

Coordinating Climate Finance: Lessons from Zambia

With the establishment of the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, developed countries committed to mobilizing \$100 billion a year in publicly- and privately-sourced finance to assist developing countries in their societal response to climate change. Although this goal remains to be achieved, developing countries like Zambia have received a variety of international public funds for climate adaptation and mitigation purposes. How do recipient countries coordinate multiple funding sources in order to both achieve climate goals and avoid the duplication and waste that often plagues development aid? This paper looks at what helps or hinders successful climate finance coordination, offering key lessons about donor-recipient coordination at the national and local government levels.

Brief Points

- Climate finance donors can help foster coordination frameworks.
- Competing approaches to coordination cause fragmentation.
- Coordination practices are rooted in the past, but change over time.
- There are knowledge gaps in, and on, coordination that should be addressed by climate finance stakeholders.

Kendra Dupuy

Peace Research Institute Oslo (PRIO)

Pamela Towela Sambo

Southern African Institute for Policy & Research (SAIPAR)

Mikkel Funder

Danish Institute for International Studies (DIIS)

Evans Chama

Southern African Institute for Policy & Research (SAIPAR)

Introduction

Climate finance coordination can be defined as collective arrangements for information sharing, policy coherence, and finance delivery. Addressing climate change involves many sectors – such as forestry, land, agriculture, water, and finance, to name just a few – as well as a multitude of actors including diverse government departments, bilateral donor agencies, multinational financial institutions, civil society, academia and local communities. Coordination is therefore critical for ensuring that finance is effective in achieving its objective of enabling developing countries to adapt to and mitigate climate change, while avoiding duplication and waste.

What enables the successful coordination of international climate funds in developing countries – and what stands in the way? Zambia is Africa's seventh largest recipient of international funding for climate mitigation and adaptation purposes.¹ As such, the case of Zambia provides illustrative lessons about how donors and recipient countries coordinate climate finance at the national and local government levels.

Climate Finance in Zambia

Zambia receives international funding for both adaptation and mitigation activities and from both bilateral and multilateral sources (as seen in Figures 1 and 2). The country has a relatively long history of efforts to achieve climate finance coordination, and a number of actors have been involved. Zambia's experiences thus make for an interesting example of coordination among different actors and at different levels, including between and among donors, between donors and government, and between the national and local governments.

To understand the past and current institutional framework of climate finance coordination in Zambia, we reviewed a range of government, policy, and research documents and interviewed key informants in Washington, D.C. during April 2019 and in Zambia during June 2019. Our informants included national and local government officials, multilateral bank representatives, bilateral donor agency representatives, international climate fund representatives, independent experts on climate finance, and civil society organization representatives. We also conducted interviews with local actors engaged

with the implementation of climate funding at subnational levels in two districts of Zambia, Mazabuka and Mumbwa.²

The History of Zambia's Climate Finance Coordination Architecture

Climate finance coordination in Zambia has been influenced by earlier approaches to development aid coordination, as well as by coordination within the country's environment sector (ODI 2016). In 2009, climate change came into its own as a separate and distinct policy issue with the institutionalization of the Climate Change Facilitation Unit (CCFU), housed within the then Ministry of Tourism, Environment, and Natural Resources (MTENR). This unit was supported by the United Nations Development Programme (UNDP), which also funded the development of the 2010 National Climate Change Response (NCCRS) Strategy and was involved with the country's UN-REDD (Reducing Emissions from Deforestation and Forest Degradation) program. The CCFU ceased to operate in 2012.

The National Climate Change Response (NCCRS) Strategy recommended options for government coordination of climate finance in Zambia, including the idea of a coordinating climate change secretariat. But there was little consensus among the bilateral and multilateral climate

finance donors as to whether such a secretariat should remain embedded in the MTENR and continue to be supported by the UNDP, or whether it should instead be moved to the Ministry of Finance and National Planning. The World Bank argued for the secretariat's placement in the Ministry of Finance and National Planning, as this had convening power and high-level budgetary control. Embedding the Secretariat at the Ministry of Finance offered the added benefit of providing better leverage to donor funding as well as more direct and efficient donor-government interaction.

Responsibility for the coordination of climate finance was indeed ultimately moved to the Ministry of Finance in 2012 with the establishment of the Interim Climate Change Secretariat (ICCS). As a compromise, this new entity included staff seconded from the MTENR. In particular, the ICCS assumed the mandate for the coordination of the World Bank's Climate Investment Funds' Pilot Programme for Climate Resilience (PPCR) projects in Zambia.

The ICCS has, however, been unable to assume unilateral authority over climate finance coordination in Zambia. The UNDP simultaneously supported the development of a climate change unit with the MTENR, and the MTENR was itself split into two ministries in 2012: the Ministry of Water, Sanitation, and Environmental



Solar-powered water well in Mazabuka District, Zambia. Photo: Kendra Dupuy

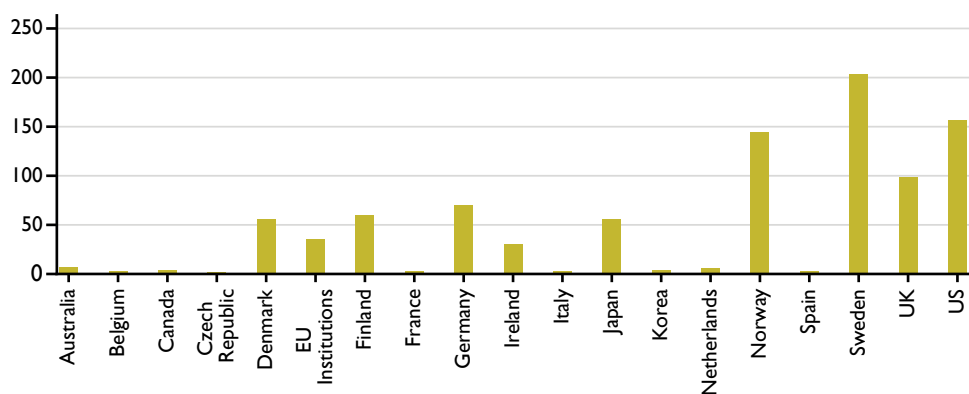


Figure 1: Dispersed bilateral funding to Zambia, 2004–2017 (USD millions). Source: OECD

Protection (MoWSEP), and the Ministry of Lands and Natural Resources (MNL). The Ministry of Finance further consolidated its leadership in climate finance coordination by hosting the National Designated Authority (NDA) for the Green Climate Fund (GCF) starting in 2015.

Another major national development in Zambia's climate finance coordination landscape occurred in 2015, when the Ministry of National Development Planning (MNDP) was formed after delinking the national planning component from the Ministry of Finance. The MNDP then assumed primary authority for climate finance. Reflecting this, the PPCR Secretariat moved from the ICCS to the MNDP.

In 2016, the National Policy on Climate Change (NPCC) was approved (and its development supported by the UNDP). The NPCC mandated the MNDP to take the lead on climate finance coordination. As a result, the ICCS ceased to be staffed – but it has never been officially closed down. Despite the empowerment of the MNDP, a climate finance coordination unit has continued to be developed within the MNL to act as a future focal point for climate finance – and today it is the location of the GCF's NDA.

Climate Finance Coordination Today

The Ministry of National Development Planning (MNDP) currently holds the political authority for climate finance coordination in Zambia. But within the country's coordinating framework, there are a number of other international actors as well as government ministries and institutions that play active roles in the coordination of climate finance.

Donors coordinate with each other on climate finance through coordination committees. These committees are divided into two: one in which technical experts meet within topic-specific development clusters, and the other in which heads of missions meet. As of June 2019, the relevant technical donor coordination committee on climate change was in the process of being merged in with their relevant counterpart government coordination committees, in order to improve contact between government and the donors.

The two most active multilateral donors – the World Bank and the UNDP – primarily coordinate with the government via the two authorities placed within the MNDP and the MNL: the PPCR Secretariat, and the Green Climate Fund's (GCF) National Designated Authority (NDA).

National-level government coordination of climate finance is officially chaired by the Office of the Vice President and advised by the Council of Ministers. The actual practices of government coordination occur via a Secretariat, based at the MNDP. The Council of Ministers brings together the ministers and technical advisors from each of the relevant ministries, including Agriculture, Lands and Natural Resources, Water, Finance, and Fisheries. Representatives of other government agencies, such as the Zambia Environmental Management Agency (ZEMA) and the Disaster Mitigation and Management Unit (located within the Office of the Vice President), are also represented.

At the local government level, climate finance coordination is not structured uniformly across all districts. Typically, however, three authorities

are involved. The first is the District Commissioner, who heads the deconcentrated government agencies at the district level. The second is the District Development Coordinating Committee (DDCC), which coordinates development efforts at the district level. In some districts, such as Mumbwa, the District Council serves as a Secretariat to the DDCC, coordinating local government efforts on issues related to climate change. Finally, in some districts, the PPCR created Project Implementation Teams at the district level, which are headed by, and embedded within, the District Administration.

Lessons Learned

1. Climate finance donors can help foster coordination frameworks

Climate finance coordination in Zambia was originally largely donor-driven, and specifically, it was driven by multilateral climate funds (namely, the Climate Investment Funds and the Green Climate Fund). It seems clear that this active engagement of multilateral climate donors in particular – alongside the efforts of national and subnational agencies – has contributed to the emergence of a climate finance coordination framework in Zambia at a relatively early date. A lesson learned is thus that donors can play a conducive role in the development and institutionalization of climate finance coordination at national and sub-national levels in recipient countries. In particular, the Project Implementation Units established at the local level with the PPCR projects has taken root at the sub-national level, as local government officials see the benefit of their coordinating function.

2. Competing approaches to coordination cause fragmentation

The involvement of two powerful multilateral organizations and donors in climate finance coordination in Zambia – namely, the United Nations Development Programme and the World Bank – has, however, also led to the creation of a somewhat fragmented coordination landscape. While the MNDP's Secretariat and the PPCR dominate climate finance coordination in the country, parallel structures exist within other Ministries, reflecting institutional struggles both between donors as well as between government ministries. These struggles are partly about institutional legitimacy and 'turf', but also

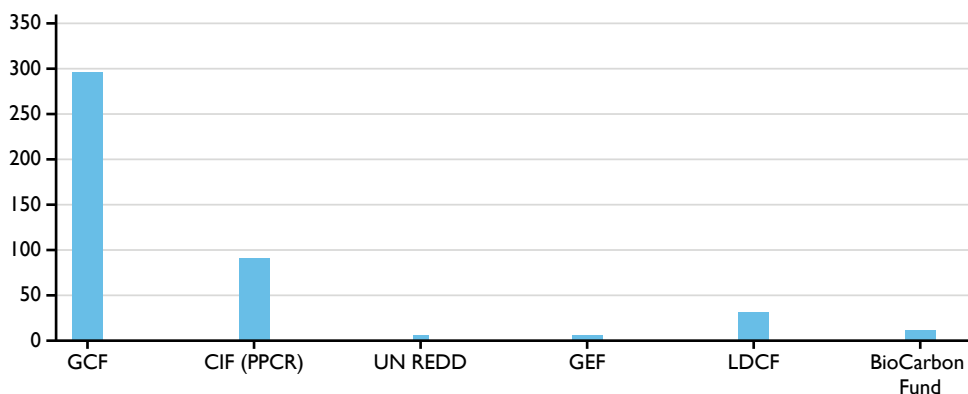


Figure 2: Multilateral climate funds, 2004–2017 (USD millions). Source: Climate funds update

evolve around different approaches to whether climate finance coordination should be anchored in broader planning agencies, or with sectoral specialists.

3. Coordination practices are rooted in the past, but change over time

The Zambian case illustrates a third lesson learned: climate finance coordination practices change over time, and may reflect and be rooted in coordination practices in other and earlier domains (such as development aid). In Zambia, donor-government coordination on climate finance is occurring within the existing development aid coordination infrastructure. There is also variation in the presence and strength of different forms of coordination. In Zambia, there appears to be rather strong historical coordination among some actors and institutions in drafting project proposals. But information sharing between, for example, the various government agencies, and between government and civil society, is much weaker, and in this respect, is related to the observation under point (2) above relating to institutional legitimacy and ‘turf’ protection.

4. Knowledge gaps in, and on, coordination

Finally, our research uncovered knowledge gaps that could potentially improve climate finance coordination in Zambia, and elsewhere. First, there is no publicly accessible database containing a geo-located master list of all current and previously funded projects at either the national or sub-national level. Such data is important for avoiding duplication of efforts and for enhancing coordination among key actors and institutions. It would furthermore be useful if vulnerability assessment data were included, in project selection as well as in project monitoring. Second, international non-governmental organizations are in some cases bypassing government when establishing and implementing climate-related projects and activities. As there is no particular institution mandated to specifically coordinate with civil society on climate change, this leaves open a potential source of overlap. Finally, there is a gap in understanding of domestic financing of climate adaptation and mitigation projects and activities, and how this is (and can be) coordinated with international financing. ■

Notes

1. Currently, Sub-Saharan Africa receives approximately 12% of global climate finance flows, with South Africa receiving nearly one-fifth of all flows to the region (based on data from the Climate Finance Landscape 2018 report).
2. This included project activities funded by the Pilot Program for Climate Resilience (PPCR) under the Climate Investment Funds. See znccs.org.zm/pilot-programme-for-climate-resilience-ppcr.php

Further Reading

Buchner, Barbara K., et al. (2017) ‘Global Landscape of Climate Finance 2017’. *Climate Policy Initiative*. Available at: climatepolicyinitiative.org/

Funder, Mikkel, Carol Mweemba, and Imasi-ku Nyambe (2017) ‘Climate Change Adaptation and Decentralization Politics: The Case of Local Governments in Rural Zambia’. In E. Friis-Hansen (ed.), *Decentralized Governance of Adaptation to Climate Change in Africa*. Wallingford, UK: Cabi Publishing.

Van Rooij, Jerome (2014) ‘The Coordination of Climate Finance in Zambia’. London: Overseas Development Institute.

THE AUTHORS

Kendra Dupuy is a Senior Researcher at PRIO. Pamela Towela Sambo is a Researcher at the Southern African Institute for Policy and Research. Mikkel Funder is a Senior Researcher at the Danish Institute for International Studies. Evans Chama is a Research Assistant at the Southern African Institute for Policy and Research.

THE PROJECT

‘Share or Spare’ is funded by the Swedish Research Council. The project aims to explain the nature and determinants of climate finance coordination. It is led by Lund University and includes PRIO, the Danish Institute for International Studies, and the Stockholm Environment Institute.

PRIO

The Peace Research Institute Oslo (PRIO) is a non-profit peace research institute (established in 1959) whose overarching purpose is to conduct research on the conditions for peaceful relations between states, groups and people. The institute is independent, international and interdisciplinary, and explores issues related to all facets of peace and conflict.