



LUSAKA PROVINCE

# CLIMATE AND ENVIRONMENT BUDGET TAGGING

ENVIRONMENT SAVERS



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## **ABBREVIATIONS AND ACRONYMS**

- CETF** : Climate expenditure tracking framework
- CPEIR** : Climate Public Expenditure & Institutional Review
- FMIS** : Financial Management Information System
- GRZ** : Government of the Republic of Zambia
- M&E** : Monitoring and Evaluation
- UNDP** : United Nations Development Programme
- UNDP BRH** : United Nations Development Programme Bangkok Regional Hub
- SWOT** : Strengths, Weaknesses, Opportunities, Threats

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Dabwitso Zumani Phiri



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## CLIMATE AND ENVIRONMENT BUDGET TAGGING FOR LUSAKA PROVINCE



### INTRODUCTION

Climate change and environmental degradation presents one of the most significant challenges facing humankind, especially in developing countries and cutting across different sectors of the economy, calling for actions from both public and private sectors (UNDP, 2015). These cross-cutting issues are already negatively impacting life on earth and a wide range of human activities. Like many Sub-Saharan African countries, where climate change and environmental degradation are more pronounced, Zambia has also been hit hard by adverse effects of climate change and environmental degradation. For example, agriculture and food security, wildlife, forestry, water and energy, health and infrastructure have been adversely impacted, thereby affecting the economic, social, and environmental dimensions of sustainable development efforts (Government of the Republic of Zambia, 2016). In cognizance of this, the Government of the Republic of Zambia crafted a number of strategies, action plans and policies such as: National Adaptation Plan of Action (NAPA) 2007; Intended Nationally Determined Contribution (INDC) 2015; National Climate Change Response Strategy 2010, and National Policy on Climate Change 2016, to act as blueprints for the implementation of various interventions aimed at mitigating the risks of climate change and restoration of environment.

Notwithstanding formulating ambitious policy and legal frameworks to guide the war against climate change and environmental degradation, and executing a number of interventions, current evidence points out that climate change and environmental degradation are still pressing issues in Zambia. In particular, policies and programmes on climate change and environmental degradation are largely put in place together with relevant governance and institutional structures, but the challenges of integration of climate change across all sectors, as well as implementation of policies still persist. There is therefore a need to achieve holistic climate and environmental risk management that combines immediate crisis responses with long-



term adaptation and the right enabling factors are needed. In order to bring about lasting transformation in these sectors, several solutions have been proposed but recently attention has also been drawn to the role of climate and environment financing in the management of climate change crisis and environmental degradation. Climate and environment related financing, of late, is regarded as one of the essential elements to fight against climate change and environmental degradation and facilitate logical implementation of interventions aimed at mitigating the risks of climate change and environment degradation. In the past, the concept of climate and environment financing in both academic and policy discourses was not fully understood because most of the attention had been on the legal and technical aspects of climate change and environment degradation. Yet, the logical implementation of climate change and environment related interventions cannot be attained without adequate finances. Acknowledging this reality, more and more countries are implementing tools to facilitate and optimise the consideration of the climate and environment in budgetary decisions, known as “green budgeting” tools at national and subnational levels such as provinces/states, cities and districts.

The paying of scant attention to green financing in the war against climate change and environmental degradation has underscored the need to examine the trends and levels of government allocations to climate change and environmental degradation and how the funds are utilised. For this process to be carried out systematically and rigorously, there is an urgent need that such a tool for climate and environment related budget tagging is designed. Against this background, the overarching aim for this project was the development of a citizen-driven tool which will be used to monitor and track climate and environment-related expenditures in the budget system in Lusaka Province.

## **NEEDS ASSESSMENT**

Climate change and environmental degradation are significant challenges in most of the countries and are gradually becoming the most important policy areas that need effective integration into public financial management systems of the countries (UNDP BRH, 2016). It is therefore scarcely surprising to note that the need for mitigating the climate change crisis and restoration of the environment are sticky issues that have taken centre stage in global affairs. More pertinent is the allocation of adequate funds and fiscal discipline in affecting the efficiency of climate and environment spending on outcomes of implementing climate change and environment degradation interventions. Understanding how monitoring and tracking climate and environment-related expenditures affect the efficacy of mitigating the adverse effects of climate change is important for logical implementation of climate change and environmental degradation adaptations and interventions. However, Zambia, as a country, lacks illustrative cases and specific models of climate and environment-related budget tagging that should generate empirical data and inform policies on these aspects. Yet, climate and environment-related budget tagging provides comprehensive data on climate and environment relevant spending, enabling the government to make informed decisions and prioritise climate investments (UNDP, 2015).

This setting constituted the context of undertaking this project with the ultimate aim of mainstreaming climate change and environmental degradation to policy formulation and budgeting process. Taking cognizance of the fact that there is no one-size-fits-all model to designing climate and environment-related budget tagging, it is time for Provinces in Zambia to join developing countries such as Nepal, India and Bangladesh that have adopted climate and environment-related budget tagging. This is a golden opportunity for Zambia, as climate and environment-related budget tagging provides a platform for advancing the integration of climate change finance into national and subnational budgets which has been wishful thinking for many years. Therefore, this project is an attempt to fill this lacuna, by developing a citizen-driven climate and environment-related budget tagging that monitors and tracks climate and environment-related expenditures using Lusaka as an illustrative case study.



## **PROJECT OBJECTIVES**

### **PROJECT MAIN OBJECTIVE**

The main objective underpinning this project is to develop a citizen-driven tool that tracks climate and environment-related expenditures in Lusaka Province.

### **PROJECT SPECIFIC OBJECTIVES**

In order to achieve the principal objective, the project was set out to:

- I. Develop a tool for generating evidence-based data which will be used as a new benchmark for advocating and lobbying for increased budgetary allocations channelled into climate and environment financing;
- II. Highlight the province-driven initiatives in tracking climate and environment-related expenditure based on particular needs, priorities, and institutional arrangements in Lusaka.

To develop a tool for generating evidence based data which will be used as a new benchmark for advocating and lobbying for increased budgetary allocations channeled into climate and environment financing



To highlighting the province-driven initiatives in tracking climate and environment-related expenditure based on particular needs, priorities, and institutional arrangements in Lusaka

## JUSTIFICATION OF THE PROJECT

Undertaking this project in the context of Zambia, in particular, Lusaka Province matters for various reasons. Firstly, the establishment of the Ministry of Green Economy and Environment by the Government of Zambia has demonstrated a fresh impetus to the cause. Zambia has to achieve Sustainable Development Goal number 13 (SDG, 13), which urges countries to take urgent action to combat climate change and its impacts. This will require the Government of Zambia and sub-governments like Lusaka Province to mobilise and pump adequate funds into various interventions related to climate and environment action and align resources to support the implementation of climate change and environment degradation policies and strategies. Climate and environment-related budget tagging is a tool that can help the province to integrate climate change and environmental degradation considerations into the planning and budget process. Therefore, it is apparent that the development of a citizen-driven tool that tracks climate and environment expenditures in Zambia, in particular, Lusaka Province will be a tremendous stride in the fight against climate change and environmental degradation crisis in Zambia which in turn will give fresh momentum towards the implementation of SDG 13.

# 13 CLIMATE ACTION



Secondly, the budget allocations do not often match the declared government priorities (DIN, 2006). The findings that the climate and environment-related budget tagging tool will be generating will be used as a new benchmark for advocating and lobbying for increased budget allocations towards green finance.

Better information on climate-relevant investments would, in turn, enable Lusaka Province to; develop a budget that is aligned with national climate and environment policy priorities and national targets; identify the financing gaps; prioritise investments with climate benefits and have evidence-based dialogues with development partners (UNDP, 2015). On that basis, it will be providing golden opportunities for key officials in Lusaka Province and stakeholders who deem to have a stake in climate action to meet face to face to discuss climate financing. This will largely help Lusaka Province to be responsive to various aspects of climate and environment financing and in so doing to be on track to achieve SDG 13. Climate and environment-related budget tagging helps to provide comprehensive data on climate change relevant public expenditure, enabling governments to prioritise climate investments.

Thirdly, the focal point of most climate and environment-related budget tagging tools which are in use in most of the countries is at the national level. The point of departure is that the offspring of this project will be at the provincial level in order to raise climate and environmental awareness to the grassroots which are often denied their right to participate in policy formulation and development circles. In other words, the development of the climate and environment-related budget tagging tool is also one dimension to consolidate decentralisation in Lusaka Province. It is being recognised that no policy provisions can be effective unless citizens at the local level are involved in planning, management and monitoring climate and environment interventions and expenditures. This is going to help address the inefficiencies in the implementation process which is mostly caused when ideas are perceived to be foreign and lack homegrown elements. Therefore, successful development and implementation of climate and environment-related budget tagging tool requires the confidence and participation of the local communities which was the idea behind this project, taking aspects of climate and environment financing closer to residents in Lusaka.

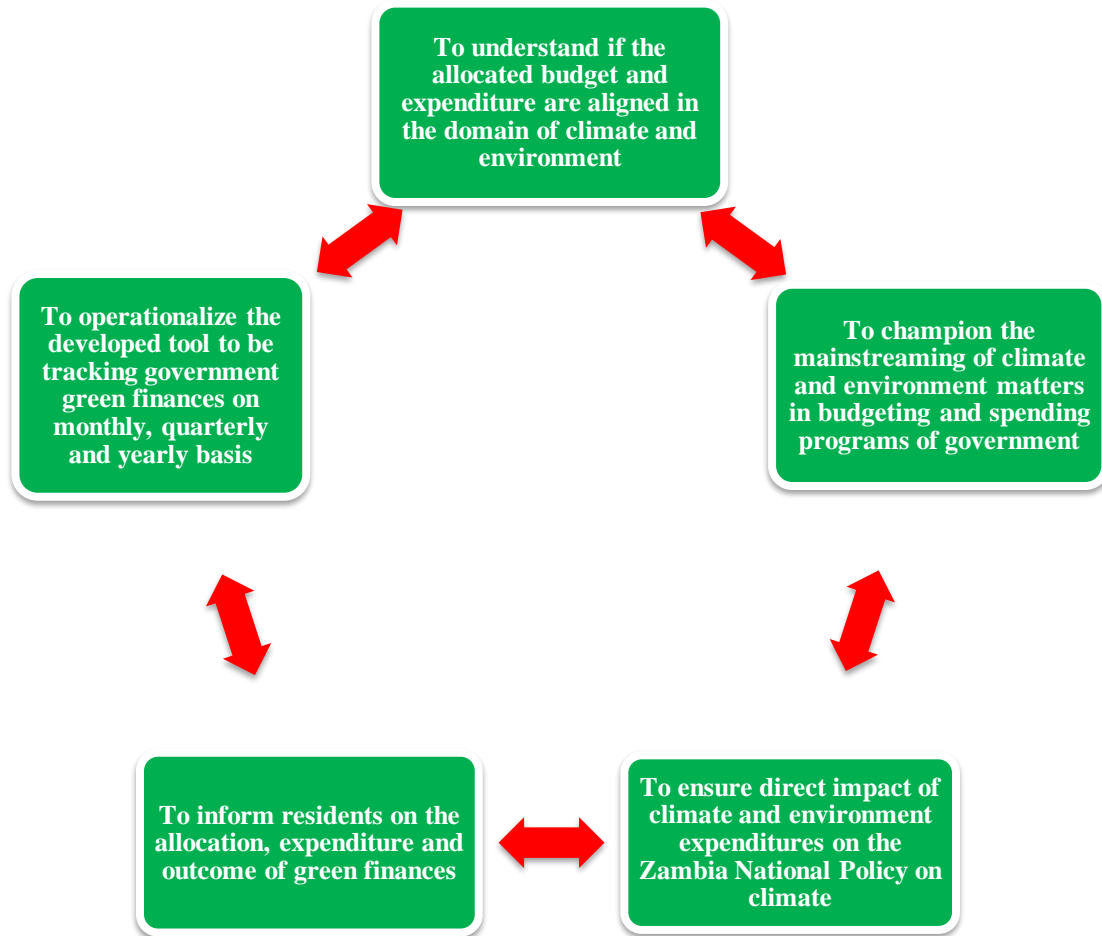
Last but one, the development of a citizen-driven tool that tracks climate and environment expenditures in Lusaka will ensure transparency and enhance the effectiveness of climate spending. As UNDP (2015) succinctly put it, the information on climate and environment related expenditure enables public scrutiny on government and donor spending towards addressing climate change and environmental degradation issues. It therefore necessarily follows that the idea behind the development of this tool is to offer checks and balances while championing prudent use of public resources allocated for climate and environment restoration in Lusaka Province through enhanced transparency and accountability. More precisely, the tool monitors and tracks the usage of funds channelled towards the implementation of climate and environment interventions by various sectors in Lusaka Province.

Finally and most importantly, by achieving the ultimate purpose of this project, the anticipation is that the findings will significantly contribute to new understanding and reflections on province-driven initiative in tracking climate and environment expenditure to the existing body of knowledge and it will also reposition Zambia, in particular, Lusaka Province to be taking part in peer dialogues which are for learning and knowledge exchange platform for climate change and environmental degradation financing. In doing so, the responsible officers in Lusaka Province are likely to gain a combination of effective and recurrent skills development backed by regular exchange of knowledge and experience from different countries such as Bangladesh, Nepal, Indonesia and Philippines, among others, that have adopted climate and environment-related budget tagging models.

## **SCOPE OF WORK**

The Scope of Work is an agreement of the work to be performed to achieve the main and specific objectives of this project. In this regard, this project is an attempt to fulfil the following to project beneficiaries dwelling in Lusaka Province:

- I. To understand if the allocated budget, disbursement and expenditure are aligned in the domain of climate and environment;
- II. To champion the mainstreaming of climate and environment matters in budgeting and spending programmes of government;
- III. To ensure direct impact of climate and environment expenditures on the Zambia National Policy on Climate;
- IV. To inform residents on the allocation, disbursement, expenditure and outcome of green finances;
- V. To operationalise the developed tool to be tracking government green finances on quarterly and yearly basis.



**PROJECT BENEFICIARIES**

The direct beneficiaries of this project are all citizens residing within the jurisdiction of Lusaka Province whose sustenance of their livelihoods has been adversely affected by the impacts of climate change and environmental degradation. In particular, those who depend on the following sectors to make ends meet: agriculture, wildlife, forestry, water and energy, health, and infrastructure. Their families and communities are indirect beneficiaries due their interconnectedness with the direct beneficiaries either at family or societal level that have been adversely impacted, thereby affecting the economic, social, and environmental dimensions of sustainable development efforts. More so, climate and environmental issues affect all aspects of a nation’s economic life. Simply put, the indirect beneficiaries encompass all residents of Lusaka since the adverse impacts of climate change affect everyone in some way.



## EXPECTED OUTCOMES

The expected outcomes for undertaking this project are threefold. However, the overall expected outcome was the development of a climate and environment-related budget tagging tool for Lusaka and its wider benefits in mainstreaming climate change and environmental degradation to policy formulation and budgeting process, and presenting country and province-driven initiatives and experiences in tracking climate and environment-related expenditures. Specifically, the project is highly expected to achieve the following outcomes:

- I. Fiscal discipline in the management of green financial resources allocated for climate and environment action in Lusaka Province;
- II. Unpack the technicalities of budget analysis and increasing their accessibility, thereby increasing transparency and accountability in the usage of green finances in the province;
- III. Initiate debates and evidence-based dialogues among all stakeholders who deem to have a stake in green action on climate and environment sectors' specific implications of budget allocations to optimise the use of green finances;
- IV. Generate data in a more systematic and efficient manner on province climate and environment-relevant investments to ensure better monitoring, evaluation and reporting on green expenditures;
- V. Provide information on financial resources allocated towards climate and environment policy priorities which facilitates linking spending and policy objectives as well as measuring results from climate and environment investments.
- VI. Provide citizens with the analysis of green finances, in particular, whether budgetary allocations, disbursements and expenditures and declared policy priorities in the sectors of climate and environment are in tandem;
- VII. Inform citizens residing in Lusaka on the impact budget allocations towards climate and environment have on their daily lives, hence mobilising public opinion to pressure for greater allocation to climate change and environmental degradation;
- VIII. Improve information sharing and understanding of the climate and environment-related budget tagging tool by grassroots in Lusaka Province;
- IX. Facilitate joint leadership between planning and finance with technical support from climate and environment sectors as a buy-in in order to champion the agenda behind climate and environment-related budget tagging tool in Lusaka Province;
- X. Increase effectual involvement and participation of ordinary citizens in making, executing and/or evaluating decisions concerning various aspects of climate and environment-related financing in Lusaka Province.

## **PROJECT DESIGN**

This section attempts to describe the methodological choices that were adopted to develop the climate and environment budget tagging tool. This project will regard climate and environment budget tagging tool as part of Climate and Environment Fiscal Framework. The Climate and Environment Fiscal Framework aims to provide a comprehensive overview of government and sub-government finance, linking climate change and environment degradation policies with planning and budgeting, prioritising climate and environment actions, develop appropriate modalities to manage climate and environment financial flows in an effective and transparent manner, providing the “financial backbone” for national and sub-national efforts in addressing climate change and environment degradation. The development of the climate and environment budget tagging tool was carried out in a systematic manner and in stages to ensure that each key component of the tool was covered thoroughly.

### **1. Defining key objectives of climate and environment budget tagging and stakeholders**

The purpose of undertaking this step is for the key stakeholders to reach a consensus on Lusaka Province’s priority objectives for implementing climate and environment budget tagging tool, which then served as the basic foundation for guiding the decisions on its final design. The objectives were clear and legitimate to ensure goal clarity and a coordinated sense of direction. The project initiated stakeholder engagements in Lusaka Province with the ultimate aim of gathering data from a wide range of stakeholders on the key objectives of climate and environment budget tagging tool.

The stakeholders for this project are all persons and organisations who deem to have a stake in climate and environment action, in particular, those responsible for climate and environment planning, finance and implementation of climate and environment interventions. Ordinary citizens are also part of stakeholders in order to ensure that the developed climate and environment-related budget tagging tool has legitimacy in their eyes. It is being recognised in both policy and development circles that people support an idea when they are involved at each and every level of the project. Therefore, the project involved a network of stakeholders as a buy-in in order to champion the agenda behind climate and environment budget tagging tool and crush pockets of resistance in Lusaka Province. To ensure that the stakeholders are active and to easily evaluate their relevance, two main groups were formed, namely lead stakeholders and supporting stakeholders. The categorisation of stakeholders depended on the stakeholders’ main general functions and interests in discourses of climate and environment action. This ensured that the involvement, leadership and ownership from all stakeholders were enhanced and integrated into a powerful force to implement and institutionalise the climate and environment budget tagging tool in Lusaka Province.

## **2. Defining climate and environment-relevant activities**

The second step in the development of a climate and environment budget tagging tool for Lusaka Province was clearing the concept of climate and environment-relevant activities. Unpacking of what constituted climate and environment-relevant activities is an important first step in climate and environment budget tagging as it determines whether the expenditure item will be tagged or not. Coining context specific definitions of climate and environment-relevant activities would also ensure consistency in counting internal and external climate and environment finance.

In order to define climate and environment-relevant activities, the project attempted to answer the following questions: What are the definitions of climate and environment-led activities fitting the context of Lusaka Province? What kind of climate and environment activities will be captured by the climate and environment budget tagging tool for Lusaka Province: adaptation, mitigation or both? These questions were addressed by undertaking a comprehensive and systematic review of policies, strategies and action plans in the domain of climate and environment to appreciate how climate and environment-relevant activities are classified in Zambia with a focus on Lusaka Province.

## **3. Identification of parameters set by the current Public Finance Management (PFM) System**

The third step in the development of a climate and environment budget tagging tool for Lusaka Province concerned the identification of parameters set by the existing PFM system. The purpose of carrying out this step is to ensure that the climate and environment budget tagging tool development process, its technical design and implementation procedure are rooted in the Lusaka Province PFM system. Under this step, attention was given to the roles and responsibilities of stakeholders responsible for planning, budgeting, usage and auditing green finances. The basis for establishing roles and responsibilities of stakeholders is to align their functions with the tasks of climate and environment budget tagging tool design, implementation procedure and reporting arrangements.

This step also paid considerable attention to the budget approach and presentation for Lusaka Province. This is justified on the basis that the scope of expenditure that can be tagged and analysed is necessarily determined by the budget and expenditure coverage. Information on the working of the budget is obtained from the system of budget approach and presentation. There are a number of approaches which are used in budgeting processes at the national and subnational levels. However, the following budget approaches have become widely adopted in PFM systems: Incremental Budgeting, Zero-Based budgeting (ZBB), Programme-Based Budgeting (PBB), Activity-Based Budgeting and Performance-Based Budgeting. Acknowledging the presence of these approaches, the project addressed this question: Is the budget



developed and published as an Incremental Budgeting or Zero-based Budgeting (ZBB) or Programme-Based Budgeting (PBB) or Activity-Based Budgeting or Performance-Based Budgeting? The answer to this question was used to inform the suitable tagging design fitting the PFM system of Lusaka Province.

#### **4. Defining and Classifying Climate and Environment Relevant Expenditures**

The fourth step in the development of a climate and environment budget tagging tool for Lusaka Province was defining and classifying climate and environment relevant expenditures. The ultimate goal of undertaking this step was to set a framework for identifying public sector expenditures that are climate change relevant in accordance with the defined and identified mitigation and adaptation related expenditure to be tagged. Simply put, the climate and environment relevant expenditure are defined and classified, which essentially determines the climate tags that the expenditure item will have. This will typically be a list of sector-specific activities or activity categories grouped by types of climate and environment interventions that can be applied across different line ministries.

This project used the national climate and environmental policies, strategies and action plans and definitions for mitigation and adaptation fitting the context of Lusaka developed in step number 2 as the cornerstones for identifying climate expenditures. The justification for using the national climate change and environmental degradation policies, strategies and action plans as the basis for identifying climate and relevant expenditures is that these documents offer the priority sectors, ministries and programmes, as well as sector-level climate change and environmental degradation action plans or sectoral plans that have incorporated climate change and environmental change considerations. Therefore, the national policy objective typology which classifies expenditure against national climate change policy priorities ensures to cement the link between budget allocation and national policy priorities.

On the other hand, context specific definitions of climate and environment-relevant activities categorised as mitigation and adaptation activities would also ensure consistency in counting internal and external climate and environment finance. However, the choice was based on the objectives for implementing climate and environment-related budget tagging tool identified by stakeholders in the first step. For example, the objective of the climate and environment budget tagging tool for Lusaka Province is to monitor province policies related to all aspects of climate and environment through the provincial budget or to demonstrate a capability for tracking external funding. However, if the typology is related to the national climate policy and action plan there will be an opportunity to reinforce the implementation of the Lusaka Provincial climate and environmental policies by mapping expenditure to policy priority areas, identifying gaps and imbalances, and integrating financial and non-financial monitoring.

## **5. Defining the methodology for weighing the tagged expenditure**

The fifth step in the development of the climate and environment budget tagging tool for Lusaka Province involved defining the methodological choices for weighing the tagged expenditure. The definition and the classification of climate related expenditure only enable the identification of such expenditure in the budget system but does not quantify climate relevant expenditure. In order to do so, the extent to which the expenditure is climate related needs to be assessed. It is therefore apparent that the purpose of assigning a weight to each identified expenditure is primarily to reflect its degree of relevance and avoid inflating the scale of climate spending. It solemnly answers to the question: What portion of the activity's budget serves directly the climate change objective? The response reflects the fact that not all expenditures identified as climate relevant are equally relevant.

The weighting of climate and environment-relevant activities or programmes for Lusaka Province was carried out using a two-stage process. The first stage involved categorising climate and environment-relevant activities into high relevance, neutral relevance and marginal relevance. The second stage involved determining and assigning a percentage weight using a relevance index, on a scale of 0% – 100%. In this project, percentage weights of 100%, 65% and 30% were applied to the budget and expenditure categories respectively. The declared objective of the activity is mapped against the index and the weights will be given accordingly. The corresponding weight indicates the proportion of the expenditure that is climate relevant.

A systematic review of literature indicates that two main technical approaches to weighting relevance have been widely used by countries – the objectives-based approach and the benefits-based approach. The objective-based approach was used for this project.

### **5.1. The objective-based approach**

Weighting is determined by an assessment of the relevance of a programme/ activity's stated objectives. One example of the objectives-based approach is use of the Climate Public Expenditure and Institutional Review (CPEIR) climate relevance index, where the declared objective of the activity is mapped against the index (from highly relevant to marginally relevant or neutral). This approach assesses climate relevance using a relevance index, on a scale of 0 – 100%. The declared objective of the activity will be mapped against the index and the weights will be given accordingly. The corresponding weight indicates the proportion of the expenditure that is climate relevant. The mapping of objectives against the index is usually based on the judgement of the officer performing the tagging based on the information contained in the project document/ planning template.

Table 1 shows the CPEIR Climate Relevance Index

Level	Weights	Rationale
<b>High relevance</b>	Weighting more than 75%	Clear primary objective of delivering specific outcomes that improve climate resilience or contribute to mitigation
<b>Medium relevance</b>	Weighting between 50% to 74%	Either (i) secondary objectives related to building climate resilience or contributing to mitigation, or (ii) mixed programmes with a range of activities that are not easily separated but include at least some that promote climate resilience or mitigation
<b>Low relevance</b>	Weighting between 25% - 49%	Activities that display attributes where indirect adaptation and mitigation benefits may arise
<b>Marginal relevance</b>	Weighting less than 25%	Activities that have only very indirect and theoretical links to climate resilience

**Source: UNDP (2015)**

## **6. Determine how climate change and environmental degradation expenditure will be identified in the PFM system**

The sixth step in the development of the climate and environment budget tagging tool for Lusaka Province involved the determination of a procedure to identify the climate change and environment degradation expenditure in the PFM system. This step is carried out in order to decide the most relevant and feasible dimension of the chart of accounts for tagging or coding climate change and environmental degradation budget or expenditure, and the desired level of detail. The key to identifying types of expenditure in a country's PFM system is in the country's chart of accounts (COA) code structure. For example, The COA structure adopted in the Yellow Book typically contains several segments such as for administrative/functional units, economic classification, programmatic classification, and geographic classification. Some of these segments were used to develop the budget code tagging arrangements for determining the climate change and environmental degradation expenditures in the PFM system.

## **7. Designing the tagging procedure**

The seventh step in the development of the climate and environment budget tagging tool for Lusaka Province concerned designing the tagging procedure. The purpose of this step is to define the procedure for assigning climate tags that is in line with the existing budget process and mandates of Lusaka Province. Design of the tagging procedure depends on the type of expenditures that would be tagged (e.g, recurrent/capital expenditure; on-budget/off-budget etc.) as well as the budget process of the province.

The tagging procedure for Lusaka Province was determined by the responses to the following questions: Who identifies the climate and environment relevant expenditure and its other features at provincial level? At what stage of the budgeting process are climate and environment tags assigned? How and by whom the tagging is validated? Experience from other countries shows that the tagging is applied during budget preparation as the entry point; and then updated after budget hearings by their councils, and finally once the council approves the budget. Some use climate tagging across economic and programmatic classification while others use programmatic classification only.

#### **8. Determine the format for climate and environment budget tagging tool reporting**

This step was undertaken in order to identify the reporting format for climate change expenditures that reflects the objectives of introducing climate and environment budget tagging tool and the respective audience in Lusaka. The province will adopt all existing modes of communication that are citizen-focused in order to increase the awareness of green finances to the grassroots. In this regard, the project adopts the reporting format like that of a part of citizens' budget or a dedicated citizens' climate budget. The information generated by the climate and environment budget tagging tool will also be incorporated in the province's mainstream financial reporting to ensure sustainability and wider access by stakeholders. Additionally, the information will be reported in the form of dedicated reports to be issued to development partners that collaborate with Lusaka Province in the fight against climate change and environmental degradation.

## **MONITORING AND EVALUATION FRAMEWORK**

Successful implementation of the climate and environment budget tagging tool requires an effective and efficient monitoring and evaluation (M&E) system. The M&E system shall provide feedback information needed to identify implementation challenges and gaps. Monitoring focuses on what is happening by routinely tracking services and program achievements against targets. Monitoring helps ensure adherence to the direction established during strategic planning. With so many stakeholders in the climate and environment budget tagging, the province needs to closely monitor and ensure that every effort is aligned and supporting the planned direction. On the other hand, Evaluation is the periodic assessment of effectiveness focusing on whether the goal or objective was achieved, and why or why not. Key techniques in strategy evaluation include gap analysis which is used to determine the difference between the current position and the desired position; SWOT analysis which analyses strengths, weaknesses, opportunities and threats; benchmarking and the balanced scorecard.

Notwithstanding the approaches highlighted above, the project uses six monitoring and evaluation areas for policy research as performance metrics to monitor and evaluate progress of the implementation of the climate and environment budget tagging tool in Lusaka Province. Table 4 shows the monitoring and evaluation plan which will be used to monitor and evaluate the progress of the implementation of the climate and environment budget tagging tool in Lusaka Province.

**Table 4:** Monitoring and Evaluation Plan

Performance Area	Guidance Note	Performance Gap	Remedial Action
Strategy and direction	Are we doing the right thing?		
Management and governance	Are we implementing the plans as effectively as possible?		
Outputs	Are outputs beneficiary-appropriate and do they meet the required standards?		
Uptake	Are people accessing and sharing our work?		
Outcomes and impacts	What kind of effects or changes has the work contributed?		
Context	How does the changing political, economic, social and organisational climate affect the plans and intended outcomes?		



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