The envisaged 25% increase of allocations to climate resilient programmes, from ZMW 118.8 million in year 1 to ZMW 148.5 million in year 6, would mean an increase of only 5.6 million US\$ or only 0.1% of national budget (from 0.4% in year 1 to 0.5% in year 6, setting year 2012

budget expenditures as fixed²) over a period of 6 years. Given that Zambia, with “its economic reliance on a narrow resource basis, .. is particularly vulnerable to climate and economic shocks”, and comparing the envisaged increase to the volume of the funding request (US\$ 36 million), this would not appear an overly ambitious target for national level mainstreaming of climate change. **We therefore recommend reconsidering whether the cumulative target values for the indicator “changes in budget allocations to climate-smart programs in national budget” should be increased, in order to reflect the significance of climate change for Zambia’s national economy.**

Comments on Cross-Cutting Issues

Gender

We appreciate that the proposal considers the different effects that climate change has on the livelihoods of women and men in this particular project context. Based on this differentiation, as mentioned above, the proposed project specifically targets women-headed households, as well as male-headed households considered to be very, or extremely vulnerable. It remains unclear to us, however, if this also applies to the planned work on strengthened management of canals. **We therefore recommend clarifying if these job opportunities, as appropriate, are targeted specifically for the above mentioned households considered particularly vulnerable. Also, we recommend incorporating an indicator tracking the beneficiaries of the strengthened management of canals into the results framework.**

In addition, the project appraisal document refers to particular challenges that women may face in terms of participating in community planning and activities as part of the project. In order to ensure women’s participation and thus being able to benefit from project implementation, it would be important to address these challenges also in the results framework. To this end, we consider it useful to concentrate on the extent to which the improved tools, information and instruments are actually used by women. **We therefore recommend incorporating gender differentiation into the unit of measure and target values of indicator 2 (“Vulnerable districts, wards and communities use improved tools...”) of the project development objective (PDO) level results indicators.**

² Exchange rate (effective January 28, 2013): US\$ 1 = ZMW 5.27.
Budget expenditures 2012 (estimated): US\$ 5.4 billion.

Synergies with German Climate Change Related Engagement in the Country / Region

We appreciate that the German support to Zambia is mentioned in numerous places throughout the proposal. We would, however, like to provide some further details regarding areas where synergies could be strengthened.

The proposed project has direct synergies with the German-supported project “*Integrating Climate Change in Water Resources Monitoring and Planning*”, the implementation of which is assisted by KfW and GIZ. Availability of data and products needed to implement the *Early Warning System* and the ZEPRIIS will depend on developing the MMEWD’s *Integrated Water Resources Management Information System* (IWRMIS), which in turn will depend on renovating Zambia’s hydro-met stations, both of which are lines of activity addressed by the German support.

Strengthening of the institutional framework – including the MMEWD, the *Department of Water Affairs* (DWA), and the new *Water Resource Management Authority* (WARMA) – is also being supported by Germany through the *Water Sector Reform Programme*, the implementation of which is assisted by GIZ. There are obvious synergies with component 1 of the proposed project, which aims to strengthen the national institutional and financial framework for climate resilience.

Furthermore, the project results could feed into the activities of the German-supported programme “*Transboundary Water Management in SADC*”, such as dam synchronization, flood flow forecasting and solidification the early warning system on the Zambezi. While the “Bank’s ... Zambezi-wide regional management program” is being referred to explicitly, the regional support provided by Germany does not appear to have been mentioned.

And finally, the *Overseas Development Institute* (ODI) is currently conducting a study on *Climate Finance Readiness in Southern Africa*, with German support. Zambia is one of the three countries covered, along with Namibia and Tanzania. First results of the study have been introduced in an informal roundtable discussion alongside the UNFCCC climate change conference in Doha. The study is expected to be completed in May 2013. The results of the study might provide useful input for the envisaged enhancement of “Zambia’s capacity to access and manage climate funds directly”.

In summary, we recommend a more explicit exploration and use of synergies with the above mentioned German supported clusters of activity, with a particular view towards the water resources sector and towards climate finance.