

**SUBJECT : ZAMBIA – REQUEST FOR A GRANT OF USD 1,000,000
AS HUMANITARIAN EMERGENCY ASSISTANCE TO
2009/2010 FLOOD MITIGATION***

The above-mentioned document together with the Draft Resolution, were submitted to you for approval on a **Lapse-of-time Basis**.

At the closing date of 6 December 2010, only one provisional reservation was made by an Executive Director. The said document and Resolution are considered as approved.

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ACRONYMS AND ABBREVIATIONS

| | | |
|------|---|---|
| ADB | : | African Development Bank |
| ADF | : | African Development Fund |
| DMMU | : | Disaster Management and Mitigation Unit |
| FAO | : | Food and Agriculture Organisation |
| GRZ | : | Government of the Republic of Zambia |
| MFNP | : | Ministry of Finance and National Planning |
| NGO | : | Non-Governmental Organizations |
| SRF | : | Special Relief Fund |
| TLA | : | Tripartite Letter of Agreement |
| UN | : | United Nations |
| UNDP | : | United Nations Development Programme |
| USD | : | United States Dollar |
| WFP | : | World Food Programme |
| VAC | : | Vulnerability Assessment Committee |
| ZMFO | : | Zambia Field Office of the African Development Bank |

**HUMANITARIAN EMERGENCY ASSISTANCE TO THE 2009 FLOOD
MITIGATION IN ZAMBIA**

RESULT BASED LOGICAL FRAMWORK

| Hierarchy of objectives | Expected Results | REACH (Target population) | Performance Indicators | Objectives and Time Frame | Assumptions/ Risk |
|--|---|--|--|---|--|
| <p>Sector Goal: Contribute to Government efforts to alleviate the suffering of 185,406 households effected by floods in Zambia</p> | <p>Long-Term Output Improvement of livelihoods of the flood victims</p> | 175, 145 households in the affected areas of Central, Lusaka, North-Western, Western, Southern and Eastern Provinces | Farming livelihoods restored to pre-flood conditions for 17.5% of flood affected population | All affected areas achieve food sufficiency by 2011 | <ul style="list-style-type: none"> No delay in disbursement and implementation Institutional capacity for government exists for distribution of the relief food and inputs |
| <p>Objective of Operation: Respond to the immediate need of flood victims in the flood affected provinces</p> | <p>Medium-Term Outcome: Reduction of the risk of starvation and collapse of crop production systems</p> | Direct flood victims Central, Lusaka, North-Western, Western, Southern and Eastern Provinces | Percent of flood affected population attaining food security | By the end of 2011, all targeted flood affected households achieve food security | Coordination between DMMU and Ministry of Agriculture and Cooperatives |
| <p>Contributions and activities:</p> <p>(i) Procurement and Distribution of relief food,</p> <p>(ii) Procurement and distribution of relief seeds and planting materials.</p> | <p>Short-term Outcome: Restore food systems by meeting immediate food needs and medium term seed needs</p> | 185,406 vulnerable households (10,261 for seeds support and 175,145 for relief food) households, including women, child headed households and the terminally ill | <p>- Number of - affected people accessing food</p> <p>- Number of affected people accessing seeds</p> | US\$1,000,000 would buy 2,100 tons of maize, 90 tons of early maturing seed maize and 1.250 tons of vegetable seeds | No delays in procurement activities |
| <p>Resources: USD 1 million 2,100 tons of maize at US\$619,500, 90 tons of early maturing seed maize at US\$150,000 and 1.250 tons of assorted vegetable seeds at US\$50,000. US\$180,500 would be used for transportation and logistics.</p> | | | | | |

EXECUTIVE SUMMARY

1. **Introduction:** The flooding that ravaged Zambia, especially populations in Central, Lusaka, North-western, Southern and Eastern Provinces, have had a cumulative effect on over 1 million people. Preliminary assessments by the National Vulnerability Assessment Committees (VACs), conducted during April 2010, indicate that the level of food insecurity and vulnerability is significantly high in the affected areas. VAC estimates indicate that 1 million people are unable to meet their food requirements as a result of crop failure induced by flooding. Based on the above assessments, women, child headed households and the terminally ill represent about 52% of the total affected population. Exceptionally high and torrential rains during early 2010 caused major material damage to basic infrastructure in urban and rural areas.

2. **Purpose of the Grant:** The purpose of the grant is to contribute US\$ 1 million as emergency assistance to 185,406 households in the named provinces through the Special Relief Fund (SRF). The emergency humanitarian grant will supplement on-going efforts to build long-term resilience of rural livelihoods. This sum represents about 22% of the US\$ 4,56 million short-term financial needs for Agriculture and Food Security emergency and relief rehabilitation expressed by the Government. The resources required for medium to long term recovery and rehabilitation of infrastructure are estimated at about over US\$ 20.0 million.

3. **Project Objectives:** The main objective of the proposed emergency humanitarian assistance is to meet the urgent and immediate needs of flood victims including women, child headed households and the terminally ill who constitute about 52% of those affected.

4. **Brief Description of the Emergency Humanitarian Assistance:** The ADB emergency humanitarian assistance will cover emergency response components, namely: procurement and distribution of relief food for 175,145 households, and procurement and distribution of relief seeds and planting materials for 10,261 of the most affected populations. The US\$1 million grant will finance 2,100 tons of maize, 90 tons of early maturing seed maize and 1,250 tons of vegetable seeds, including logistics.

The assistance will be channelled through targeted food distribution to households with insufficient crop production due to flooding, as well as those with no livestock or other sources of income (remittances, wage labour, etc) to purchase food and seeds to enable them plant a winter crop. The widows, orphans, female- and elderly-headed households without visible means of support form the majority of beneficiaries in Central, Lusaka, North-Western, Western, Southern and Eastern Provinces.

5. **Amount of the Emergency Humanitarian Assistance:** The total estimated amount of emergency to be granted to the Government is US\$ 1 million.

6. **Source of Financing:** The emergency humanitarian assistance will be financed from the Special Relief Fund (SRF).

7. **Implementation of the Emergency Humanitarian Assistance:** The appropriate Government Agency is the Disaster Management and Mitigation Unit in the Office of the Vice President that already has a well established network in the country for food relief assistance distribution. DMMU has almost exclusively and satisfactorily handled all emergency programmes in Zambia using government grants. Other partners such as the United Nations Agencies (United Nations Development Programme (UNDP), Food and Agriculture Organisation (FAO) and World Food Programme (WFP) and some bilateral donors have provided some material donations whose value is estimated at USD 0.5 million. The relief operation has therefore depended much on the government budget.

8. **Conclusion and Recommendations:** The proposed Bank emergency humanitarian relief assistance is to contribute to the alleviation of the suffering of the flood-affected victims in Zambia. This will target vulnerable individuals and households with the primary objective of saving lives and preserving livelihoods, and will be distributed through programming categories such as Food Security, Agriculture and HIV/AIDS. The emergency relief assistance operation will be funded through a grant from the Bank's Special Relief Fund. In accordance with the Guidelines and the Procedures, and the General Regulations of the Special Relief Fund (SRF), it is recommended that the Bank assists the affected populations in Zambia with a grant not exceeding One Million United States dollars (US\$1,000,000). In view of the urgency of the situation, it is recommended that the Boards of Directors exceptionally approve this proposal, and allow disbursement of an amount not exceeding US\$1,000,000 upon Board approval and signature of the Protocol of Agreement.

1. INTRODUCTION AND RATIONALE

1.1 During the 2009/10 agriculture season, most areas of Zambia received above average rainfall. This caused severe damage to large number of roads, bridges, houses and basic infrastructure services in some parts of Zambia. The flooding ravaged large populations in Central, Lusaka, North-western, Southern and Eastern Provinces, have had a cumulative effect on close to 1 million people. Preliminary assessments by the National Vulnerability Assessment Committees (VACs), conducted during April 2010, indicate that the level of food insecurity and vulnerability is significantly high in the affected areas. VAC estimates indicate that 1 million people are unable to meet their food requirements as a result of crop failure induced by flooding. Based on the above assessments, women, child headed households and the terminally ill represent about 52% of the total affected population. The past two seasons have assumed a similar pattern of flooding, undermining the long term resilience of livelihoods.

1.2 Against this background, the Government of the Republic of Zambia (GRZ) appealed to major cooperating partners, including the African Development Bank (AfDB), for emergency humanitarian assistance in a letter dated 20 April 2010 (see Annex I).

1.3 The Government's request is deemed acceptable since it meets the eligibility criteria of the Bank's emergency policy Guidelines and Procedures for Humanitarian Relief Assistance (ADB/BD/WP/2008/211.Rev.1/ADF/BD/WP/2008/173.rev.1), approved on 14 January 2009 by the Board of Directors. The proposed request also meets the established guidelines as related to emergency operations for natural disasters.

2. OVERVIEW OF THE EMERGENCY ASSISTANCE OPERATION

2.1 Scale of Disaster

The scale of the flooding has overwhelmed the response ability of the Disaster Management and Mitigation Unit (DMMU), an arm of the Office of the Vice President of the Republic of Zambia that is responsible for emergency and disaster responses. Since January, 2010, DMMU has been procuring relief maize and distributed nearly 3,000 tonnes in affected rural areas of Zambia. The net relief needs foreseen from June 2010 to April 2011 totals 13,000 tons (comprising of cereals, pulses and oil). In accordance with the findings of the Vulnerability Assessment Committee (VAC), overall relief needs are expected to increase throughout the second half of 2010. The need for relief assistance will peak during the lean periods in November 2010 through March 2011. The total estimated emergency relief effort for agriculture and food security is valued around US\$ 4.56 million. But the resources required for medium to long term recovery and rehabilitation of infrastructure is estimated at about over US\$ 20.0 million as indicated in Table 2.1 below. The detailed VAC report, expected to be released later in mid- 2010, will shed some light on quantified needs and resource levels.

Table 2.1: Summary of Financial Requirements for Flood Affected Sectors in 2010

| Name of Sector | No. of activities | Net Financial Requirements (ZMK) | Net Financial Requirements (US\$) @ K5,000 |
|-------------------------------|--------------------------|---|---|
| Education | 2 | 672,000,000.00 | 134,400.00 |
| Health | 3 | 913,276,775.00 | 182,655.36 |
| Nutrition | 4 | 3,873,765,850.60 | 774,753.17 |
| Infrastructure | | 62,644,544,746.00 | 12,528,908.95 |
| Human Settlement and Shelter | 4 | 662,920,000.00 | 132,584.00 |
| Water and Sanitation | 3 | 8,379,843,031.00 | 1,675,968.61 |
| Agriculture and Food Security | 6 | 22,805,937,247.00 | 4,561,187.45 |
| Grand Total | | 99,952,287,649.60 | 19,990,457.54 |

Source: DMMU, 2010

2.2 Response by the National and International Community

The appeal by the Government has so far been bilateral in nature as it refrained from declaring a national disaster. Individual cooperating partners, the UN and NGOs have embarked on localized support coordinated by the DMMU. Key supporters to the relief operation such as the United Nations (UNDP, WFP and FAO), have provided material donations whose value is estimated at USD 0.5 million. The relief operation has therefore depended much on the Government budget.

3. BANK'S EMERGENCY OPERATION

3.1. Objectives

The main objective of the proposed emergency humanitarian assistance is to meet the urgent and immediate needs of flood victims including women, child headed households and the terminally ill who constitute about 52% of those affected. The proposed Bank emergency humanitarian relief assistance will contribute to the alleviation of the suffering of over 1 million flood-affected victims in Zambia

3.2 Description of the Operation

3.2.1 The request to the ADB for emergency humanitarian assistance is expected to cover emergency procurement and distribution of relief food for 175,145 households, and procurement and distribution of relief seeds and planting materials for 10,261 of the most affected populations. The US\$1 million grant will finance 2,100 tons of maize, 90 tons of early maturing

seed maize and 1.250 tons of vegetable seeds, including logistics. The assistance will be channelled through targeted food distribution to households with insufficient crop production due to flooding, as well as those with no livestock or other sources of income (remittances, wage labour, etc) to purchase food and seeds to enable them plant a winter crop. The widows, orphans, female- and elderly-headed households without visible means of support form the majority of beneficiaries located mostly in Central, Lusaka, North-Western, Western, Southern and Eastern Provinces.

3.2.2 The beneficiaries of the relief operation are identified and targeted through rapid vulnerability assessment surveys conducted by the Vulnerability Assessment Committee (VAC). At each district, a District Disaster Management Committee (DDMC) comprising key stakeholder institutions confirms the list of beneficiaries identified by the community based Disaster Satellite Committees. The DDMC also identifies a district based partner NGO to implement the relief operation. DMMU procures the inputs and relief food centrally and distributes these through the partner NGOs, also providing logistical support such as transport and funds for local operations.

3.3 Institutional Arrangements

3.3.1 According to the Bank's Emergency Assistance Policy Guidelines (ADB/BD/WP/98/41/Rev.2) (the "Guidelines") and Procedures for Humanitarian Relief Assistance (ADB/BD/WP/2003/34/Rev.1) (the "Procedures"), the implementation of the emergency humanitarian relief assistance will be entrusted to appropriate organisations operating in the field at the time of the emergency. In Zambia, the appropriate Government Agency is the Disaster Management and Mitigation Unit in the Office of the Vice President that already has a well established network in the country for food relief assistance distribution. They have handled all emergency programmes in Zambia in collaboration with other humanitarian agencies like WFP, UNDP, FAO and bilateral donors. The National Disaster Management structure is well established and it has fourteen (14) professional staff with personnel at provincial and district levels including affiliated NGOs both local and international, but coordinated by a national DMMU cell under the office of the Vice President. They have implemented similar programmes since 2008 amounting to US\$73,187,897. The Government of Zambia has requested that the relief assistance be channeled through DMMU (Annex 2). The Disaster Management and Mitigation Unit (DMMU), as the mandated wing of government of Zambia, will therefore be entrusted with the implementation of the emergency relief assistance operation.

3.4 Cost and Financing

3.4.1 According to estimates by the Zambian Government, the long-term rehabilitation cost is about USD 20.0 million. The USD1million amount requested from the AfDB is to supplement the short-term agriculture and food security relief effort whose cost is estimated at USD 4.56 million, and therefore the AfDB contribution represents about 22% of the agriculture and food security relief effort. The Zambian Government is making efforts to mobilize local and international resources to bring the situation under control.

3.4.2 Bank Group contribution to the operation, excluding taxes and customs duty, is USD 1,000,000. The source of financing proposed for the operation is the Special Relief Fund (SRF). The detailed cost of Bank financing is given below. The direct cost of relief materials constitutes about 82% of the total costs. The remaining 18% is for logistical costs related to transportation and audit. The relatively high transport cost is due to the remoteness, dispersion and sparsely populated nature of the affected populations.

Table 3.1 Emergency Operation Cost Breakdown

| Item | Quantity | Unit Cost (USD/ton) | Budget (US\$) | % of Budget |
|------------------------------|------------|---------------------|------------------|-------------|
| Relief food Maize | 2,100 tons | 295 | 619,500 | 62 |
| Early Maturing Seed Maize | 90 tons | 1667 | 150,000 | 15 |
| Vegetable Seeds | 1.250 ton | 40000 | 50,000 | 5 |
| Audit and Reporting | | | 10,000 | 1 |
| Transportation and Logistics | | | 170,500 | 17. |
| Total Cost | | | 1,000,000 | 100 |

3.5 Procurement of Goods and Services

3.5.1 All procurement of goods, works, and related services, and acquisition of consulting services financed by the SRF resources will be in accordance *with the Bank's Rules and Procedures for the Procurement of Goods and Works and Rules and Procedures for the Use of Consultants*, using the relevant Bank Standard Bidding Documents. This request is in compliance with the provisions of the Revised Guidelines and Procedures which are applicable to emergency situations resulting from natural disasters such as drought, floods, hurricanes or earthquakes, accidents such as bush fires, or conflicts, as approved by the Board of Directors in the Revised Policy Guidelines and Procedures for Emergency Relief Assistance, and General Regulations of the Special Relief Fund of 28 January 2009. The food items will be procured using Bank's procurement rules. However, given the nature of the emergency operation the restriction on the rule of origin will not apply. The DMMU would be able to purchase, where available, food locally or within the region, using international or national shopping mode of procurement. The procurement will be post-reviewed by the Bank.

3.6 Disbursement

3.6.1 The grant resources will be disbursed in one tranche upon approval by the Board and signature of the Letter of Agreement between the Bank and the Government in line with the Revised Policy Guidelines and Procedures for Emergency Relief Assistance and the General Regulations of the Special Relief Fund. The funds will be disbursed into a Special Account acceptable to the Bank to be provided by the Ministry of Finance and National Planning.

3.7 Implementation Schedule

3.7.1 The implementation period for the emergency operation will remain within the Bank's recommended implementation period not exceeding 6 months from August 2010 to January 31, 2011. The key implementation stages and indicative deadlines will be as follows:

Table 3.2 Provisional Implementation Schedule

| Activity | Responsible Entity | Target Deadline |
|------------------------------------|---|--|
| Approval of Grant | AfDB | 06 October 2010 |
| Signing of TLA | Ministry of Finance and National Planning | 15 October 2010r |
| Disbursement request | Ministry of Finance and National Planning | 1 November 2010 |
| Implementation of activities | DMMU | 1 November 2010 to 31 st April 2011 |
| Submission of PCR and Audit report | Ministry of Finance and National Planning | to 31 st April 2011 |

3.8 Reporting, Supervision and Auditing

3.8.1 The project will be supervised from Zambia Field Office (ZMFO). The DMMU will submit through the Ministry of Finance and National Planning, a Project Completion Report and an Audit Report within six months after the project completion date. The Government will report by 31 March 2011 on activities that took place between 1 October 2010 to 31st March 2011.

3.9. Compliance with Bank Policies

This request is compliant with the provisions of the Guidelines and the Procedures which are applicable to emergency situations resulting from natural disasters such as drought, floods, hurricanes or earthquakes, accidents such as bush fires, or conflicts as approved by the Board of Directors in the Revised Policy Guidelines and Procedures for Emergency Relief Assistance, and General Regulations of the Special Relief Fund of 28 January 2009.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

The scale of flooding overwhelmed the capacity of the Government to provide relief to its affected population of close to 1 million. Over 175,000 households require immediate food assistance while about 10,000 of the most affected require seeds to enable them plant a winter crop. The proposed Bank emergency humanitarian relief assistance will contribute and

supplement the Government efforts to alleviate the suffering of the flood-affected victims in Zambia. These are vulnerable individuals and households whose lives are threatened and their livelihoods disrupted. The emergency relief assistance operation will be funded through a grant from the Bank's Special Relief Fund

4.2 Recommendations

In accordance with the Guidelines and the Procedures, and the General Regulation of the Special Relief Fund (SRF), it is recommended that the Bank award to the Republic of Zambia, from the resources of the SRF, a Grant not exceeding One million United States Dollars (USD 1,000,000) to finance part of the cost of the Emergency Food Assistance for the communities affected by the 2009/10 flooding.

4.3 Conditions

- 4.3.1** As a condition precedent to Disbursement, the Government of the Republic of Zambia (GRZ) will forward to the Bank the details of the Special Account to receive the grant funds.

Annex I

Official Request by the Government

**Capacity Indicators Implementing Institutions of Emergency and Humanitarian Projects-
Zambia DMMU**

| INDICATORS | | |
|------------|--|-------------------------|
| | NUMBER OF OPERATIONS COMPLETED SINCE INCEPTION | Amount US\$(million) |
| 1 | Emergency Drought Recovery Project (2003-05) – World Bank and NORAD | 53.40 |
| 2 | Flood mitigation (2004) funded by MFNP | 0.37 |
| 3 | Drought mitigation (2005) funded by MFNP | 9.16 |
| 4 | Flood mitigation (2006) funded by MFNP | 2.60 |
| 5 | Flood mitigation (2007) funded by MFNP | 2.70 |
| 6 | Flood mitigation (2008) funded by MFNP | 4.96 |
| | Total | 73.19 |
| | Six operations have been successfully completed | |
| | TECHNICAL CAPACITY | |
| | Human Resources | |
| | DMMU coordinates the national disaster management structure involving local and international NGOs and provincial units. The HQ cell falls under Office of the Vice President and has 14 full time professional staff. | |
| | Description of Operations with International Organizations | |
| | DMMU has worked with the UN system, bilateral donors and NGOs in Zambia. DMMU chairs the National Disaster Management Consultative Forum (NDMCF), co-chaired by the UNDP and Permanent Secretary of OVP. DMMU coordinates the Vulnerability Assessment Committee (VAC) | |
| | Logistical Capacity | |
| | DMMU has a fleet of trucks and pick-up trucks It operates an Emergency Operations Centre (EOP) equipped with various items required to communicate in an emergency. DMMU has a modern office block and a flexible but accountable accounts system | |
| | Reporting and Accountability | |
| | DMMU is subject to regular public audits. It regularly produces terminal reports on donor-financed projects. | |