

Zambia



THE SITUATION

Zambia is a landlocked country in Southern Africa, and is extremely vulnerable to climate change and variability due to the low adaptive capacity of its nearly 14 million people and high dependence on climate-sensitive sectors such as agriculture and natural resources. Extreme weather and climate events, including floods and droughts, result in significant adverse impacts for Zambians' lives and livelihoods, especially among vulnerable social groups and communities living along river basins. In addition to contributing to water and food inse-



Source: Cordelia persen

curity, Zambia's climate insecurity significantly undermines the functionality and accessibility of critical infrastructure, such as roads, of which less than 10% are paved. Droughts, floods, and other extreme weather and climate events inflict annual damages of around 0.4% GDP; without adaptation measures, the intensified effects of climate change and variability are expected to sap around 1% of Zambia's annual GDP.

THE TRANSFORMATION

To solidify its efforts for creating an institutional foundation for sustainable, mainstreamed climate resilient development planning and investment, Zambia will tap US\$86 million in grants and near-zero interest credits from the Pilot Program for Climate Resilience (PPCR). Zambia's PPCR strategic program was designed under the leadership of the government in coordination with the African Development Bank (AfDB), members of the World Bank Group (IBRD, IFC), other development partners, and key Zambian stakeholders. The strategic program is expected to leverage an additional US\$115 million in public and private sector co-financing for targeted investments to enhance the resilience of key infrastructure, scale-up and sustain replicable investments at the local level, and serve as a catalyst for behavioral change and increased engagement among communities, policymakers, and the private sector.

ZAMBIA QUICK FACTS

GEOGRAPHY AND DEMOGRAPHY

Population: **13.5 million**
 Annual population growth: **4.2%**
 Population living in rural areas: **61%**

DEVELOPMENT

UNDP Human Development Index rank: **164/187**
 GDP: **US\$19.2 billion**
 Annual GDP growth (2006–2010): **6.4%**
 Labor force involved in agriculture: **65%**
 Population living in poverty: **59%**
 Population with access to electricity; telecom services: **19%; 10%**
 Life expectancy at birth: **45**

ZAMBIA PPCR QUICK FACTS

PPCR financing: **US\$86 million**
(58% grants; 42% near-zero interest credits)
 Expected to leverage: **US\$116.5 million**

EXPECTED PPCR IMPACT:

For the approximately 8 million people living in the Kafue and Barotse sub-basins of the Zambezi River, floods and droughts are part of life. The rural populations along these stretches of the Zambezi river basins are amongst the poorest and most climate vulnerable not only due to prevalent climatic conditions and recurrent floods and droughts, but also because of substantial socio-economic isolation. As the youth increasingly migrates to towns in search of better economic opportunities, an increasing number of the elderly or widows are left to fend for themselves, further compounding vulnerability.

Over US\$60 million in combined PPCR financing for a range of projects in the Zambezi River basin aim to provide direct financing to climate-proof the most vulnerable communities and infrastructure, enhancing food security. Furthermore, PPCR financing will support the enhanced adaptive ability and capacity for climate resilience planning and action at the local level.

ZAMBIA'S PPCR INVESTMENT FOCUS AREAS

CLIMATE PROOFING AND CAPACITY DEVELOPMENT (A)

RATIONALE: PPCR financing will support efforts to strengthen the institutional structure, strategic planning, coordination and awareness for climate resilience at the national level; and enhance the adaptive capacity of vulnerable rural communities in the Barotse sub-basin.

FINANCING: US\$34 million (29m grant; 5m near-zero interest credit) PPCR financing is expected to leverage an additional US\$63 million from the government and others for this IBRD-implemented project.

EXPECTED RESULTS:

- Provide technical assistance, policy guidance, goods, training and workshops, and coverage of incremental operating costs for integrating climate resilience into national development planning and action.
- Finance the climate resilient improvement of a 126km stretch of road to improve access to rural communities, reduce poverty, and demonstrate the effectiveness of highly visible, impactful climate resilient investments.
- Provide technical assistance and incremental financing for flood and drainage infrastructure design and management along a strategic 100km canal section to reduce the vulnerability of rural communities to floods.
- Direct at least 50% of climate resilience activities toward reducing the climate risk of vulnerable groups, including women-headed households, the elderly, incapacitated, and youth.

CLIMATE PROOFING AND CAPACITY DEVELOPMENT (B)

RATIONALE: PPCR financing aims to strengthen the adaptive capacity of vulnerable rural communities to respond to climate change and variability in priority areas of the highly populated Kafue River Basin.

FINANCING: US\$37 million (US\$19.5 million grant; US\$17.5 million near-zero interest credit) PPCR financing is expected to leverage nearly US\$40 million from the government and others for this AfDB-implemented project.

EXPECTED RESULTS:

- Promote sustainable water and land management practices among local communities to better address the current and future impacts of climate change and variability.
- Develop local capacity to prepare and implement integrated climate resilient strategies and to review and monitor plans provided at provincial and national levels.
- Upgrade, rehabilitate, and climate-proof the paving, shoulders, and drainage of around 570km of all-weather roads in highly visible, priority areas.
- Direct at least 50% of climate resilience activities toward reducing the climate risk of vulnerable groups, including women-headed households, the elderly, incapacitated, and youth.

PRIVATE SECTOR ENGAGEMENT

RATIONALE: PPCR financing aims to identify opportunity areas for private sector engagement in climate resilience measures, and where appropriate, to catalyze private investment for micro-insurance and finance programs, as well as enhanced quality and accessibility of climate services.

FINANCING: US\$15 million (1.5m grant; 13.5m near-zero interest credit) PPCR financing is expected to leverage an additional US\$13.5 million from the IFC for this IFC-implemented project.

EXPECTED RESULTS:

- Conduct a feasibility study on the engagement of the private sector in enhancing climate resilience in the agriculture sector and in the natural capital of priority sub-basins.
- Determine the feasibility of establishing a private sector mobile phone platform that provides market, technical, and weather information; if appropriate, design and implement the system to improve agricultural productivity and reduce poverty.
- Assess the viability of, and if appropriate, design and implement a commercially sustainable index-based product for flood and drought micro-insurance.
- Promote microfinance services to enhance access to microfinance thereby expanding livelihood opportunities focused predominantly on youth and women's groups.



Source: Damienfir.

