

The coordination of climate finance in Zambia

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Key messages

- Establishing and strengthening institutional arrangements to effectively coordinate the environmental policy agenda has been given considerable attention in Zambia since the early 1990s, and has received support from successive donor-funded programmes from 1997.
- Separation between the institutions charged with coordinating the national development and environmental/climate change agenda has undermined the effectiveness of past arrangements.
- Establishment of an Interim Inter-Ministerial Climate Change Secretariat (IIMCCS) attached to the Ministry of Finance – which is also responsible for national development planning in Zambia - represents a real opportunity to harmonise and integrate these agendas; provided that the Secretariat becomes embedded within a broader permanent institutional regime.
- In addition to its role as facilitator in developing as well as mainstreaming Zambia's integrated climate change and disaster risk reduction agenda, the IIMCCS has overall responsibility for project execution and reporting under the PPCR. Given that the implementation phase of the PPCR is now underway, the Secretariat's ability carry out its facilitation functions could become constrained in the absence of additional capacity. Capacity-building support for from a greater diversity of multi- and bi-lateral programmes or funds is likely to go a long way towards mitigating this risk.

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The author remains solely responsible for the conclusions and all opinions expressed. This paper may be updated to respond to feedback received.

The views presented in this paper do not necessarily represent the views of ODI, African Climate Finance Hub or CPR. In particular, no responsibility for the opinions here expressed should be attributed to the Government of the Federal Republic of Germany or GIZ.

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Abbreviations

ACCE	Africa Carbon Credit Exchange
AF	Adaptation Fund
AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
CAIT	Climate Analysis Indicators Tool
CBO	Community Based Organisation
CC	Climate Change
CCAP	Climate Change Adaptation Project ¹
CCFU	Climate Change Facilitation Unit (2009-12)
CCM	Country Coordinating Mechanism
CEO	Chief Executive Officer
CIF	Climate Investment Funds
CIFOR	Centre for International Forestry Research
CP	Cooperating Partner (also referred to as Donor Party)
DARA	Development Assistant Research Associates
DFI	Development Finance Institution
DMMU	Disaster Management and Mitigation Unit
DoL	Division of Labour
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
ECZ	Environmental Council of Zambia
EMA	Environmental Management Act (2011)
ENRMMP	Environment & Natural Resources Management & Mainstreaming Programme (2008-12)
ENRMP	Environmental Protection and Natural Resources Management Project (2002-07)
EPPCA	Environmental Protection and Pollution Control Act (1990)
ESP	Environmental Support Programme (1997-2003)
FBO	Faith Based Organisation
FDI	Foreign Direct Investment
GAVI	Global Alliance for Vaccines and Immunisation

¹ Full official name: Adaptation to the Effects of Climate Variability and Change in Agro-Ecological Zones I and II in Zambia

GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFATM	Global Fund for AIDS, TB and Malaria
GHG	Green House Gas
GRZ	Government of the Republic of Zambia
HIV	Human Immune Deficiency Virus
HSS	Health System Strengthening
IA	Implementing Agency
IAPRI	Indaba Agricultural Policy Research Institute
IBRD	International Bank for Reconstruction and Development
IFC	International Finance Corporation
IIED	International Institute for Environment and Development
IIMSCC	Interim Inter-Ministerial Secretariat for Climate Change
IP	Implementing Partner
ISTC	Inter-Sectoral Technical Committee
JASZ	Joint Assistance Strategy for Zambia
LDCF	Least Developed Countries Fund
LUCF	Land Use Change and Forestry
MAL	Ministry of Agriculture and Livestock
M&E	Monitoring and Evaluation
MLGH	Ministry of Local Government and Housing
MLNREP	Ministry of Lands, Natural Resources and Environmental Protection
MMEWD	Ministry of Mines, Energy and Water Development (formerly MEWD)
MoCTA	Ministry of Chiefs and Traditional Affairs
MoF	Ministry of Finance (prev. MoFNP ...and National Planning)
MoH	Ministry of Health
MTE	Mid-Term Evaluation
MTWSC	Ministry of Transport, Works, Supply and Communication
NAC	National HIV/AIDS/STI/TB Council
NAPA	National Adaptation Plan of Action (2007)
NCCRS	National Climate Change Response Strategy (draft 2012)
NCS	National Conservation Strategy (1985)
ND-GAIN	Notre Dame Global Adaptation Index
NDMP	National Disaster Management Policy (2005)
NEAP	National Environmental Action Plan (1994)
NGO	Non-Government Organisation
NPCC	National Policy on Climate Change (draft 2010)
NPE	National Policy on the Environment (2005)

ODA	Official Development Assistance (or Aid)
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
OVP	Office of the Vice-President
PPCR	Pilot Programme for Climate Resilience
PR	Principal Recipient
REDD	Reducing Emissions from Deforestation and Land Degradation
R-SNDP	Revised Sixth National Development Plan (2013-2016)
SADC	Southern African Development Community
SAG	Sector Advisory Group
SNDP	Sixth National Development Plan (2011 – 15)
STI	Sexually Transmitted Infection
TB	Tuberculosis
TCO _{2e}	Tonnes of Carbon Dioxide Equivalent
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations (International) Children's (Emergency) Fund
USAID	United States Agency for International Development
WHO	World Health Organisation
WRI	World Resources Institute
ZCCN	Zambia Climate Change Network
ZDA	Zambia Development Agency
ZEMA	Zambia Environmental Management Agency
ZIGGS	Zambian Inclusive Green Growth Strategy
ZMD	Zambia Meteorological Department

1 Background

Zambia and its development partners were among the first to establish aid effectiveness mechanisms such as basket funding arrangements and sector-wide approaches. This was coupled with the establishment of Sector Advisory Groups (SAGs), fora through which the Zambian government, cooperating partners (CPs; also referred to as Donor Parties) and non-state actors engage in sector planning, budgeting and monitoring processes. They are charged with reviewing sector resource allocations and expenditures, as well as ensuring that annual sector budgets presented to the Ministry of Finance are aligned with the current national development plan (presently the Revised Sixth National Development Plan 2013-2016, or R-SNDP). SAGs have therefore provided an important platform for coordination efforts, especially in sectors where CPs provide a substantial share of resources such as health or environment/climate change. The Government of Zambia and its CPs establish a Joint Assistance Strategy (JASZ) which sets out the division of labour (DoL) between the various CPs; it runs concurrently with the duration of the national development plan. The current JASZ (JASZII 2011-15) observes that “Zambia’s CPs have progressed further than most other countries in the region on implementing a DoL in which CPs streamline and coordinate their engagement at sector level”. A key mechanism for promoting such harmonisation is the selection of lead partners for each sector, which play a coordination role and convene meetings. Under JASZ II, the three elected lead CPs for the Environment and Natural Resources sector (the UN System, the World Bank and Finland), operate as a troika.

The country’s environmental policy, legal and institutional framework has its origins in the 1985 National Conservation Strategy (NCS) which, despite enjoying support from Zambia’s first President Mr Kenneth Kaunda, did not become part of the mainstream national planning process. This has been ascribed to its failure to adequately address the political hurdles created by the institutional separation of organisations involved in environment and development, and to the fact it was championed by the Ministry responsible for the Environment² rather than a more powerful institution (Aongola et al, 2009). The box below sets out subsequent environmental policies, plans and legislation (prior to the development of the latest planning, policy and strategy articulations discussed in Section 5 below).

² Ministerial portfolios having been reshuffled on several occasions since 1990, this term is employed when referring to a time preceding the establishment of the Ministry of Lands, Natural Resources and Environmental Protection (MLNREP), the ministry which currently houses the environment function.

1990 Environmental Protection and Pollution Control Act (EPPCA)	Provided for the creation of the Environmental Council of Zambia (ECZ), a semi-autonomous corporate body under the supervision of the Ministry responsible for the Environment established in 1992. ECZ was mandated to coordinate “the activities of all Ministries and other bodies concerned with the protection of the environment and control of pollution”.
1994 National Environmental Action Plan (NEAP)	Recommended that environmental units be established within relevant line ministries or institutions and equipped with appropriate specialist skills.
2005 National Policy on the Environment (NPE)	Designed to address the fragmented policy and legislative framework, and the dispersal of responsibilities across line ministries, adopted in 2007.
2005 National Disaster Management Policy (NDMP)	Seeking to integrate disaster management into national development planning and calling for an Act of Parliament to provide the legal basis and associated institutional arrangements necessary to achieve this (done by the passing of the Disaster Management Act in 2010).
2007 National Adaptation Plan of Action (NAPA)	Prioritises 10 adaptation projects, one of which has been implemented to date.

Between 1997 and 2012, there were four consecutive donor-funded support programmes among whose aims was strengthening capacity for and coordination of environmental management in Zambia.

Programme	Period; Implementer	Key objective(s)
<i>Environmental Support Programme (ESP)</i>	1997-2003; World Bank	To mainstream environmental and natural resource management in the Zambian development process, and strengthen the institutional and regulatory framework.
<i>Environmental Protection and Natural Resources Management Project (ENRMP)</i>	2002–2007; Ministry responsible for the Environment with support from UNDP	To enhance managerial capacity for environmental protection/sustainable natural resource management, and for coordinating the implementation of Multilateral Environment Agreements
<i>Environment and Natural Resources Management and Mainstreaming Programme (ENRMMP)</i>	2008-2012; ECZ (later renamed the Zambia Environmental Management Agency – ZEMA)	To improve coordination and enhance implementation capacity within the environment and natural resources sector – inclusive of climate change. It comprised an environmental fund component
<i>Climate Change Facilitation Unit (CCFU)</i>	2009-2012; Ministry responsible for the Environment with support from UNDP	To devise a comprehensive policy covering all climate change-related aspects of development with an investment programme in support thereof, and to coordinate on-going national efforts relating to climate change.

Establishment of the CCFU marked a turning point; climate change was separated from the broader environmental agenda to be pursued as a distinct policy issue. Previously, the Environmental Council of Zambia (ECZ, which was subsequently renamed the Zambia Environmental Management Agency or ZEMA) had been charged with the coordination of all environmental management issues, including climate change. A 2001 UNEP report observes that the Director of ECZ was the national coordinator of climate change activities, and that ECZ housed the secretariat of the National Climate Change Steering Committee (which was formed in 2000). Then Secretary to the Treasury, Likolo Ndalemi, avers in the foreword to

Aongola et al 2009 that “The coordination role that the Environmental Council of Zambia plays ... is very essential for Zambia’s development...” In a 2011 interview³, the director of ECZ/ZEMA notes that the institution’s emphasis had “shifted from prevention and pollution control to environmental management”, and that “climate change has become a major issue along with strategic assessments”. The formation of the CCFU effectively resulted in ZEMA being divested of its coordination responsibility relating to climate change.

Following the closure of the CCFU when donor funding came to an end in 2012, an interim structure attached to the Ministry of Finance was established - pending approval by the Zambian Cabinet of the Climate Change Policy and Strategy in which a permanent institutional framework for coordination is proposed (outlined in Section 5). The Interim Inter-Ministerial Secretariat for Climate Change (IIMSCC) was set up under aegis of the Pilot Programme for Climate Resilience (PPCR). In addition to this broader mandate, the IIMSCC is also responsible for overall execution, oversight and coordination of the different components of the PPCR in Zambia.

The issue of lead institutional mandate for climate change, as elsewhere, has been problematic; there have been disagreements about which Ministry should spearhead this agenda in Zambia (CIF 2013). In view of this, the importance of coordination arrangement design taking such contestation into consideration has been noted (Watson et al, 2013). The establishment of the IIMSCC within the MoF is in large measure a response to the capacity constraints of the Ministry responsible for the Environment and of ECZ/ZEMA, and recognises the importance of overcoming the institutional separation between organs of state spearheading the development and environment agendas. Aongola et al attribute ECZ/ZEMA’s difficulties in carrying out its coordination functions to its dependence on the collaboration of line ministries, many of which do not regard environmental issues as part of their principal business; and to the resourcing constraints it has faced. They observe that the Ministry in charge of the Environment’s budgetary allocations (and by extension those of ECZ/ZEMA) have not been commensurate with its responsibilities, resulting in heavy dependence on donors.

Aongola et al also draw attention to the potentially unproductive influence on Zambia of the incoherence in the international aid and environmental institutional landscape. They observe that development assistance fashions have changed rapidly: initiatives such as sustainable livelihoods, national sustainable development strategies, and support to environmental investments have been introduced and then withdrawn. They wonder how enduring and consistent the current donor emphasis on climate change will prove to be. With regard to climate change more specifically, Zambian officials have remarked that the complexity of the international architecture does not facilitate in-country coordination.

Slunge et al 2010 note there is a risk the JASZ DoL may result in environmental issues being reduced to only a concern for CPs working with the Ministry in charge of the Environment, and hence that opportunities for other CPs to play a role in promoting environmental mainstreaming in other sector ministries or the MoF may be overlooked.

³ Interview with Paul Banda, Director of the Environment Council of Zambia conducted in September 2011 by Heinz Greijn, Editor-in-chief, Capacity.org (<http://www.capacity.org/capacity/opencms/en/topics/change-facilitation/caring>).

2 Country economic context

Following a period of weak growth during the 1990s, the Zambian economy has experienced rapid growth since the early 2000s. Foreign direct investment (FDI) rose from approximately US\$164.9 million in 2003 to US\$1.73 billion in 2010 (World Bank, Zambia Overview). General government revenues increased from roughly US\$1 billion in 2003 to US\$4.2 billion in 2011 (Quandl, 2012). Mining continues to play the leading role in underpinning economic growth, and revenue from mining rose by 33% in 2012 relative to 2011 (Bloomberg, 2013). In 2011 the country was classified as a Lower Middle Income Country by the World Bank, and over the past decade it has become increasingly less reliant on Official Development Assistance (ODA). In 2012 ODA constituted roughly 7% of the Government's budget or 2% of GDP, about a third of what it represented in 2004 when it made up 21% of the budget, or 6% of GDP in 2004 (Finland, 2013)

In 2011 central government tax revenue was 19.3% of GDP, whilst central government expenditure was 19.7%. The country's net public debt stood at 20.1% of GDP (of which 10.2% is external and 9.9% is internal), and it had a positive current account balance after grants of 1.5% of GDP (World Bank, 2013c). Zambia's debt level has risen significantly since, reaching close on 30% of GDP in late 2013⁴, due principally to new borrowing to fund investments in infrastructure. Notably, Zambia raised US\$750 million in 2012 through its debut 10 year Eurobond placement which was heavily oversubscribed.⁵

However, this should be seen in the context of Zambia's infrastructure funding gap which is estimated at 52% of the Zambian Kwacha 60.2 billion in total infrastructure financing required by the SNDP (using 2011 average exchange rates, this equates to about US\$ 12.4 billion). Of the 48% of required finance which has been budgeted, 56.4% is to come from the public sector, 36.1% from DFIs and bilateral sources, and 7.5% from the private sector (ZDA, 2013).

⁴ Southern Times: Drowning in Debt - Has Zambia bitten off more than it can chew? J. Kapembwa 25-10- 2013

⁵ Zambia issued a second sovereign bond in 2014 on the international market raising a further US\$1billion.

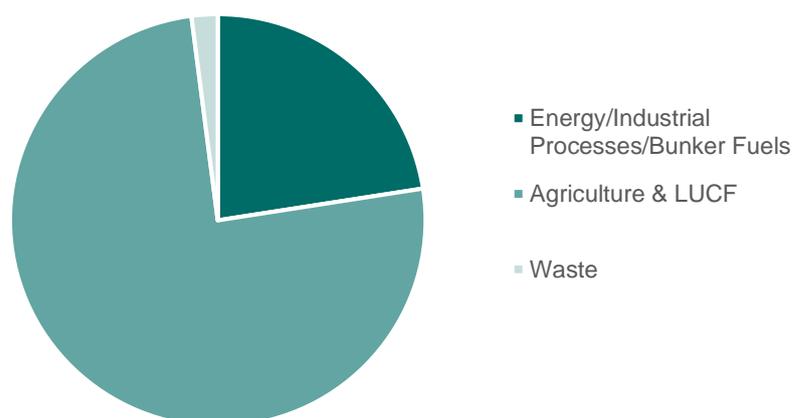
3 Climate change overview

Zambia’s assessed GHG emissions and vulnerabilities to anticipated changes in climate are outlined below to provide the context for national efforts to address these.

3.1 GHG emissions

WRI’s CAIT 2.0 database shows total GHG emissions excluding LUCF in Zambia dropping by almost 18% between 1990 and 2010; including LUCF, the drop is 13%. The sector breakdown of total emissions for 2009 is shown in Figure 1 below:

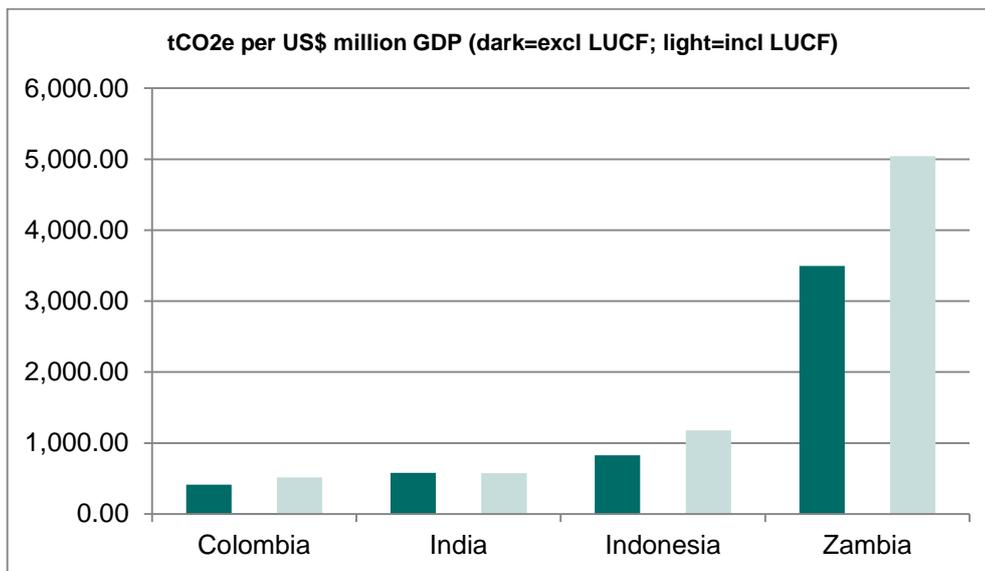
Figure 1: GHG emissions by sector: Zambia 2009



Source: Adapted from CAIT 2.0 database

Zambia’s total emissions per capita in 2010, based on CAIT data, were: 7.16 tCO₂e including LUCF – compared to 4.86 tCO₂e for Indonesia, 4.64 tCO₂e for Colombia, and 1.91 tCO₂e for India. Per unit of GDP, Zambia’s emissions put it even further ahead of the other three countries, as shown in Figure 2. However, the size of Zambia’s population and economy mean that in absolute terms its contribution to global emissions remains small.#

Figure 2: 2010 GHG emissions per unit of 2011 GDP



Source: Adapted from CAIT 2.0 database

The predominance of emissions from LUCF/agriculture suggests that the greatest opportunities for mitigation exist in this sector and that national mitigation efforts should place a strong focus on this area. The Indaba Agricultural Policy Research Institute (IAPRI) estimates that 2/3 of urban residents rely on charcoal for cooking, and a recent scoping study by CIFOR on the charcoal and timber trade in Zambia observes that in the absence of alternative energy sources, charcoal demand and production will increase in tandem with the country's rapid urbanisation rate.

Zambia's draft National Policy on Climate Change recognises that deforestation rates are high, estimated at between 250,000 and 300,000 hectares per annum, and lists the principal causes thereof (charcoal and firewood consumption; timber production; unsustainable agricultural methods such as shifting cultivation; and other land use practices). However, it places limited emphasis on the contribution of deforestation and forest degradation to national GHG emissions, and does not explicitly link them to potential alterations in the country's hydrology and consequent impact on water availability.

3.2 Key sources of vulnerability

The ND-GAIN Index lists Zambia as a Lower Middle Income country and ranks it as the 34th most vulnerable and 69th least ready of the 177 countries it covered for 2012. It places Zambia in 128th position overall, and 7th among the SADC's 15 member states.

The DARA Vulnerability Index places Zambia in the 'acute' category (2010) in terms of multi-dimensional climate vulnerability, and indicates that this is increasing.

In a recent World Bank report, Zambia sits in the bottom quintile in terms of risk preparation, and also among the countries with the highest poverty risk in 2030 (World Bank, 2013). This assessment is based on the Index of Risk Preparation⁶

⁶ This measures assets and services across four categories: human capital, physical and financial assets, social support, and state support.

developed for the ‘Managing Risk for Development’, World Development Report 2014; and on a Poverty Risk measure developed by ODI (ODI, 2013).

Zambia’s draft National Policy on Climate Change (NPCC) provides an overview of the assessments conducted to date on the country’s changing climate. Records spanning from 1960 to 2003 indicate that the mean annual temperature has risen by 1.3°C during this time – about twice the increase in global average annual temperatures over the same period. A tendency for extreme events such as floods and droughts to become more frequent, as well as for the rainy season to become shorter and more intense, has been detected during the past four decades. These trends are predicted to continue. The NPCC identifies a low adaptive capacity as a major contributor to vulnerability, which stems from a number of factors - poverty, inadequate policies and Institutions, and poor infrastructure being among the most important.

The agriculture and food security sector is identified as requiring the most immediate attention. Agriculture is deemed particularly vulnerable, and an assessment of the economic impacts of climate change conducted by the MLNREP in 2011 shows that over half of these are likely to come from this sector alone. Of the economy-wide losses of US\$4.3-US\$5.4 billion it estimates for the next decade (equivalent to 0.9% - 1.5% of GDP), US\$2.2 billion to US\$3.1 billion arise in agriculture. Although Zambia is well endowed with water resources compared to most other countries in Southern Africa, the distribution of these resources means that in certain areas they are already under pressure and subject to contestation about rights of access/ownership.

Recurrent flooding which occurs along the main river basins and in the poor urban townships surrounding Lusaka is another identified vulnerability area: one which has been given much public and media attention. There has been some debate about the extent to which this flooding can be ascribed to climate change, or should more properly be attributed to such factors as the rapid growth of informal settlements and shortcomings in the provision as well as maintenance of infrastructure. UNICEF⁷ observes that “The main emergencies that occur in Zambia are very much water related and predictable. Every year, there are floods along the riverine areas, (...) and in the unplanned settlements in peri-urban areas. (...). Due to lack of drainage systems, poor hygiene, and sanitation, cholera prevails in peri-urban settlements.” Zambia’s Vice President announced in February 2014 that Disaster Management and Mitigation Unit (DMMU, which falls under his Office) was “providing back up support to the work being undertaken by the local authorities whose mandate is to open up and maintain drainages.”⁸

⁷ Disaster Management in Zambia: UNICEF’s Role (http://www.unicef.org/zambia/cross_cutting.html)

⁸ Statement by Dr G. L. Scott, Vice President, on the 2013/2014 relief programme - 27 Feb 2014

4 Multilateral climate and health funds accessed

Zambia has accessed the following major multilateral climate and health funds:

Table 1: Funds Accessed, Key Aspects of Operation and Observations⁹

Fund	Amount	Key players	Key Aspects	Observations
Climate Investment Funds / PPCR	\$ 86m approved; \$7m disbursed. 3 components	IA: IBRD, IFC & AfDB IPs: <u>Lead</u> - MoF; <u>Other</u> - Enviro Min; DMMU; MAL; MTWSC; ZCCN(NGO); ACCE(PS)	Support to institutional coordination arrangements; MOUs with sub-national and intra-ministerial units.	Need to achieve broader buy-in and sustainability: IIMCCS closely associated with and predominantly funded by PPCR.
Global Environment Facility	\$7.7m approved & disbursed. 3 projects	IAs: UNEP(2); IBRD(1) IPs: ECZ(small grant); MMEWD/ZESCO/REA		Funding predominantly for 1 sub-sector (electricity); Dissatisfaction about bureaucratic procedures.
Least Developed Countries Fund	\$17.74m approved; \$3.65m disbursed. 5 projects	IA: UNDP(4); AfDB (1) IPs: Enviro Min; MAL; MTWSC/ZMD; MMEWD; MOCTA; ZCCN	Diversity of IPs, incl. an NGO; Supported NAPA development	Lack of lead IP with cross-sector coordination authority; Limited support for coordination arrangements.
Adaptation Fund	Not accessed			
GAVI	\$93.17m approved; \$92.48m disbursed	IPs: HSS partners: WHO; UNICEF; USAID; an FBO)	HSS support to address system-wide barriers; CSO support program.; In-house TA to facilitate applications	Weak tracking of program progress -> risk of fund misuse
GFATM	\$812.05m committed; \$734.12m disbursed	PRs: an FBO; UNDP; MoH; MoF; an NGO	Competitive application process; Non-state actors are important PRs; CCM required to engage with beneficiary groups and domestic private sector entities	CCM observed (initially) to operate in parallel to the country's coordination body (NAC); separate existence implies additional costs

IA=implementing agency; IP=implementing partner; PR=principal recipient; HSS=health system strengthening; CCM=country coordination mechanism

⁹ Information obtained from the websites of the relevant funds, as well as from studies/comments on their modus operandi in Zambia.

Among dedicated climate funds, the most important for Zambia in terms of funding allocation and support for coordination arrangements is the PPCR. The programme having just entered its implementation phase, a relatively small proportion of approved funding has been disbursed thus far. The sums disbursed by multilateral health funds, the Global Fund in particular, substantially exceed those from dedicated climate funds.

Because its access modalities operate through a dedicated Country Coordinating Mechanism (CCM), the Global Fund also provides an example of how a multilateral fund has approached the issue of in-country coordination that might be used to inform the development of climate change coordination arrangements. A case study on Zambia's Global Fund CCM (Munro, 2008) noted that of its 21 members, 7 were from government, 6 from NGOs and 5 from multi/bilateral agencies. However, there was also a domestic coordinating body covering largely the same diseases, though not malaria - the National HIV/AIDS/STI/TB Council (NAC). The study observed that the NAC provided secretarial services to the CCM, and that the two bodies had developed a close working relationship. In light of this the NAC had proposed merging the NAC Board with the CCM, and members of the CCM had debated this. Reservations about doing so among some CCM members concerned the fact that the NAC's mandate does not cover malaria, and that its Board did not include multi- and bilateral partners. Whilst the importance of Global Fund activities being integrated with and complementing other related programmes, and of avoiding duplication of coordination platforms was recognised, the study noted some residual concern about the CCM becoming too embedded in national systems. CP use of parallel implementation arrangements in Zambia continues because some programmes which use country systems have found that management challenges in line ministries have resulted in a substantial portion of committed aid remaining undispensed every year (Finland, 2013). On the other hand, it has been observed that in Zambia the membership of bilateral agencies had weakened country ownership of the CCM, and that its administrative support structure had not been adequate.¹⁰

¹⁰ David Kaluba, National Coordinator, IIMCCS

5 Current status of the national climate change policy response

A number of important developments have occurred in Zambia since the initiatives summarised in the opening ‘Background’ section of this paper.

A panel of national experts under the MoF helped the government to mainstream climate change (World Bank 2013d) into Zambia’s Sixth National Development Plan (SNDP 2011 – 15) (GRZ, 2010b). The SNDP outlines the anticipated impacts of climate change by sector: particularly for agriculture, and in a number of other sectors to a lesser extent. Among the goals it sets for the environmental agenda the most climate-relevant are to:

- “Develop long term environment and climate change mainstreaming and response strategies for implementation at national, sector and sub national levels;”
- “Strengthen institutional capacity at national, provincial, district and community levels to effectively implement the policy and legal framework”;
- “Improve data and information management systems and equipment and human capacity for environmental accounting and pollution mitigation and control;”
- “Promote sustainable land management and facilitate rehabilitation of degraded lands in open areas;”
- “Facilitate the development and implementation of sector and provincial specific environmental integration and climate change adaptation and mitigation guidelines and programmes;” and
- “Create an environment fund for promoting resource mobilization and investment for effective environmental management”.

Thus, significant initial steps have been taken to incorporate the climate change dimension into national planning. Translating the above broad goals into actionable initiatives will, however, require that an overarching strategy as well as detailed programmes and projects be developed. As a next step, the MLNREP drafted a National Climate Change Response Strategy (NCCRS, in 2010), as well as a National Policy on Climate Change (NPCC, in 2012); submission of these to the Cabinet for approval has experienced delays.

The NCCRS (GRZ 2010a), based on the 2007 NAPA (World Bank 2013d), outlines a number of possible projects and programmes for different sectors, also identifying relevant organisations, and providing rough cost estimates and output timelines. Given the scale of the combined estimated cost of these activities (US\$

6.6 billion), the absence of prioritization/sequencing and a financing plan means that further work will be required before a start can be made to implementation.

The draft NPCC (GRZ 2012), states that “Government has decided to treat climate change as a developmental issue”. It observes that “So far, there have been several fragmented efforts, which have been proven to have had a limited overall effect “, and hence that a key purpose of the Policy “is to establish a coordinated national response to climate change”. It notes that “At present, there is no single institution that has a clear mandate for coordinating climate change activities in the country”. To remedy this the NPCC provides for “Government (to) set up a National Climate Change and Development Council (NCCDC), ...(that is to) be responsible for coordinating and mainstreaming climate change in all sectors of the economy, with linkages to Parliament, Development Partners, House of Chiefs and other relevant stakeholder institutions”. This proposed permanent institutional arrangement for coordination is discussed in more depth under Section 8 below.

It being now over three years old, and in view of the recent revision of SNDP to reflect the priorities of the new government which came to power in late 2011, there is a need for the NCCRS to be updated/revised. Zambia has decided to do this in the context of an initiative being driven by the OECD in association with AfDB aimed at promoting a green growth development approach in Zambia¹¹. A process is currently underway to develop a Zambian Inclusive Green Growth Strategy (ZIGGS) that encompasses climate change and disaster risk reduction (DRR). The OECD, AfDB and IIED have indicated in principle willingness to provide continued support to Zambia in this regard (IIED, 2014). Issues that are being factored into this strategy include ensuring greater alignment between climate goals and the latest national development priorities, as well as a realistic balance between the roles of domestic and international resources in the financing plan. Zambia’s objective of pursuing an approach to climate change that integrates DRR, adaptation and mitigation should also find support from the UN’s Joint Programme on Climate Change and Disaster Risk Reduction.

¹¹ In July 2013 the OECD, AfDB and IIED supported a Zambian national workshop on inclusive green growth co-chaired by the IIMCCS/MoF and MLNREP. Aimed at facilitating the transition towards an inclusive green economy, and supporting strategic decisions in the context of the revision of Zambia’s SNDP then underway, the workshop concluded that an IGG approach would be a good means of implementing many existing Zambian policies together to achieve synergistic outcomes, and of addressing issues that had resulted in some policies becoming stuck and not properly implemented.

6 Domestic institutions involved in managing climate investments

The principal ministries, departments or agencies involved in managing climate change-relevant investments are listed in the table below. Private actors, including financial institutions, have not played a significant role as investors in - or as a channel for directing public resources toward - climate change activities to date. The issue of enhancing the enabling framework for private sector investment in both mitigation and adaptation is being advanced in the context of developing the ZIGGS.

Table 2: Principal institutions involved in managing climate-related investments

ACTOR	ROLE
Ministry of Finance (MoF)	Responsible for managing the national budget process, and is the conduit for all international climate-related financial inflows. It is also the main anchoring point for the Zambia's largest donor-funded climate change programme - the PPCR.
Office of the Vice-President (OVP) - Disaster Management and Mitigation Unit (DMMU)	The DMMU is responsible for mobilizing and managing resources for disaster response and rehabilitation. Although charged with responding to all types of disasters, those arising from climate variability make up the bulk of its work.
Ministry of Lands, Natural Resources and Environmental Protection (MLNREP)	As the institution responsible for natural resource management, land administration and forestry, it receives the bulk of donor support for such activities including REDD+ funding. ZEMA falls under this ministry.
Ministry of Agriculture and Livestock (MAL)	The largest sector allocation for 'mainstreamed' climate change programmes from the national budget over the period 2007-2012 is estimated to have gone to Agriculture. In addition it has received substantial climate-related donor funding.
Ministry of Mines, Energy and Water Development (MMEWD)	Substantial climate-related cooperating partner support has been provided both to the Water and Energy Departments. In particular, a programme for enhancing water resource management systems currently underway is receiving considerable donor funding, notably for investments in climate and hydrometric data monitoring platforms.
Ministry of Local Government and Housing (MLGH)	Lead ministry for the implementation of the Decentralisation Policy aimed at enhancing the capacity of sub-national government, and devolving responsibilities as well as budget allocations. Likely to be instrumental in enhancing access of sub-national government structures to climate finance. Responsible for the Constituency Development Fund that disburses funds to districts for rehabilitation and maintenance of such local infrastructure as secondary roads, water and sanitation facilities, and community-based health and education facilities.

Ministry of Transport, Works,
Supply and Communication
(MTWSC)

Being charged with overseeing the construction and maintenance of public facilities (road, rail, air and waterway transport; public buildings such as schools, offices, health and housing; ICT and meteorological equipment), the bulk of public infrastructure finance passes through this Ministry. The high priority being accorded to infrastructure development in Zambia has resulted in MTWSC's budget allocation for 2014 rising by 37.5% relative to 2013. Important bodies falling under this Ministry are the National Road Fund Agency (NRFA), the Road Development Agency (RDA), and the Zambia Meteorological Department (ZMD). NRFA is responsible for managing funds for the road sector, and the RDA for the planning, design, construction, maintenance and management of the country's road network. ZMD implements meteorological investments.

7 Institutions with climate-related coordination mandates

Three of the above-mentioned institutions, in addition to their functions in managing climate finance, also possess a coordination mandate.

- **Ministry of Finance (MoF).** In Zambia this ministry is also the national development planning authority, and it therefore has a central role to play in ensuring that national, sectoral and regional development plans incorporate climate change considerations. The MoF has received support from GIZ under Germany's Climate Finance Readiness Programme to develop a climate-related project screening, appraisal and selection tool; and to conduct a capacity gap analysis of institutions that could seek GCF accreditation (as NDA or NIE). After the Presidency, Vice-Presidency and the Cabinet, it is arguably the organ of state with the greatest convening and policy harmonizing powers, and is thus well placed to assume responsibility for coordinating the climate change agenda. With support from the PPCR, the Cabinet Office (Secretary to the Cabinet) established an Interim Inter-Ministerial Secretariat for Climate Change (IIMSCC) attached to the MoF which is discussed in more depth below.
- **Office of the Vice President (OVP) - Disaster Management and Mitigation Unit (DMMU).** The focal point for the Hyogo Framework for Action, the DMMU is housed within the OVP and thus sits above ministerial level. Given that the bulk of its work involves responding to climate-related emergencies such as droughts and floods, it is viewed as the "hands-on" agency in the field and occupies a prominent position in both local and national debates about climate exposure. It coordinates activities with ZMD, MTWSC, MLGH and, more

recently, with MAL. Its District Officers are reported to view themselves as “coordinators” of climate change adaptation issues at the local level (DIIS, 2013).

- **Ministry of Lands, Natural Resources and Environmental Protection (MLNREP).** The ministry that is mandated to formulate environmental policies, strategies and legislation, and to compile Zambia’s National Communications to the UNFCCC. It remains the national focal point for climate change, including for GEF, LDCF, and REDD+; but not for the PPCR. Although the CDM Designated National Authority (DNA) is an inter-ministerial body, the MLNREP houses its secretariat. First through ECZ/ZEMA, and then the CCFU, the Ministry in charge of the Environment has been responsible for coordinating climate change activities in Zambia. Following the closure of the CCFU and the establishment of the IIMCCS, this responsibility passed to the MoF.

8 Proposed permanent institutional coordination arrangements

The issue of coordination has occupied a prominent position in deliberations about Zambia’s environmental institutional arrangements. A major debate, in the run-up to the establishment of the ECZ in 1992, concerned the most appropriate *modus operandi* for the institution. Since it was to carry the main responsibility for ensuring implementation of successive environmental policies/ strategies, this meant it would need to exert some influence over other government entities. One body of opinion favoured creating an apex environmental institution under the Vice President’s office that would be able to pass decrees requiring line ministries to address environmental issues, and to ensure compliance. Another, which won the day, took the view that such a command-and-control approach was not suited to a world in which participation and partnerships were increasingly becoming the norm, and in which environmental management had developed so many facets. As it turns out, the collaborative coordination model instituted for ECZ has faced challenges; convincing a range of very different line ministries to internalise environmental management has been problematic in the absence of directives or political support from a high-level political body (Aongola et al, 2009).

These considerations have resulted in pressure, not least from donors, for the establishment of alternative coordination arrangements. The institutional arrangements proposed by the NPCC are thus based on the creation of a new institution, the NCCDC mentioned above. This body is to “be under the purview of the Committee of Ministers chaired by the MoF(NP) and administered by the Committee of Permanent Secretaries chaired by the Secretary to the Treasury”; it is

to have a Secretariat “... managed by a CEO, whose standing will be at the level of a government Permanent Secretary” and housed at the MLNREP. However, the Interim Inter-Ministerial Climate Change Secretariat, which is destined to become this permanent Secretariat, is attached to the MoF. There is also a body of opinion which favours the NCCDC reporting directly to Cabinet, rather than to a Committee of Ministers chaired by the MoF, to clearly elevate it above ministerial level.

The functions of the different bodies involved in the envisaged new arrangements, and their status as of March 2013, is set out in the table below (adapted from GRZ, 2013):

Table 3: Proposed Institutional Arrangements

BODY	FUNCTION	STATUS
Committee of Ministers (chair: Minister of Finance)	Provide policy oversight	Not yet operational ¹²
Committee of Permanent Secretaries (chair: Secretary to the Treasury)	Supervise work of IIMCCS/NCCDC	Not yet operational ¹³
Climate Change Development Council or Board (to be appointed by Committee of Permanent Secretaries)	Work with the IIMCCS/NCCDC and approve plans on the recommendation of the technical working groups	Yet to be appointed
National Climate Change and Development Council/ IIMCCS	Coordinate all climate change and disaster risk management initiatives in 'relative autonomy' under the MoF, and oversee implementation thereof	Operational but awaiting formal ratification
Technical working groups on Climate Resilient Agriculture, Climate Resilient Infrastructure, Climate Information and Climate Financing	Provide technical support to the IIMCCS/NCCDC	Operational
Climate change/DMMU provincial and district sub-committees and Local Area Committees	Implement initiatives at sub-national level	Operational

It is anticipated that the NCCDC will be created as a Statutory Body by Act of Parliament, rather than as a unit within a government ministry or office. Some role-players have expressed concerns about the time such a process would require, but as Zambia has already set up such bodies to enhance coordination and assume specific functions in a range of thematic areas, it has substantial experience to draw on. In reaching a decision about this, it will be important for Zambia to consider both its shorter and longer term objectives.

There are three Statutory Bodies in Zambia whose characteristics and experiences can provide insights to inform the design of the proposed NCCDC: ZEMA, the National AIDS Council (NAC), and the DMMU. The most relevant features of these are discussed below.

¹² This Committee has since been deemed unnecessary.

¹³ Now operational in the context of the IIMCCS

Zambia Environmental Management Agency:

The Environmental Management Act of 2011 (EMA), which re-named the ECZ as ZEMA, also extends its mandate beyond that of coordinating “the activities of all ministries and other bodies concerned with the protection of the environment” to include the deployment of such coordination to “ensure the integration of environmental concerns in overall national planning”. The EMA also provides for ZEMA to house an Environmental Fund aimed at supporting investment in projects for “mitigating or restoring environmental degradation and adverse effects on the environment”, which if sufficiently resourced could be expected to enhance ZEMA’s influence over other players. The Act does not, however, specify how this Environmental Fund is to be resourced, and it is yet to be established. As previously outlined, ECZ/ZEMA has faced challenges in carrying out such mandates in recent years, and they have now been given to other structures. Underlying causes of these challenges put forward include the body’s attachment to the Ministry in charge of the Environment (not one of the more powerful government institutions), and the resourcing constraints this implies. To this can be added the fact that the EMA does not specify the minimum rank of representatives from other relevant ministries that are to be members of ZEMA’s board, which has enabled ministries to delegate insufficiently senior individuals.

A positive aspect of ECZ/ZEMA’s design was the diversity of sources from which to meet its operating expenses: in addition to funds allocated to it by Parliament or by donors, the body was empowered to use the income it collected by way of fees. Each of these sources constituted about a third of its funding in 2011¹⁴ - the latter being an own revenue resource. As of January 2014, when the Environmental Management (Amendment) Act 2013 came into effect, ZEMA is no longer able to retain the fees which it is charged with collecting.

The National AIDS Council:

The National HIV/AIDS/STI/TB Council (NAC) was established by a 2002 Act of the same name “to coordinate and support the development, monitoring and evaluation of the multi-sectoral national response for the prevention and combating of the spread of HIV, AIDS, STI and TB...” Unlike ECZ/ZEMA, and the DMMU discussed below, it has no implementation functions: its sole purpose is to provide strategic leadership to ensure effective harmonisation of activities by the range of players involved in the national response. Significantly, the design of Zambia’s interim climate change coordination body (discussed in the Section 9) drew on lessons learned from the NAC (World Bank 2013b).

The NAC has been characterised as having a ‘persuasive coordination’ role, given that it lacks powers to sanction or to enforce compliance; it must thus be adept at creating well-functioning relationships, at clarifying its role, and at show exemplary competence in order to gain partner respect and cooperation. It is worth noting, though, that there is a Cabinet Committee on HIV and AIDS in Zambia comprising Ministers of relevant sectors which has played a crucial role in providing the NAC with access to the highest levels of government: the Cabinet and the Presidency (Austen et al 2010). Also, the NAC Act does specify that membership of the NAC from relevant ministries must hold the rank of Permanent Secretary.

The Disaster Management and Mitigation Unit:

Created in 1994 as a department within the Office of the Vice President, the DMMU was not established as a Statutory Body until 2010 by the passing of the

¹⁴ Interview with Paul Banda, Director of the Environment Council of Zambia conducted in September 2011 by Heinz Greijn, Editor-in-chief, Capacity.org (<http://www.capacity.org/capacity/opencms/en/topics/change-facilitation/caring>).

Disaster Management Act. The DMMU occupies a central position in what is referred to as the National Disaster Management Regime, which has at its apex the National Disaster Management Council. This Council is chaired by the Vice President with the Minister responsible for defence as Vice-Chair, and its membership is made up of 13 Ministers. It is supported by the National Disaster Management Technical Committee, which comprises Permanent Secretaries from 12 Ministries, the UN Resident Coordinator plus a representative from the Red Cross and a faith-based organisation. The DMMU sits below these two structures, and being an implementation body, has a presence at sub-national level through Provincial and District Disaster Management Committees. The CEO of DMMU holds the title of National Coordinator and the rank of Permanent Secretary.

The high public - and hence political - profile enjoyed by disaster and HIV/AIDS/TB management has been a key dynamic underpinning the success of coordination arrangements in these fields. Furthermore, the substantial sums disbursed by international health funds have undoubtedly also helped to boost the standing of the NAC. Such factors have not yet come into play for the climate change agenda; and, as it is both more long term and cross-cutting in nature, it is arguably even more important that coordination arrangements in this domain be entrenched through legislation. In the absence of a legal framework, more ad hoc coordination arrangements are less likely to be taken seriously by powerful role-players with other priorities, and will be more exposed to the electoral cycle.

These bodies were established by Acts of Parliament, meaning that the legislative branch of government was involved in instituting them, and retains an oversight role thereafter. They report to Parliament annually on their activities and expenditure. The Acts give them a legal mandate, and contain provisions aimed at ensuring their financial sustainability as well as the inclusion of relevant non-state actors. Key advantages of establishing coordination institutions as Statutory Bodies include:

- Greater institutional permanence, as it is more difficult to close down such a Body than a structure established only through a decision of the executive.
- Formal mandate and legal powers
- Greater security of funding, since such Bodies report also to Parliament which is able to influence budgetary allocations.
- Stipulation of seniority of ministerial board representation and inclusion of non-state actors.

The Acts which establish these Bodies also provide for the creation of a dedicated Fund to support their activities. Whilst designed to enhance their financial position, such dedicated funds could result in the fragmentation and loss of flexibility in the country's budgetary allocation. It appears that to date none of these envisaged Funds is yet fully operational, perhaps owing to such concerns.

9 Interim coordination arrangements

In 2012, pending agreement on and implementation of permanent institutional arrangements for climate change coordination, the Government of Zambia established the Interim Inter-Ministerial Climate Change Secretariat (IIMCCS) under the MoF. This was done in recognition of the need to make interim provision for co-ordination of all climate change and disaster risk management initiatives in the country, and for a dedicated unit to oversee implementation of key climate change initiatives in the country. The IMCCS is “designed to be a facilitation and coordination unit, with implementation left to line Ministries or decentralized structures” (World Bank, 2013b), an operating mode that avoids ‘stepping on the toes’ of implementing bodies¹⁵. It also has overall responsibility for project execution and reporting, as well as for overseeing and coordinating project implementation for the PPCR (World Bank, 2013d).

Funding for the IIMSCC since it was set up in 2012 has been provided principally by the PPCR, under the programme’s component aimed at supporting institutional arrangements for climate change (in the context of the PPCR, the IIMCCS is also referred to as the ‘PPCR Secretariat’). The PPCR has budgeted US\$ 9.6 million for the IIMCCS spread over five years. Government co-funding had, until this year, been restricted to the salaries of staff members attached from various ministries. In 2014, the GRZ provided an additional budgetary allocation for other operating expenses of about US\$ 800,000. For 2015, this allocation has been increased to roughly US\$ 1.5 million. Domestic budgetary allocations are thus envisaged to increase progressively, in order that by the planned closing date of Phase II of the Zambia PPCR in 2019, these will have exceeded the funding being supplied by the PPCR. Such a shift towards domestic funding is critical for ensuring sustainability and for demonstrating as well as entrenching country ownership. Its importance is underscored by the World Bank which observes that “institutional arrangements for climate change cannot be imposed from the outside; they need to be agreed internally by national stakeholders, and allowed to take the necessary time to gain legitimacy, consolidate support, and ensure sustainability” (World Bank 2013b).

The roles of the Secretariat are outlined in the table below (adapted from GRZ, 2013).

¹⁵ Telephonic interview with Iretomiwa Olatunji of the World Bank - 14th April 2014.

Table 4: Functions of the Secretariat

AREA	DESCRIPTION
Policy Formulation	Facilitate the consultations and finalization of a harmonized policy on climate change and disaster risk reduction.
Legal Framework	Facilitate the process of development of the legal framework on climate change and disaster risk reduction, taking into consideration existing Acts such as the Disaster Management Act of 2010, the Water, Environmental Protection, Forestry Act and other relevant legislation.
International agreements and negotiations	Facilitate and coordinate the implementation of key UNFCCC (<i>commitments?</i>), including preparations for COP meetings, and of access to global climate financing such as under the Green Climate Fund, Climate Investment Funds, Adaptation Fund, etc.
National Climate Change Program	Facilitate consensus on and development of Zambia's harmonized national climate change program, entitled "Climate Resilient and Low Emissions Development Program" – to include a program financing framework, and the mapping of existing local, regional and national climate related activities and projects that would fall under the National Programme, including their respective funding.
Stock taking and identification of gaps	Review the consultative process followed by the strategy and policy to date, compile the recommendations received, and identify any existing consultation gaps - in the form of a draft policy brief for PS and Cabinet consideration.
Consultation with decision-makers	Based on the policy brief above, facilitate meetings with high level policy makers (and other stakeholders as recommended by the brief) to reach consensus on the final brief and a Government decision.
Documents for Cabinet approval	Facilitate the preparation of Cabinet memoranda for consideration and approval of the long-term arrangements by Cabinet.
Transition to new institution	Once a decision has been reached and Cabinet's Public Service Division has finalized the terms of reference for the key long-term positions, facilitate the smooth transition of responsibilities.
Programme coordinating functions	<ol style="list-style-type: none"> 1. Act as a liaison and custodian of information between different Government agencies and levels, civil society, private sector, development partners, House of Chiefs and Parliamentary Committee on Climate Change, and youth champions. 2. Ensure that all on-going and new initiatives in climate change and DRR are in line with a harmonized programmatic framework, and that resources are efficiently utilized. Once the National Programme is developed, all activities should be conformant therewith. 3. Facilitate the formalization of the multi-stakeholder technical working groups, (including on Climate Information; Climate Resilient Agriculture; Climate Resilient Infrastructure; Climate Financing; Reducing Emissions from Deforestation and Land Degradation (REDD) ; Integrated Land Use Assessment) 4. Serve as Secretariat to the Permanent Secretaries Committee and the technical working groups, above, including the Designated National Authority for the Clean Development Mechanism, and the Disaster Risk Management Technical Committee. 5. Coordinate reporting, monitoring and evaluation on the progress of the climate change and disaster risk reduction activities.
Executing unit for key projects	<ol style="list-style-type: none"> 1. Project implementation unit for the PPCR (including procurement and financial management). 2. Executing unit for all REDD activities, including UN REDD. 3. Executing unit for the National Capacity Building Project for Climate Change. 4. Executing unit for other climate change and DRR projects, as determined by Government (e.g. Youth Ambassadors Project, UN Joint Program on Climate Change and DRR, NAMAs).

Mainstreaming communication and knowledge	<ol style="list-style-type: none"> 1. Continue mainstreaming of climate change and DRR issues into sectoral policies, and strategic plans (including budget allocations and tracking thereof) 2. Facilitate and coordinate analytical work on the impact of climate change and dissemination to appropriate institutions 3. Support provision of information, education and awareness on the effects of climate change to a range of stakeholders 4. Facilitate capacity development in climate change and disaster risk management 5. Facilitate the sharing of lessons learned, both nationally and internationally.
Resource mobilisation and management	<ol style="list-style-type: none"> 1. Ensure transparent and correct fiduciary standards are maintained in line with agreements relating to the funds being managed by the Secretariat (including all related financial and procurement records). 2. Facilitate future resource mobilization, including discussions on establishment of multi-donor funds and strengthened capacity for future direct access to the Green Climate and Adaptation Funds.

As noted above, akin to NAC, the IIMCCS is said to have been envisaged as a facilitation/ coordination rather than as an implementation unit; however, the above table indicates that it will also function as an “executing unit” for a range of activities.

The IIMCCS comprises the following 8 core staff members or ‘government facilitators’ (GRZ, 2013):

- A National/ Secretariat Coordinator drawn from the MoF.
- A Mitigation Specialist drawn from the MLNREP.
- 4 Adaptation/ DRR Specialists drawn from DMMU/OVP, MAL, MTWSC and ZMD respectively.
- 2 Climate Mitigation Facilitators drawn from MMEWD and MLNREP’s Forestry Department (dealing with REDD and the Zambia Integrated Forest Landscape Programme).

There is presently no facilitator attached to the IIMCCS from the MLGH. The fact that PPCR funding is to be disbursed directly to sub-national or intra-ministerial units that carry out project-specific activities (in order to avoid the delays and potential fund diversion which has accompanied the transfer of project funds through Ministerial budgets in the past) may explain this. However, if climate resilient programmes and projects at community and district level are to be scaled up beyond the PPCR, the capacity of sub-national structures is likely to need enhancing. The SWOT analysis contained in the MoF’s Strategic Environmental and Social Assessment on Zambia’s Strategic Programme for Climate Resilience (GRZ, 2013) identifies inadequate support structures at provincial and district and local level as one of three potential weaknesses of the programme. As the ministry responsible for local government, the MLGH will be a critical player in building lasting capacity in such structures.

Although it was originally envisaged that the Specialists and Facilitators drawn from Ministries would be seconded from the outset, to date they have been attached - in large part owing to budgetary constraints. Attachment raises concerns about salary incentives and loss of career advancement opportunities, and thus secondment remains the preferred option. The anticipated domestic budgetary allocation increases are expected to permit the transition to full secondment.

In order to support the Secretariat’s implementation functions under the PPCR, the core team of government Specialists and Facilitators has been complemented through recruitment of contracted experts in such areas as procurement, financial

management, administration and logistics, and monitoring and evaluation. This has brought the staffing complement of the Secretariat to about 30. Furthermore, the IMCCS plans to engage a project manager for the UN Joint Programme on Climate Change and Disaster Risk Reduction. Finally, in the context of its proposed role as ZIGGS Focal Point (IIED, 2014), there is a possibility that a dedicated ZIGGS manager will also need to be recruited.

As an interim structure, the Secretariat must carry out its coordination and harmonisation mandate largely by ensuring that it is an attractive partner for players – along the lines of the ‘persuasive coordination’ approach used by the NAC. Although such an approach did not work well for ECZ/ZEMA, there are a number of reasons to anticipate that it will be more successful for the IIMCCS:

- Being attached to a more powerful institution, and having linkages with the Cabinet Office, the Secretariat has the ability to elevate climate change issues to high-level decision-making bodies.
- Its design ensures that expertise and networks from a range of relevant sectors are brought together in one place through the government facilitators drawn from different ministries (it aims to function as a knowledge hub).
- Key staff members have acquired specialist knowledge of international funding sources and a strong profile in the multilateral climate finance arena. This should enable the secretariat assist other players in identifying initiatives that can be funded by external sources.
- Contracted experts provide complementary technical skills enabling the Secretariat to demonstrate high levels of professionalism.
- It has a clear awareness of its role as mediator between the needs and interests of different stakeholders: state and non-state, national and international.

Although the Secretariat may be able to achieve much through persuasive coordination, it is possible that certain issues will be less amenable to such an approach. Thus, in addition to persuasive ability, permanent institutional arrangements are also likely to require the authority that comes from having a legal mandate.

To support the process of establishing the IIMCCS by assisting in the elaboration of its terms of reference, and by acting as a communication channel with the senior hierarchy of line ministries, an Inter-Sectoral Technical Committee (ISTC) was created. In addition to representatives from key ministries, this Committee includes a member drawn from the private sector and one from an NGO. The NGO member is the Chair of the Zambia Climate Change Network (ZCCN), an umbrella organisation established to create a platform to facilitate collaboration and coordination within civil society on issues related to climate change. Among the initiatives it encompasses is a budget tracking tool aimed at identifying allocations to "climate smart" programs in the national budget. The private sector member is the chair of the Africa Carbon Credit Exchange (ACCE), a company that seeks to work with both public and private sector institutions to establish an active African carbon market and trading platform. In view of the limited opportunities that presently exist to develop new carbon market-driven projects, a case can be made for the Technical Committee to seek a more diverse private sector representation.

Since its inception the IIMCCS has played a major role in Zambia’s representation at international climate change platforms. The head of the Secretariat has been an active member of the GCF Board among others, and team members are part of

Zambia's UNFCCC delegation. The IIMCCS has also conducted workshops for Parliamentarians, and carried out capacity building activities for planners at provincial and district levels in the Barotse and Kafue sub-basins.

With implementation of Phase II of the Zambian PPCR (2013-2019) - the projects implementation stage - now beginning, the IIMCCS is tasked with finalising MOUs with the various executing entities involved in delivering different components of the PPCR. These include sub-national government structures, departments or units within national ministries or offices, and NGOs/CBOs. It is thus too early at this time for lessons to be drawn from this process.

It can be observed from the list of its functions in Table 3 that the IIMCCS will be stretched to discharge them all in the near term, and that combined support from a range of cooperating partners would help significantly. It is not surprising that it may have difficulty meeting the expectations of some role-players in its first year of existence. For example, the mid-term evaluation of a project derived from Zambia's 2007 NAPA (Adaptation to the Effects of Climate Variability and Change in Agro-Ecological Zones I and II in Zambia – also known as the CCAP for short – which is funded by LDCF, implemented by UNDP and executed by MAL), contains a range of findings (Zeidler, 2013). UNDP's response to a number of these indicates that it anticipated the IIMCCS collaborating with the CCAP project team to implement proposed remedial actions. The extent to which this was agreed with the Secretariat is not clear, but the status of the relevant remedial actions is shown as 'overdue' (the relevant findings, UNDP's response and the status of the proposed activities are outlined in Annexure 1).

10 Conclusions

Zambia ratified the UNFCCC in 1993, and beginning in 1997, there have been a number of donor-supported efforts to strengthen the country's institutional capacity for environmental management. Although advances were made, establishing coordination arrangements able to achieve harmonisation of action across sectors and cooperating partner programmes has proven challenging. This has been attributed in large measure to the separate pursuance of the national development and environmental/climate change agendas. The establishment of an interim inter-ministerial coordination body for climate change attached to the MoF (the IIMCCS) represents a real opportunity to harmonise and integrate these agendas. To achieve this, it will be necessary for this body to enjoy broad political backing, to be embedded within a broader permanent institutional regime supported by a legal framework, and resourced sustainably.

To date the IIMCCS has been funded largely by the PPCR, which raises both issues of sustainability and identification with a single donor-funded programme. With the implementation phase of the PPCR now underway, the resultant focus on overseeing project execution could result in the core team's ability to progress the wider integrated climate change and disaster risk reduction agenda being constrained. Support from a greater diversity of multi- and bi-lateral programmes or funds for this critical component of the Secretariat's functions is likely to go a long

way towards mitigating this risk. As outlined in Section 9 above, the ability of the IIMCCS to effectively pursue a ‘persuasive coordination’ approach rests on a number of factors; based on these, it is possible to identify the following areas in which the Secretariat might benefit from additional external support:

1. Strengthening the Secretariat’s expertise in developing and submitting project proposals meeting the criteria of international funding sources to enable it to better assist other government bodies and non-state actors to access outside funding.
2. Assisting the Secretariat to broaden its engagement with non-state and sub-national government entities to enhance its ability to act as mediator between the needs and interests of different stakeholders, and to promote new forms of collaboration. With regard to the private sector, the partnering of larger foreign-owned firms with domestic enterprises in climate-related projects envisaged by the IIMCCS represents one opportunity for support. The mechanism through which such partnerships would be facilitated has yet to be established. With regard to civil society organisations, the Secretariat hopes to encourage greater collaboration between international NGOs and domestic NGOs and CBOs. Exploring the scope for this and for partnerships between the private and civil society sectors could also be supported. Finally, with regard to sub-national government structures, the government’s focus on decentralisation is likely to create new openings for climate finance to be channelled to such bodies. For example, Finland is planning a new programme that will provide direct support to district level for integrated planning and management of forests and other natural resources (Finland, 2013) that could tie in with the national REDD programme.
3. Building its capacity to assist with harmonising outside support for climate-specific as well as climate-related programmes and activities, particularly in terms of seeking to minimize the demands being placed on already stretched domestic institutions. The DoL under JASZII establishes shared responsibility among three CPs for the Environment and Natural Resources sector, one of which groups an array of distinct organisations (the UN System). In addition, there are important climate-related initiatives that fall under other thematic areas, such as the Integrated Water Resources Management Plan and Information System (which are supported by Germany through the Water Sector Reform Programme). The World Bank has observed that “harmonizing donor funds and procedures is critical in a crowded ‘field’ such as climate change, where institutional capacity remains scarce” (World Bank, 2013b).

Although the most appropriate permanent institutional arrangements (regime) and attendant legal framework for climate change are matters that need to be agreed by national stakeholders, the process can be assisted by consensus among key CPs about their needs in this regard. The experience of dedicated coordination bodies established in Zambia for environmental, disaster, and HIV/AIDS/TB management provide valuable insights into a number of institutional features which should be taken into consideration when designing these:

- Attachment of the administrative unit (Secretariat) to the highest appropriate level of government. Where location at supra-ministerial level (such as the Vice-Presidency) is not practical/desirable, then an effective interface with the Cabinet becomes important.

- Formal mandate for the various bodies making up the regime to harmonize the climate change adaptation and disaster risk reduction agendas, and to intercede in the resolution of policy or planning conflicts in other climate relevant sectors.
- Sustainability, in terms of diversity and security of funding for the administrative unit, as well as limiting its exposure to the electoral cycle.
- Ensuring that the regime’s apex body is composed of sufficiently senior government representatives (at least Permanent Secretary, if not Minister-level).
- Guaranteeing meaningful participation in the regime for all relevant non-state and sub-national government players.
- Capacity of the administrative unit to provide implementation functions (oversight, financial management/procurement and M&E) where line ministry systems are deemed inadequate to meet the requirements of external funding sources. Ideally, this should be seen as an interim measure and coupled with capacity-building measures to obviate the necessity of bypassing national systems in the medium term. Heavy emphasis on such tasks may create tensions with its coordination and harmonisation functions.
- Assigning responsibility to the administrative unit for disseminating and facilitating public access to information on climate change programmes and their status.

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Annex 1: CCAP mid-term evaluation findings, UNDP's response and status of proposed remedial actions

Relevant findings of the mid-term evaluation (MTE) of the Adaptation to the Effects of Climate Variability and Change in Agro-Ecological Zones I and II in Zambia project (also referred to as the Climate Change Adaptation Project, or CCAP for short) (Zeidler, 2013), UNDP's response¹⁶ thereto, and status of proposed remedial actions.

MTE FINDING	UNDP RESPONSE	STATUS
Climate risk related knowledge and management capacity was very lowly represented in the project, which is largely implemented as an agriculture and food security intervention by MAL, with limited integration of climate risks and relevant responses. It is critical for the success of the project that it focuses more strongly on the climate change context than the business-as-usual meteorological and agricultural contexts. Systematic integration of existing climate risk information is not taking place, and at all levels of MAL decisions are taking place in the absence of such information. There is a need to invest more specifically in professional updating of national, provincial and district level and extension staff of MAL, but also other collaborating extension services.	"Management has noted the low implementation of this activity which is critical.... To this effect the Department of Agriculture in collaboration with the Interim Climate Change Secretariat will develop a capacity building plan for integration of climate change issues in the agricultural sector".	Overdue
Mainstreaming impacts are only detectable at pilot site level, but have great potential to be absorbed more systematically on different levels.... It could be anticipated that building stronger links with climate change governance processes outside of MAL i.e. the National Climate Change Strategy could enhance mainstreaming impacts. Although project staff have been actively involved in the review of the newly revised Agricultural Policy, it is not clear to what extent climate resilience issues are incorporated in this national policy instrument. The project should ask permission for a final CC screening – if at all possible, and engage relevant national and international expertise in the review including from within UNDP.	The MAL is in agreement with the recommendation and some districts have started revising their district development plans to incorporate climate change issues. These district plans would provide inputs into the regional (provincial) and national plans. The Project Secretariat in collaboration with the Climate Change Interim Secretariat will task a consultant with preparing materials for integration of climate change into planning.	Overdue
It is recommended as a matter of priority to step up the Policy Dialogues included under the project design. A schedule of policy debates should be set up, in line with policy opportunities but also addressing key issues of concern to Zambia. This is an excellent opportunity for the agriculture sector to provide leadership on climate related issues that clearly have affected the country – such as through prolonged droughts.	The MAL is in agreement with the recommendation and notes that policy dialogues were mainly taking place at district and provincial levels but this will be enhanced at national level as well. The Project Secretariat in collaboration with the Climate Change Interim Secretariat will recruit a consultant to prepare materials for policy dialogues, and organize a meeting to orient MPs on climate change adaptation in agriculture.	Overdue
At this point the LDCF project is mostly housed at MAL. Although MAL staff members are seconded to national climate change policy processes a strategy is needed to better capitalize on this. It is important that the lessons learnt from the agriculture sector find their way into national debates on climate change. It is recommended	Management is agreeable with the recommendation and will endeavour to develop a concept of key policy points to be used at various fora so that climate resilience building in the agriculture sector could be achieved. The Project Secretariat in	Overdue

¹⁶ <http://erc.undp.org/evaluationadmin/managerresponse/view.html?evaluationid=5608>

that the project team developed a clear strategy on which policy messages emerge out of this LDCF project and where to engage strategically with national policy processes. Linkages to national climate change policy development processes are not fully exploited.

collaboration with the Climate Change Interim Secretariat will task a consultant with developing the key messages for climate resilience building in the agriculture sector and action plan for dissemination.



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