

The following serves as a standard cover page to be submitted together with the MDB project document requesting SCF targeted program funding approval. Each MDB would submit its standard documentation with the completed cover page to secure SCF targeted program funding (e.g. pre- or post-appraisal document).

Cover Page for Project/Program Approval Request			
1. Country/Region:	Zambia	2. CIF Project ID#:	(Trustee will assign ID)
3. Source of Funding:	<input type="checkbox"/> FIP	× PPCR	<input type="checkbox"/> SREP
4. Project/Program Title:	<i>Additional Financing for Zambia Strengthening Climate Resilience (PPCR Phase II) (P165442)</i>		
5. Type of CIF Investment:	<input type="checkbox"/> Public	<input type="checkbox"/> Private	× Mixed
6. Funding Request in million USD equivalent:	<i>Grant: US\$1.1 million</i>		<i>Non-Grant: US\$13.5million</i>
7. Implementing MDB(s):	<i>The World Bank</i>		
8. National Implementing Agency:	<i>Ministry of National Development Planning through Zambia PPCR National Project Implementing Unit</i>		
9. MDB Focal Point and Project/Program Task Team Leader (TTL):	<i>Headquarters- Focal Point: Kanta Kumari</i>		<i>TTL: Iretomiwa Olatunji; Nathalie Johnson</i>
10. Project/Program Description (including objectives and expected outcomes):			

The proposed additional investment activities provide opportunities to support investments in improved climate resilient technologies through funding for technical cooperation activities, offering incentive payments and small grants to private businesses, farmers and households. Having a robust participatory process (CRAFTs) which could facilitate continued support/training for the private sector and the climate information services, provides the required enabling environment and a basis to bring about climate resilience at scale through private-sector and market based approaches. The overall concept is to build a national widespread presence and network in the country of public and private actors that will facilitate widespread diffusion of climate resilient technologies and farming practices to improve yields and sustain livelihoods.

The investments from the proposed AF will target private sector support to the priority sub-basin of Barotse and the wider region. The additional investment will help leapfrog ongoing investment to the next level – in this case catalyzing the private sector through incentive payments and small grants and provision of climate information to promote resilience using the private sector and its associated market based mechanisms.

The AF pilot will contribute significantly to the outcomes of the parent project with respect to developing institutional capacity for implementing and supporting private-public sector partnerships that build climate resilience in the smallholder agriculture sector. A key result will be *the development of innovative approaches to better integrate smallholder farmers with the private sector to provide a platform for the growth and development of a robust and resilient smallholder agricultural economy with reduced dependencies on external assistance.*

11. Consistency with Investment Criteria¹:

This proposed AF builds on a private sector approach and is linked to the SPCR² goal that seeks to explore the private sector strengths and the premise that it underpins on a country's economic growth and stability. To effectively contribute to and engage in programs related to building climate resilience, both public and private sector actors need to be part of climate resilience investments. The project aims to ensure that both the public and private sector have the knowledge, capacity and financial incentives necessary to embark on appropriate and timely climate resilience building interventions. The eventual outcome will lead to sustaining the country's economic and social prosperity. Zambia has a robust private sector (including finance and insurance companies, ICT companies and companies involved in the agri-business and industrial sectors within Zambia) that is poised to help underpin and implement a private sector-led approach to climate resilience projects in line with the Zambia SPCR.

12. Stakeholder engagement³:

¹ Please provide the information in the cover page or indicate page numbers in the accompanying project/program document where such information can be found.

² Zambia Strategic Programme for Climate Resilience 2011; Submission to Climate Investment Funds

³ Ibid.

Private sector stakeholders in Zambia range from large corporate, small and medium enterprises, to farmers. To date, they have had a somewhat limited role in addressing climate resilience, but given the proper incentives and information, have the potential to play leading roles in promoting innovative technologies.

Over the past two years, the Government of the republic of Zambia supported by the World Bank through the ongoing Zambia PPCR Phase II project has held several consultations i.e. public and private sector engagement with a view to identify an approach to implement a private sector approach to climate resilience investment. Over three joint stakeholder consultations/meetings and two joint missions, led by Ministry of National Development Planning through the Zambia PPCR Phase II project office involving multiple stakeholders were also completed. Key PPCR stakeholders discussed on the need to create an enabling environment of private sector involvement in climate resilience projects/program. It was also a consensus there is need to scale up ongoing intervention into a program nationally.

Following extensive stakeholder consultations at the national and regional levels, Zambia decided to proceed with private sector investment using a Public Private Partnership(PPP) approach. Given the high level of stakeholder interest on Zambia's Climate Change Programme, the conversation supported a critical need to initiate an investment led by the Bank and the choice to revise the SPCR and combine the private sector investment with ongoing MDB existing investments for a well-coordinated and integrated investment projects which in turn directly support Zambia's climate change Programme:

13. **Gender considerations⁴:**

⁴ Ibid.

The AF will continue to build on the parent project’s focus on gender and vulnerable people. The parent project was designed to “*specifically target women-headed households (who by nature are highly vulnerable), as well as male-headed households considered to be very or extremely vulnerable*” This will also include youths, as well as other disadvantaged groups including the elderly, orphan headed households and those affected by HIV/AIDs or other illnesses and challenges. The parent project benefits from participatory adaptation grants measured with respect to incremental cash income and improved food security for direct beneficiary households disaggregated by gender indicated the parent project was meeting its target for gender and vulnerable people groups. To ensure sustainability of this process, specific approaches for wider coverage of these actions will involve collaboration and input from specialist teams and individuals in the project structure, including consultations with communities, key partners and other entities with successful experiences in this area. The overall aim is to improve the socio-economic status and well-being of all households in the targeted areas of the project.

Before implementation of major program activities, assessments/evaluations will be conducted to establish drivers and constraints affecting the adoption of particular interventions by gender and other social groupings. This will help to identify interventions that appeal to or are most relevant to different gender or social categories. A key initial strategy is to conduct trainings and sensitization meetings prior to implementing any intervention to ensure that all potential beneficiaries have access to the intervention and understand the respective roles and responsibilities of different stakeholders. During implementation, the project M&E system will disaggregate participation by gender and other social groupings with critical information to assess the impacts on lives and livelihoods

14. Indicators and Targets (consistent with results framework):

Core Indicator	Target ⁵
(a) Changes in budget allocations to climate-smart programs in national budget Equivalent to indicator A.2.2 in the January 14, 2013 PPCR Results Framework ”	US\$1.48million
(b) Local Adaptive Capacity i.e. percentage of targeted wards and council assessed as having developed adaptive capacity. Composite indicator equivalent to PPCR core indicator B. 1	70%
(c) Target Beneficiaries I.e. Number of direct of beneficiaries (cumulative). Equivalent to PPCR core indicator A. 1.3	130,000

⁵ Target to be revised and the process is ongoing.

(d) Climate responsive financial instruments developed and tested. Equivalent to PPCR core indicator B5	2	
<i>Development Indicator(s):</i> (a)Number of finance scheme advanced to small-holder farmers.	1150	
15. Co-Financing:		
	<i>Amount (in USD million):</i>	<i>Type of contribution:</i>
• Government	1.5million	
• MDB		
• Private Sector (please specify)		
• Bilateral (please specify)		
• Others (<i>World Bank Parallel Financing to scale up into program</i>)	75million	Loan
Co-Financing Total:	76.5million	
16. Expected Board/MDB Management⁶ approval date:		
April 26, 2018		

FINAL Version
February 26, 2013

⁶ In some cases activities, will not require MDB Board approval.