



**GREEN
CLIMATE
FUND**

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4 – 6 April 2017
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GCF/B.16/04/Add.01

20 March 2017

Implementation of the initial Strategic Plan of the GCF – Addendum I: Update on country programmes and entity work programmes

Summary

This addendum provides an update on country programmes and entity work programmes as well as an Annex including the official country programme submission of Zambia.

I. Introduction

1. One of the operational priorities of the initial strategic plan for the GCF, endorsed by the Board at its twelfth meeting,¹ is ensuring that the GCF is responsive to developing countries' needs and priorities, including by enhancing country-led programming. As part of the action plan of the initial strategic plan, specific measures were identified to promote the implementation of the operational priorities, including the development of country programmes and entity work programmes. Further, through the process of structured dialogues between national designated authorities (NDAs)/focal points (FPs), accredited entities (AEs) and the Secretariat, determine which priorities identified by countries are the best match for GCF support.

II. Overview of the country and entity programming process

2. This chapter presents the iterative programming process supported by the Secretariat and facilitated by interactions between countries and entities.

3. Through this process, the Secretariat has pursued the following objectives:

- (a) Supporting the upstream country-driven pipeline development process;
- (b) Identifying institutional needs to build and strengthen capacity; and
- (c) Facilitating dialogue between all stakeholders — countries, entities, readiness delivery partners and the GCF –in a way which reflects the highest country ownership.

4. In supporting the process of developing country and entity work programmes the Secretariat has taken guidance from the Initial general guidelines for country programmes² as well as mandates from the initial strategic plan. Accordingly, several aspects were incorporated in terms of:

- (a) Building on the comparative advantages and possibilities of the GCF to coordinate with other climate finance institutions so as to support the implementation of the Paris Agreement; and
- (b) Proactively engaging in high-level consultations with NDAs/FPs and AEs to identify of national and regional priorities and programmes which meet the GCF investment criteria.

5. Draft templates were developed by the Secretariat for country programme briefs and entity work programme briefs. These were further refined using inputs from NDAs/FPs and AEs.

6. Following the progress report presented at the fifteenth meeting of the Board (B.15),³ the Secretariat has also further advanced the development of a country programme template and expects that this template will serve as guidance for official submissions from countries on their country programmes.

7. Country programme briefs, entity work programme briefs and country programmes are living documents which evolve depending on the dialogue between countries, entities and other stakeholders. Projects or programmes listed in these documents are subject to the GCF's initial proposal approval processes and their submission does not indicate endorsement by the GCF.

¹ Decision B.12/20.

² Annex XVII to decision B.08/11 (annex XVII to document GCF/B.08/45).

³ GCF/B.15/Inf.09.

III. Country programmes

8. Developed as an initial step to capture countries' priorities for engagement with the GCF, country programme briefs present an overview of a country's national context, policy framework and plans (e.g. intended nationally determined contributions, national adaptation plans, nationally appropriate mitigation actions, etc.), and summarize their respective climate action agendas. They also include a pipeline of projects or programmes that the country would like to undertake with the GCF, aligned to GCF strategic impacts, investment criteria and operational modalities.

9. Building on these initial efforts, official country programmes elaborate further on:
- (a) Stakeholder consultation processes which shape the country's agenda for the GCF;
 - (b) Technical and analytical processes for distilling national priorities into GCF proposals taking into consideration the initial investment framework;
 - (c) An action plan for meeting identified targets in terms of readiness, accreditation and pipeline development; and
 - (d) An initial monitoring and evaluation plan on which the country programme will be updated and reviewed.

3.1 Status of country programmes

10. The Secretariat is currently engaged with over 100 countries in advising and supporting them to develop their country programme briefs. Roughly half of them are going through internal processes to be endorsed by their NDAs or FPs. A compilation of the country programme briefs endorsed by their countries' NDAs or focal points to date are attached in addendum II.

- (a) As of B.15, 17 countries had endorsed their country programme briefs for the GCF.
- (b) An additional 7 countries have completed this process for B.16 bringing the total up to 24 countries with country programme briefs endorsed by their NDAs or focal points; and
- (c) Another country has submitted its draft country programme for B.16; and,
- (d) Additionally, Zambia has completed all inter-ministerial and stakeholder engagement processes and has submitted its official country programme to the GCF, found in Annex I.

11. A variety of stakeholder consultation processes have been initiated in the development of official country programmes. In Zambia, a call for proposals and a series of consultations were organized within the context of the GCF. This process attracted the attention of several high-level officials, ensuring coordination on GCF matters in key ministries, including those for finance, planning, environment, trade and water resources.

Zambia

- National call for proposals for GCF projects led to 40 submitted concept notes;
- National call for national entities seeking accreditation; and
- Inter-ministerial technical committee reviewed all applications

2 project priorities identified
3 potential entities pre-selected

3.2 Key outcomes

12. The country programming exercise has facilitated an indication of sectoral priorities and readiness needs at the national and regional levels as well as potential GCF demand in the immediate, short and long terms in terms of emerging funding proposals and potential project preparation requests.

13. Sectoral priorities are emerging at the national and regional levels as follows, reflecting geographical and development contexts and climate vulnerabilities:

- (a) A universal need across countries is that of scaling up access to energy and accelerating processes for energy efficiency. Energy-related projects are present in all country programmes with activities ranging from off-grid electrification to green industrialization and scaling up financial investment vehicles. Readiness support has also been sought to undertake market and technical assessments, and to prepare investment projects and programmes into bankable funding proposals;
- (b) Those countries most vulnerable to natural hazards and events have expressed an interest in strengthening national and regional climate information services and early warning systems, and prioritize 'climate proofing' infrastructure; and
- (c) Other predominant project priorities revolve around increasing community resilience to climate change through activities such as crop diversification and improved water management.

14. Readiness needs have surfaced in terms of the following:

- (a) Partnering with AEs;
- (b) Enhancing private sector involvement in planning and project development; and
- (c) Technology transfer and capacity-building.

15. Through their indicative pipelines, countries have outlined which priorities still require the identification of an accredited entity. These projects emerge from national processes and span across all GCF-level strategic impacts.

- (a) In several countries projects are emerging at the national level that are either being developed by the NDA in collaboration with local stakeholders or are presented to the NDA by a series of stakeholders such as project developers or accredited entities. These cases pinpoint two concrete needs at the national level. Firstly, the need for NDAs to strengthen their review mechanisms to better assess viable proposals; and secondly, the need for further clarifying the relationships between developers, executing entities and accredited entities to enable coherence in planning processes.
- (b) In response to these issues some countries are seeking readiness support to develop quantitative analysis tools for project development and prioritization.

16. Countries have equally expressed increased interest in defining their processes for engagement with the private sector. Specific needs have emerged around the following issues:

- (a) There is often limited expertise as well as organizational barriers within NDAs to engage the private sector meaningfully, which presents an opportunity for developing capacity. Moreover, countries have expressed an interest in receiving guidance on how to integrate private sector considerations into both national planning and project development. These activities appear to have the greatest potential when they are integrated in the country programming process and supported by stakeholder consultations in early stages of its development.

(b) In response, some countries have requested support for the development of designated national climate change funds that could gather a wide range of financing sources for related climate change projects. A readiness proposal has been advanced in this regard by Vanuatu, while Zambia is also evaluating potential GCF support to develop a national climate change fund.

17. Technology-related needs revolve around establishing processes for the identification and acceleration of adequate technologies both in mitigation and adaptation. Transfer of technology would need to be rooted in countries' needs as well as the capacity to absorb specific technologies. Where technology needs assessments have already been carried out, countries have expressed an interest in translating their technology action plans into concrete concept notes and funding proposals.

IV. Entity work programme briefs

18. An entity work programme brief provides an overview of the areas of work of an AE, and its priority sectors and experience in implementing projects and programmes across the eight strategic impact areas of the GCF. It summarizes potential projects that the AE is likely to submit to the GCF for consideration and outlines an action plan for engagement with the GCF. For direct access AEs, it also addresses short- and long-term initiatives to build their institutional and project implementation capacity.

19. The Secretariat maintains a regular dialogue with all 23 direct access accredited entities and 25 international access AEs, by facilitating and guiding them in developing their entity work programme brief focusing on their comparative advantages and core expertise to address the needs of countries.

20. Entities have been conducting consultations with their respective NDAs or focal points to ensure alignment and complementarity between country programmes and entity work programme briefs. Internal dialogue within the Secretariat, across divisions, is also maintained to facilitate such an alignment.

21. Entity work programmes have enabled entities to signal the prioritization and sequencing of their pipeline and are also contributing towards the quality of funding proposals at entry.

(a) As of B.15, the 18 direct access AEs had provided information on their entity work programme briefs. For B.16, 22 direct access AEs have undergone this process. The direct access entity work programme briefs are presented in addendum III.

(b) As of B.15, 13 international access AEs had provided information on their entity work programme briefs. The 21 international entity work programme briefs prepared for B.16 are attached in addendum IV.

22. Engagement with direct access entities on their work programmes has led to the following outcomes:

(a) An early identification of gaps and needs at the institutional or project levels that could be addressed through the Readiness and Preparatory Support Programme or the Project Preparation Facility (PPF). The Secretariat also provided dedicated and targeted support to direct access entities in translating the identified needs into readiness proposals and PPF requests at the request of their respective NDAs;

(b) An early identification of potential upgrades in accreditation types for direct access AEs (e.g. size category, fiduciary function, and environmental and social risk category) and potential gaps related thereto; and

(c) Responses from direct access entities to the requests for proposals issued by the GCF, including a pilot phase for enhancing direct access, and a pilot programme to support micro-, small-, and medium-sized enterprises.

23. The entity work programmes are regularly updated to ensure that they reflect the entities' and countries' emerging needs focusing on the prioritization of projects and sectors. The current version of these documents have been updated as of 28 February 2017.

V. Lessons learned and actions by the Secretariat

24. In the development of country and entity work programmes, an iterative process has evolved, both internally, by linking teams within the GCF, and externally, by facilitating communicating between NDAs, accredited entities, the GCF and other development partners.

25. Given current findings and anticipating a growth in the portfolio of country programmes submitted to the GCF, the Secretariat has been working on streamlining the programming process as well as pro-actively responding to its emerging needs. In particular, the Secretariat is:

- (a) Further developing the Country Programme guidelines in partnership with NDAs/FPs to support robust investment planning at national level by taking into consideration the added value of GCF investments in relationship to that of other partners such as: public institutions, donors, multi-lateral development banks and private sector;
- (b) Proactively advising NDAs/FPs on developing responses to identified needs through readiness and preparatory support;
- (c) Strengthening the Structured Dialogue process at both national and regional level and across thematic or sectoral priorities to enable countries to identify suitable entities;
- (d) Exploring the possibility of fostering communities of practice with countries as well as direct access and international entities for benchmarking and knowledge sharing in specific themes or sectors such as agriculture, coastal adaptation or climate information services;
- (e) Linking finance and technology communities, such as GCF NDAs/FPs with CTCN's NDEs, to advance priorities in technology plans; and
- (f) Exploring support to NDAs/FPs to analyse risk sharing and financing structures or instruments to unlock private sector finance

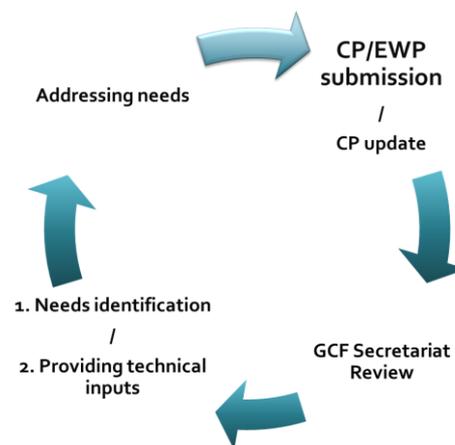


Figure 1: Country Programming Review Process

ANNEX I: Official Country Programme of Zambia

ZAMBIA

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In Reply please quote:

No:.....

REPUBLIC OF ZAMBIA
MINISTRY OF NATIONAL DEVELOPMENT PLANNING

P.O Box 30147
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NDA/6/7/1

16th March, 2017

Mr. Howard Bamsey
Executive Director
Green Climate Fund (GCF)
Songdo, Incheon
SOUTH KOREA.

RE: SUBMISSION OF ZAMBIA'S COUNTRY PROGRAMME TEMPLATE

The above subject matter refers.

Please find attached a comprehensive template report outlining Zambia's Country Programme and GCF engagement. Please note that I am aware that the template will be accessible as a public document. I also am aware that the report may be used to showcase Zambia as an example for other countries and stakeholders.

A handwritten signature in blue ink, appearing to read 'Chola'.

Chola J. Chabala (Mr.)
National Focal Point Person
Permanent Secretary - DPA

MINISTRY OF DEVELOPMENT PLANNING

1. COUNTRY PROFILE

| | |
|--------------------------------|--|
| Geographical location | Southern Africa |
| Land area | 752,614SQ KM |
| Population | 15 Million |
| Types of climate | Tropical |
| GHG emissions profile | 1.5% |
| Key emitter sectors | Mining |
| Key climate risks | Floods and drought |
| Vulnerable sectors | Agriculture and Infrastructure |
| NDA/FP | Director of National Planning |
| National/Regional AEs | DBSA, PTA |
| International AEs | UNEP, UNDP, KFW, World Bank, |
| Potential AEs nominated | Zambia National Commercial Bank (Zanaco), Development Bank of Zambia (DBZ) and Ministry of Finance |

1.1 CLIMATE CHANGE PROFILE

Over the past 30-year temperature trends indicate a steady increase. This is projected to continue increasing in the future. Frequency of seasons with rainfall deficits has increased over the past 30 years especially over the southern and eastern half of Zambia.

The major Climate drivers over Zambia include Inter-Tropical Convergence Zone (ITCZ), Congo Air Boundary (CAB), and extra -tropical troughs. All these phenomena are significantly influenced by the El Nino and La Nina conditions. The impacts include frequent droughts, floods and high temperatures. Major sectors impacted include Agriculture, Water, Energy and Health. Rural populations practice rain fed agriculture and the all country is dependent on hydropower for all socio-economic sectors.

Climate change in Zambia will entail increased frequency and severity of droughts and floods (disasters) that will negatively retard economic growth as Zambia's economy is heavily natural resources, which are highly sensitive to changes in weather and climatic conditions. This will negatively impact hydropower and agriculture production hence derailing economic growth in all sectors.

Emission in Zambia majorly comes from mining and the Agriculture- Forestry-Landuse (AFOLU) sectors.

1.2 DEVELOPMENT PROFILE

Zambia's economic growth in the last five years has been robust and averaged above 5 percent. Economic growth has been aided by growth in the construction, agriculture, mining transport and communications, and the tourism sectors. Nonetheless, the persistent slowdown in the global economy, low commodity prices and some domestic challenges weighed down growth from a high of 7.6 percent in 2012 to 2.9 percent in 2015. Preliminary estimates indicate that growth in 2016 has shown some recovery to around 3.4 percent.

As regards to other macroeconomic fundamental, such inflation, exchange rate, and external sector position remain relatively positive in the last five years. Inflation for instance was contained within single digit levels averaging 8.7 percent between 2011-2014. Inflation however sharply increased in 2015 before returning to single digit level of 7.5 percent in 2016. In line with Government policy for an expansionary fiscal policy to support infrastructure development, the budget deficit urged upwards from 2.4 percent of GDP in 2011 to 9.4 percent of GDP in 2015 then fell to 5.7 in 2016.

Zambia's GNI per capita in the last five years averaged US\$3,600. Zambia is among the countries in Sub Saharan African with relatively high GNI per capita. GDP per capita has been increasing in the last five years averaging

about US1, 500. In 2016 GDP per capital has however, been projected to be lower (see table 1). Nonetheless the Human Development Index have remained almost at the same level over the last five years, this is despite some improvement in in selected indicators such as education and life expectancy.

Domestic credit levels in the last has been relatively high, however recorded a decline in 2016. This was on account tight monetary stance by government to curb inflationary pressures. As a result high lending rates were prohibitive for private sector financing.

Ease of Doing Business in Zambia averaged 90 from 2011 until 2016, highest of 98.00 in 2016 and a record low of 83.00 in 2013. Zambia is ranked 98 among 190 economies in the ease of doing business, and has deteriorated to 98 in 2016 from 84 in 2011. Notwithstanding, the deterioration in ease of doing business, **foreign direct investment** have increased over the last five years from 5.5% of GDP to 13.6% of GDP . This has been aided by favourable macroeconomic environment despite external shocks.

The overall head count poverty is 54.4 percent. Poverty in Zambia is mainly a rural phenomenon at above 70% compared to less than 30% in urban areas. The main economic activity in the rural areas is subsistence agriculture which mainly rain fed. The table below highlights the performance of key selected indicators.

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016* |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| Growth rate | 5.6 | 7.6 | 5.1 | 4.7 | 2.9 | 3.4 |
| GDP(K'Million) | 114,033 | 131,274 | 151,331 | 167,053 | 183,381 | 213,139 |
| GDP(US\$ Million) | 23,458 | 24,349 | 29,586 | 27,146 | 21,250 | 20,673 |
| GDP per capital (US\$) | 1,624 | 1,803 | 1,883 | 1,738 | 1,096 | 1,298 |
| GNI/capita PPP | 3,384 | 3,630 | 3,640 | 3,734 | 3,660 | 3,600 |
| HDI | 0.565 | 0.576 | 0.580 | 0.586 | 0.586 | 0.586 |
| Population growth rate | 2.8 | 2.8 | 2.9 | 2.9 | 3.0 | 3.0 |
| Domestic credit rate growth | 30.2 | 38.8 | 14.22 | 14.1 | 20.9 | (10.4) |
| FDI as % GDP | 5.5 | 8.1 | 10.0 | 7.8 | 13.6 | |
| Ease of doing business | 84 | 90 | 83 | 91 | 94 | 98 |

*Projection

1.3 DEVELOPMENT PROSPECTS

a) Macro-economic and fiscal circumstances and poverty reduction strategies

The macroeconomic strategy in the medium to long term aims addressing domestic challenges such as vulnerability to external shocks and climate change effects. Key to this is achieving economic transformation for improved livelihood and creation of decent, gainful and productive employment especially for the youthful population. This will be underpinned by positive, sustained and resilient growth, and fiscal consolidation that supports macroeconomic stability, while improving the country's competitiveness.

The fundamental niche for Fiscal strategies is to ensure restoration, prudent and sustainable fiscus. The key strategies will be to restore budget credibility, transparency and ensure policy consistence. This will be underpinned by continued fiscal consolidation both on the revenue and expenditure side to provide supportive environment to unlock development bottlenecks and stimulate growth.

In an effort to reduce poverty government strategies anchored on the national development plan and the economic recovery plan. Key to this is the focus on the development of a sustainable, diversified and competitive agriculture sector where the majority of the poor are. Emphasis will be placed on crop diversification to encourage production high value cash crop that resilient to climate change and will be supported by the full

migration to e-voucher system¹, development of irrigation schemes while scaling up sustainable utilization of wetlands and improve provision of extension services through ICT. Additionally scaling up livestock production through artificial insemination and animal disease control. Promotion of the fisheries sector will be cardinal to stimulate growth through, provision of fingerlings and its associated infrastructure and enhance fish feeding programs and storage.

b) Low emission and clean energy policies/ strategies

The promotion of low carbon development pathways that mitigate greenhouse gas (GHG) emissions and promote climate-resiliency in the most vulnerable sectors of the economy is priority for Zambia. This is the reason several plans and policies such as National Climate Change policy emphasize integration of economic development programmes such as forestry, energy and agriculture with climate change as priority.

One of the ways in which Zambia is promoting green growth is through the use of environmentally friendly sources of energy such as hydroelectric, geothermal, solar, wind, biomass, and biofuels.

Environmentally related tax revenue is also another means to promote green growth. Environmentally related tax revenues are expressed in percentage of GDP. Environmentally related taxes include energy products for transport purposes (petrol and diesel) and for stationary purposes (fossil fuels and electricity); motor vehicles and transport (one-off import or sales taxes, recurrent taxes on registration or road use and other transport taxes); waste management (final disposal, packaging and other waste-related product taxes); ozone-depleting substances and other taxes.

Zambia has also cooperated with various stakeholders such as the European Union and the United Nations to promote clean energy and green growth. The EU-UNDP Low Emission Capacity Building Programme (LECBP) was launched as part of a joint collaboration between the European Union (EU - European Commission and Member States) and the United National Development Programme (UNDP). Efforts are also focused on reducing the demand for charcoal by providing alternative fuel sources and fuel-efficient technologies like gel fuel and cook stoves

c) Infrastructure investment policies (e.g. related to urban development and transport)

Infrastructure serves a central delivery mechanism in achieving sustainable economic development and in the generation of quality social-economic development in the country. Infrastructure still remains a major challenge to growth, economic diversification and human development in Zambia. Further, Zambia is a land linked country centrally positioned between eight (8) neighbouring countries who are increasingly trading amongst each other to optimize economic benefits. Furthermore, major import and export trade corridors to facilitate economic integration among Southern Africa Development Community (SADC) and Common Market of Eastern and Southern Africa (COMESA) member countries pass through Zambia. As such, Infrastructure development, is one of the Government's priority areas, and is upheld in the National Development Plans and the National Vision 2030.

Transport infrastructure covers: roads and bridges, railways, airports and aerodromes and maritime and inland waterways. The state of transport infrastructure, however, remains inadequate to sustain and match the desired levels of growth due to weak structural and management capacity resulting in over commitments, high cost of construction and low investment. Government has embarked on a program to improve the infrastructure at all the international airports. This is being done in collaboration with private sector participation. The developments include the runways, terminals and auxiliary facilities in and around the airports such as hotels, shopping malls, Conference facilities etc.

¹ E-voucher provides beneficiaries a wider choice of inputs (rather than just maize seed and fertilizer) so as to promote production of other crops such as cassava, cashew nuts and edible oil seeds.

The Government of Zambia embarked on the Link Zambia 8,000 project (Accelerated National Roads Construction Programme) saw the rehabilitation and construction of the road network. The aim was to construct an efficient road network and international highways linking Zambia to South Africa, Zimbabwe, Mozambique, Malawi, Tanzania, the Democratic Republic of Congo and Namibia.

d) Adaptation and risk management policies/strategies

Zambia has various policies that deal with adaptation and risk management, these include among others the national development plans, National Disaster Management Policy, the National Agricultural Policy and the National Irrigation Plan. Disaster risk management and Climate change adaptation are mainly implemented by different government agency established primarily for this purpose. The emphasis has been to have an integrated system for adaptation and risk management across the sectors.

1.4 CLIMATE CHANGE POLICY RESPONSE

In view of the climate change challenges that the country has been facing in the recent past, Zambia has developed various climate change-related policies, strategies, projects and programs in response to climate change impacts. These include: the National Policy on Environment (NPE, 2007); the National Climate Change Response Strategy (NCCRS, 2010); National Forestry Policy of 2014; National Energy Policy of 2008, The National Agriculture Policy of 2014 and Transport Policy of 2002; National Strategy for Reducing Emissions from Deforestation and Forest Degradation (REDD+, 2015); Second National Biodiversity Strategy and Action Plan (NBSAP2); the National Adaptation Plan of Action on Climate Change (NAPA, 2007); Technology Needs Assessment (TNA, 2013); Nationally Appropriate Mitigation Actions (NAMAs, 2014); Second National Communication (SNC, 2015). The National Climate Change Policy (2016) has also now been developed and launched.

These policies, strategies, programmes and projects are aligned with the Revised Sixth National Development Plan (RSDNP) and the Vision 2030 which promotes “A prosperous middle income country by 2030”, both of which support development of a low carbon and climate-resilient development pathway. In addition, Government ratified the Kyoto Protocol in 2006 among other things to facilitate implementation of the Clean Development Mechanism. The country is also in the process of developing its National Adaptation Plan (NAP) for long term adaptation planning and mainstreaming of climate change into national development planning process. Zambia also adopted a National Climate Change Policy in 2016 and submitted her INDC in 2015. The development of the Seventh National Development Plan (7NDP, 2017-2021) is also underway which will consider climate change issues.

| Table 1: Summary of INDC/NDC targets | | Estimated resources required USD \$ |
|---|--|--|
| Conditional | Mitigation: Estimated total emission reduction of 38,000GgCO ₂ e _q which translates to 47% (internationally supported efforts) against 2010 as a base year; | Total USD 50 B across mitigation and adaptation. USD 35 billion: from external sources USD 15 B: from Domestic sources |
| | Three programmes are targeted: sustainable forest management; linking sustainable agriculture; and renewable energy and enhancing energy efficiency | |
| | Adaptation: Three programmes are targeted: strategic productive systems (agriculture, forests, wildlife and water); adaptation of strategic infrastructure and health systems; and enhanced capacity building, research, technology transfer and finance | |

2. COUNTRY AGENDA AND GCF ENGAGEMENT

2.1 INSTITUTIONAL ARRANGEMENTS

The National Planning Department under the Ministry of Development Planning is Zambia’s National Designated Authority (NDA). The NDA is operationalized through the NDA Project Office headed by a National Coordinator who reports to Director National Planning. The essence of establishing a project office was to establish an efficient and fairly independent office and create balance between mainstreaming functions of the NDA into the

Government but still provide the necessary identity and visibility of the NDA. In terms of operations, an NDA Technical Committee composed of all stakeholder institutions in climate change has been established. The main function of the Committee is to receive and assess project proposals to ensure they are within national priorities. Once, examined, the proposals are handed back to accredited entities and a letter of no objection is issued to the GCF if successful. In terms of financing, the NDA is partly financed through a capacity building grant agreement with the GCF. The Government of the Republic of Zambia finances the administrative costs. The personnel are seconded staff from Government as well as Private sector people.

In terms of the policy environment, Zambia now has a National Climate Change Policy. The golden rule in the policy is that an implementer should not be a coordinator. The policy spells at roles of coordination and implementation. Overall coordination is done by the Ministry of National Development Planning and coordination of implementation is done by the Ministry of Lands and Natural resources. Other institutions in charge of sectors such as agriculture, water, energy and the like play their respective roles in implementation.

Table 2. Relationships with existing Accredited Entities and relevant partners

| Entity/Partner Name | Area/s of focus | Engagement in country | Efforts to strengthen engagement |
|----------------------------|--|--|--|
| UNDP | Agricultural livelihoods and food security | In-country presence. Annual work plan in consultation with Ministry of Agriculture and Meteorological Department. Base funding provided by UNDP partner with co-financing by government. | Mainstream GCF funding consideration into annual work plan. |
| World Bank | Livelihoods and community resilience | Program of Support to the Ministry of Development Planning | Restructuring and formalization of work plan and support to mainstream efforts in development planning process |

2.2 ROLES AND CONTRIBUTIONS OF KEY STAKEHOLDERS

Table 3: Overview of consultation processes

| Stakeholder group | Date of consultation | Type or objective of consultation | Outcome |
|--------------------------|-----------------------------|--|--|
| Cabinet | 02/07/2017 | Consideration of National Climate Change Policy | Approval of NCCP |
| Cabinet Office | | Establishment of National Designated Authority (NDA) | National Planning Department nominated as NDA and Project Office established |
| Line Ministeries | | Pre-clearance of project proposals | Proposals tabled at NDA National Committee for approval |
| Private Sector/Banks | | Adverts for expression of interest | Nomination for Direct Access Accreditation |

| | | | |
|---|----------|---|------------------------------------|
| United Nations/World Bank/ Other Partners | | Accredited Entities | Submission of Proposals to the GCF |
| | | | Official submission of CP |
| GCF | On going | Capacity Building/Country Program Development/Readiness | Country Program approval |

2.3 IDENTIFICATION OF COUNTRY PRIORITIES FOR THE GCF

The Country's seventh plan is just being concluded and careful consideration has been given to mainstreaming climate change in the planning process. Ownership is instilled by giving the sectors to develop their own plans before consolidation. In terms of investment criteria, the NDA Committee criteria is select projects with high impact and are likely to have a high paradigm shift especially in areas of agriculture, livelihoods and early warning. The placement of the NDA in the National Planning Department which is also in charge of the SDG process has ensured sustainability in programs selected. GCF intervention has a number of advantages relative to other financiers. Firstly, not only is country ownership emphasized but it is practiced by having NDA's issue letters of no objection. This has ensured that proposals are driven by stakeholders at country level. Another advantage is the GCF use of country systems to engage countries. In terms of financing, Zambia uses the four tools that are also used by the GCF; loans, guarantees, equity and grants. Financing is both domestic and international. The national press and national meeting engagement have been used extensively to invite the private sector to the table. With the accreditation of NIEs which include a privately driven bank was deliberately done to encourage private sector engagement.

These policies, strategies, programmes and projects are aligned with the Revised Sixth National Development Plan (RSDNP) and the Vision 2030 which promotes "A prosperous middle income country by 2030", both of which support development of a low carbon and climate-resilient development pathway. The strategic focus of the plan include energy (mitigation), agriculture adaptation) and water (adaptation). The other sectors such as education, health (adaptation), skills development (crosscutting) and infrastructure development still remain key to Zambia's development. In the energy sector, the solar and hydro power projects will have a paradigm shift and potential for replication as they will double Zambia's power generation. The Batoka Gorge alone will be between 2000MW and 3000MW and the mini hydros are at 60MW combined. The other projects such as the Kalumbila development will revolutionise the green-housing philosophy which will be demonstrated on an industrial scale to the Zambian construction sector, thereby triggering a potential building revolution that will be the required large-scale paradigm shift to changing Zambian construction standards. All the projects have a capacity building in the local industry which trigger knowledge and skills transfer through training programs and on-the-job training during the implementation.

2.4 COUNTRY PORTFOLIO

Table 4: Country projects/programmes pipeline

| Project 1 | | | |
|--|--|-------------------|----------------------|
| Project Title | Description | Accredited Entity | Submission timeframe |
| Strengthening Climate Resilience of Agricultural Livelihoods in Agro-ecological Zones I and II in Zambia | The project aims at (1) strengthening capacity of farmers to plan for climate risk (2) strengthening resilient agricultural production and diversification practices (for both food security and income generation), and (3) strengthening farmers' access to markets and commercialization of resilient agricultural commodities. | UNDP | March 2017 |

| Fund level strategic impacts | | Total financing: | | Status |
|--|--|-------------------|---------------|--------------------------------------|
| 5, 6 | | GCF: \$47.0m | Other: \$1.7m | FP Received, First Review Completed. |
| Action | | Lead | Timeline | |
| Strengthening the water component | | AE | February 2017 | |
| Second Review Session | | GCF | | |
| Project 2 | | | | |
| Project Title | Description | Accredited Entity | | Submission timeframe |
| Zambia - Strengthening Hydro-meteorological and Climate Services | The project aims at (1) Enhanced climate and disaster resilience capacity through strengthening of hydromet services, end user services, early warning, knowledge and advisory services to link national systems with regional and global counterparts (2) Strengthen the National Meteorological and Hydrological Services (3) Enhanced resilience and climate adaptation capacity, improved delivery of weather, climate and hydrological services and weather-dependent sectors, including timely, reliable forecasts leading to increased climate and disaster resilience, through trans-boundary collaboration on drought, severe weather and flood warnings, leading to enhanced climate and disaster preparedness and readiness | World Bank | | |
| Fund level strategic impacts: | | Total financing: | | Status |
| | | GCF: | Other: | Concept Received |
| Action | | Lead | Timeline | |
| | | | | |
| Project 3 | | | | |
| Project Title | Description | Accredited Entity | | Submission timeframe |
| Regional Liquidity Support Facility | The project aims at (1) Integrate the private sector in power production by encouraging Private Power Producers (PPPs) to partner with off takers like ZESCO, and (2) Facilitate a more sustainable financing approach by providing full cash collateral upon request of utilities and commercial banks | KfW | | |
| Fund level strategic impacts: | | Total financing: | | Status |
| | | GCF: | Other: | Concept Received |
| Action | | Lead | Timeline | |
| | | | | |
| Project 4 | | | | |
| Project Title | Description | Accredited Entity | | Submission timeframe |
| An Adaptation Initiative for Bridging the Critical Power and Housing Deficit | The project aims at (1) delivery of climate friendly housing units and commercial buildings within Kalumbila township, northwestern Zambia, and (2) develop power generation comprising waste to energy for conversion to local landfill household refuse and solar for conversion of sunlight into electricity | None | | |
| Fund level strategic impacts: | | Total financing: | | Status |
| | | | | |

| | | | | |
|--|---|--------------------------|---------------------------|-----------------------------|
| | | <u>GCF:</u> \$150m | <u>Other:</u> \$15.75m | CN reviewed by NDA |
| Action | | Lead | | Timeline |
| Identify AE | | NDA, GCF | | |
| Project 5 | | | | |
| Project Title | Description | Accredited Entity | | Submission timeframe |
| Livingstone Urban Water Supply, Sanitation and Energy Efficiency | Increase access to safe, adequate and reliable water supply and sanitation to Livingstone town while generating energy (biogas) from sludge | None | | |
| Fund level strategic impacts: | | Total financing: | | Status |
| 1,3,4,5,6,7,8 | | <u>GCF:</u> \$79m | <u>Other:</u> \$9.87m | CN Reviewed by NDA |
| Action | | Lead | | Timeline |
| Assign AE | | NDA, GCF | | |
| Project Title | Description | Accredited Entity | | Submission timeframe |
| Zambia Green Jobs Programme - Shift to low emission sustainable development pathways | The project aims at (1) Develop markets for sustainable buildings and affordable housing, renewable energy generation and access, water harvesting and small scale irrigation, and integrate waste management and recycling; (2) Facilitate policy research analysis and support for an enabling business environment; (3) Advance institutional strengthening and capacity development for the application of building standards, guidelines, codes and assessment tools (including rating systems for buildings, housing, technology and equipment); as well as the setup of a quality apprenticeship and technical vocational training system. (4) Bolster skills development, training and capacity building support for Small and Medium Enterprises to access finance and business development services they need and demand in order to grow and create jobs; as well as (5) Leverage transformative innovation, skills development and entrepreneurship with scalable demonstrations to foster public and commercial investments in sustainable buildings and affordable housing, renewable energy access and generation as well as integrated waste management | UNEP | | |
| Fund level strategic impacts: | | Total financing: | | Status |
| 1,3,5,6,7 | | <u>GCF:</u> \$38.5m | <u>Other:</u> \$1.5m | CN reviewed by NDA |
| Action | | Lead | | Timeline |
| Develop FP | | AE | | |
| Project Title | Description | Accredited Entity | | Submission timeframe |
| Water, Food, Forestry and Jobs Programme | The project aims at (1) Strengthened government and civil society institutions for the implementation of policy, regulatory and legal | UNEP, FAO | | |

| | | | | | |
|-------------------------------|--|---|--------------------------|-------------------------|---|
| Fund strategic impacts | level | framework for water, forestry and energy sectors (2) Increased carbon sinks, water and food security, more and better jobs and livelihoods (3) Enhanced energy security, SME development and job creation in rural communities (4) Increased SME awareness on reuse, recycling and usage of none wasteful extraction processes | Total financing: | | Status CN reviewed by NDA |
| 1,4,5,6,8 | | | <u>GCF:</u> \$46.8m | <u>Other:</u> \$3.2m | |
| Action | | Lead | Timeline | | |
| Develop FP | | AE | | | |
| Project Title | Description | | Accredited Entity | | Submission timeframe |
| Zambia Mini Hydro Project | The project aims at developing five MiniHydro named (1) Kapamba Fall (2) Mumburuma Falls (3) Namundela Falls (4) Kalepela Falls and (5) Batoka. Their net head for the plants range from 16.2m–28m. Their designed discharge range from 8.82–59.2m ³ /s. They are designed to be run-off-river plants. The main works include development of weirs, diversion canals, intake forebays, penstocks, power houses, and switch yards. | | None | | |
| Fund strategic impacts | level | | Total financing: | | Status CN being developed |
| 1 | | | <u>GCF:</u> | <u>Other:</u> | |
| Action | | Lead | Timeline | | |
| Assign AE | | NDA, GCF | | | |

| Project Title | Description | Accredited Entity | Submission timeframe |
|--|-------------|-------------------------|----------------------|
| Livingstone Urban Water Supply, Sanitation and Energy Efficiency | | UNDP | |
| Fund strategic impacts | | Total financing: | Status |
| | | <u>GCF:</u> | <u>Other:</u> |
| Action | | Lead | Timeline |
| CN Development to start | | AE | |

| Title | Description | Delivery Partner | Submission timeframe |
|---------------------------------|---|-------------------------|----------------------|
| Readiness for NDA Strengthening | The proposed activities are establishing and strengthening Zambia's National Designated Authority, activity area 1, and reviewing | | December 2017 |
| | | Total financing: | Status |

| | | | |
|--|--|-----------------|--|
| and Strategic Frameworks | <p>strategic frameworks, including the preparations of the country programmes for national engagement with the Fund, building on existing strategies and plans, activity area 2. The National Designated Authority will hire experienced consultants with climate finance knowledge for advice and support in undertaking the following</p> <p>1) <i>Activity area 1:</i></p> <p>(a) Baseline survey on climate change issues: prepare a summary of all existing climate change projects and programmes, maintain an overview of adaptation and mitigation projects and programmes in the country, develop baseline knowledge so that resources from the Green Climate Fund are targeted at relevant projects and programmes in Zambia (b) National workshops: build the knowledge and capacity of the National Designated Authority staff to enable them assess projects and programmes for the Green Climate Fund to be in conformity with the country's national priorities, strategies and plans, and with the country's laws and regulations (c) Development of a website (d) Development of a monitoring, evaluation and reporting plan: monitor and evaluate in accordance with the Fund's guidelines (e) Translation of key operational procedures, and (f) production of television and radio: develop and support the execution of a programme that will provide a platform to disseminate information about the Green Climate Fund and share experiences at national, provincial and district levels.</p> <p>2) <i>Activity area 2:</i></p> <p>(a) Review of strategies on climate change, and (b) Development of a Country Programme.</p> <p>These activities will be undertaken between 14th March 2016 and 31th December 2017 at USD300, 000</p> | \$300,000 | \$60,000 disbursed, Implementation stage |
| Action | Lead | Timeline | |
| Include the NAP result area to the readiness programme | NDA | June 2017 | |

Table 7. Accreditation pipeline

| Entity Name | Type | Action | Lead | Timeline |
|-----------------------------------|------------------|--------------------------------|----------------------------|-----------------|
| Ministry of Finance | Government | Start process of accreditation | Ministry of Finance | Q2 2017 |
| Development Bank of Zambia | Quasi-Government | Start process of accreditation | Development Bank of Zambia | Q2 2017 |

| | | | | |
|--|----------------------|--------------------------------|------------------------------------|---------|
| Zambia National Commercial Bank | Quasi- Government | Start process of accreditation | Zambia National Commercial Bank | Q2 2017 |
|--|----------------------|--------------------------------|------------------------------------|---------|

3. Monitoring and evaluation

To effectively monitor and evaluate the implementation of the National Policy on Climate Change, a comprehensive M&E framework will be developed. The framework will emphasize on regular progress monitoring and periodic in-depth evaluation to ensure that expected outputs, outcomes and impacts are achieved. The Ministry responsible for National Development Planning will provide overall oversight on Monitoring and Evaluation of Sectoral Plans and Programmes on climate change. The Ministry responsible for Environment and Natural Resources through the Department will facilitate the Monitoring and Evaluation of Climate Change Implementation Plans and projects. The Policy will be reviewed periodically to take on board new and emerging issues related to climate change.
