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Over the last few decades, climate change and variability have emerged as a growing threat to Zambia's sustainable development. According to the World Bank Country Diagnostic for 2018, **Zambia has experienced changes in its mean annual temperature and precipitation. Climate trends indicate that the mean annual temperature increased by 1.3°C between 1960 and 2003, which translates to an average of 0.34°C per decade. Temperatures are projected to increase to above the 1970–1999 average by 1.2–3.4°C and 1.6–5.5°C by the 2060s and 2090s respectively.** The mean rainfall has decreased by an average of 1.9 mm/month, or 2.3 percent each decade since 1960, and projections show an overall downward trend in precipitation.

These climate-induced changes are exerting considerable stress on some of Zambia's key economic sectors such as agriculture, health, water and energy. **While there is ample potential to strengthen Zambia's agriculture, the sector has become more vulnerable to the effects of climate change and climate-induced risks.** A study by Braimoh et al., 2018, found that between 1982 and 2016, droughts caused losses amounting to US\$438 million in the agriculture-sector; excessive rainfall and floods cost an additional US\$172 million in losses. In the energy sector, during the 2015/2016 season, poor rainfall led to a 600MW decline in hydro power generation. Other effects have seen an increase in the costs of managing and controlling of climate related diseases such as malaria, the loss of natural environment, damages to infrastructure and disruption of biodiversity.

In terms of economic growth, climate change cost Zambia an estimated 0.4 percent or US\$13.8 billion in annual GDP growth between 2007 and 2016 and a projected 0.9 percent over the next decade. In addition, the World Bank also made similar projections for over the next 10-20 years, cited climate related losses amounting to US\$2.2–3.1 billion in the agricultural sector largely resulting from waterlogged fields, water shortage, destruction of crops, and a higher incidence of crop and livestock diseases.

CURRENT SOURCES OF CLIMATE CHANGE FINANCING IN ZAMBIA

Climate change financing is an important tool in managing **climate risks and shocks in Zambia which can only be achieved through resource mobilization**. As part of its climate change adaptation and mitigation efforts, Zambia with the help of cooperating partners has continued to mobilize both public and private climate finance flows for mitigation, adaptation and building resilience. These climate change financing sources come in different forms. **Among them are the Government national budget, dedicated climate financing (Green Climate Fund and Pilot Programme for Climate Resilience), private sector financing and foreign direct investment.**

This climate financing has been in the form of mitigation and adaptation projects towards carbon emission reduction and building resilience. These efforts among others include; improving surveillance systems for climate change on climate related risks; improving the utilization of climate data and information; strengthening sustainable forest management; diversifying the country's energy mix and promoting crop diversification.

ROLE OF PRIVATE SECTOR IN CLIMATE CHANGE ADAPTATION AND RESILIENCE FINANCING

In the context of private sector involvement in climate change adaptation, the private sector has in the past played a pivotal role in promoting economic development through project financing in agro and mineral processing, the fishing and textile industry as well as in job creation. Evidence now shows that there has been a shift in the private sector, especially banks, in their traditional mandate by beginning to respond to climate change development demands and challenges although the inflows are not significant.

A study by Pauw in 2015 also highlighted a shift in the private sector towards investing in climate change risk management rather than exploring business opportunities, as adaptation offers limited opportunities in the short term. In their response to climate change financing, the private sector has mainstreamed climate risk in their operations in order to stay in business such as investment in drip irrigation, conservation farming and crop insurance.

Engaging the private sector is essential in climate change financing for adaptation strategies due to multiple reasons. Private sector engagement can lead to mobilization of financial resources and technical capabilities that leverage Government, civil society and community efforts thereby developing innovative climate services and adaptation technologies.

Private entities dominate many investments that are critical to adaptation, such as the location and design of buildings and other infrastructural investments. Private-sector corporations are also key to developing climate innovations and often dominate the design and delivery of many adaptation services such as weather observation technology and early warning systems. Drought-resistant seed varieties and other agricultural innovation products, along with water management infrastructure and technologies, also tend to fall within their sphere.

STRATEGIES FOR PRIVATE SECTOR PARTICIPATION IN CLIMATE CHANGE FINANCING

There are a number of strategies that can be used to engage the private sector in climate change financing strategies for adaptation and resilience. Some of these primary strategies are to **increase awareness on the negative impacts of climate change and the need for a response to it, utilization of public-private partnerships in national climate change efforts, and to engage the private sector in developing products and services to reduce the costs and impacts of climate change.**

Raising awareness on the negative impacts of climate change and the need to respond to its impact is essential as the country plans to engage the private sector in climate change adaptation and resilience efforts. This awareness must include the potential risks of climate change to business and the necessary response measures. **This can be achieved by continuous compilation and wide sharing of this information and contents of national documents such as National Adaptation Strategies or National Adaptation Programmes of Action (NAPAs) with all stakeholders which could help improve public understanding on the serious effects of climate change, its consequences to the economy as a whole and appreciate the strategies government is implementing.**

Additionally, Government can facilitate private sector efforts through provision of **climate change and weather variability information, adoption of regulations and appropriate economic incentives with the help of public-private partnerships.** One of the highest priorities identified in the NAPA is the development of weather and climate networks for real time observation, local weather forecasting and **dissemination of weather information to improve early warning systems.** The need for effective early warning systems requires infrastructure as well as capacity building and this is where the private sector can provide this infrastructure by deploying a network of automated surface weather and climate observation points which can be used to provide critical weather information necessary for early warning systems. This arrangement can provide a win-win situation between Government and the private sector as it reduces climate change risk, thereby resulting in reduced infrastructure maintenance costs for the Government while giving business to the private sector for providing such a service.



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