



República de Moçambique



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## Policy, legal frameworks and country strategies and priority sectors for investments in climate resilience: Case study of Mozambique

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Mozambique Country Profile	
	<ol style="list-style-type: none"> <li>Population and Economy <ul style="list-style-type: none"> <li>Projected Population: 25 million</li> <li>Surface Area: 801,590 km<sup>2</sup></li> <li>Capital City: Maputo</li> <li>Independence: 1975</li> <li>Official Language: Portuguese</li> <li>Political Regime: Democratic</li> <li>President (2015): Filipe Jacinto Nyusi</li> <li>Economic Growth: &gt; 7%</li> <li>Economy 2012: Agriculture (30.3%), Industry (22.9%), Manufacturing (12.9%), Services (46.8)</li> <li>Inflation 2014: 2.6%</li> <li>GDP 2012: \$14.2 billion</li> <li>GDP per capita 2013: \$646</li> <li>Aid flow 2012: \$1.9 billion</li> </ul> </li> <li>Climate risks profile <p>Frequent floods, cyclones and droughts.</p> <ul style="list-style-type: none"> <li>Worst flood events (from 2000): 2000, 2001, 2007, 2008, 2013, and 2015.</li> <li>Cyclone events: at least one every year.</li> <li>Worst drought events (from 2000): 2005 and 2008.</li> </ul> <p>Worst disaster impacts: 2000 (\$450million), 2001 (\$350 million), 2013 (\$517 million) and 2015 (~\$297million).</p> </li> </ol>

### 3. General background

Mozambique is one of the most vulnerable countries to climate risks and disasters in Africa and in the World due to its high exposure to cyclones, floods and droughts coupled with its still limited human and institutional capacity to effectively prevent and respond and build back better after disasters strike the country. Over the recent years, particularly since 2005, the country has made tremendous efforts to improve its legislation and policies, to strengthen its institutions and develop human capacity to effectively prevent and respond to climate extreme events induced by climate variability and also to progressively build resilience to a changing climate.

However, building resilience demands common vision among different stakeholders, a strong institutional and cross-coordination and climate sensitive policies and legislation that communicate and foster synergies, and mobilize national and international communities, including private sector to strongly and consistently invest adequate resources to generate appropriate knowledge, to transform sectors and protect people's lives and livelihoods, the whole economy and infrastructure against known and foreseen climate risks.

Overcoming these challenges has been the driver of the policy and institutional reforms that Mozambique is pursuing with the support of the World, since the country joined the Climate Investment Funds, in 2009, through the Pilot Program for Climate Resilience (PPCR).

### 4. DRM and Climate change policies and institutional arrangements prior to PPCR

The existing experiences around the world have shown that in the majority of developing countries there are two major communities and corresponding institutions: the disaster risk management (DRM) community - long established and governed by the national disaster management agencies or bodies, and the climate community, which has been established after the Rio Summit in 1992 around the environment context, but that nowadays has enlarged its scope to include climate change adaptation (CCA) and mitigation.

Informed by the impacts of climate disasters, particularly floods, droughts and cyclones on humans lives and livelihoods (normally captured by the disaster management institutions), and the climate change predictions emanating from academic studies and IPCC reports, in the beginning and mid-2000s, most developing countries embarked in the design of National Adaptation Plans of Action (NAPA) to lead the implementation of key adaptation measures at national, sector and local levels.

However, huge barriers have emerged along the way at country level for the implementation of NAPAs. For instance, although resilience is a goal of both DRM and CCA legislation and policies and institutions, on ground the following challenges still prevail in most developing countries:

- i. Synergies and complementarities between relevant DRM and CCA legislation and policies is still weak or does not exist;
- ii. Coordination and dialogue between DRM and CCA institutions remains weak;
- iii. Diverging and conflicting interests between immediate to shorter term results of disaster risk reduction against longer term objectives of climate change adaptation;
- iv. Diverging visions on resources mobilization and allocation to attaining disaster

resilience based on significant investment in immediate and longer term soft and structural measures, against climate resilience based in soft and scarce investment on longer term capacity development.

These diverging visions and approaches have led to tensions at national level between DRM and CCA institutions due to competition particularly in areas of common interests. In light of that, very often the Ministries of Finance, or Economy or Development Planning have been called upon by the international community and domestic societies to play a coordinating role between the DRM and CCA leading institutions, as the ultimate institutions responsible for guiding and prioritizing the mobilization and allocation of resources for the implementation of national development objectives, to which disaster and climate resilience have to contribute to its realization.

In Mozambique, this role has been played by the Ministry of Planning and Development (MPD) to bringing together the National Institute for Disaster Management (INGC) - the national entity responsible for the coordination of disaster risk reduction (DRR), and the Ministry for the Coordination of Environmental Affairs (MICOA) - responsible for environment and climate change coordination, to shape relevant legislation and policies and set up capable institutions necessary to advance the national climate change and disaster resilience agendas.

## **5. How can policy and institutional reforms foster climate resilience investment**

There is a common sense that all developing countries need to clearly realize that there is no sustainable development if that development is not resilient to climate risk impacts. Therefore, promoting investment in climate resilience should be regarded as a powerful strategy to achieve national development goals, which very often are eroded or stagnated when climate risks strike disrupting lives, but also livelihoods, national and local economies and key infrastructure.

In this perspective, meeting national climate and disaster resilience needs and goals demands countries and national governments to look not only to the necessary investments to build human and institutional adaptive capacity but also to align those actions with strong, consistent and programmatic reforms and investment to reduce vulnerability of the key sectors that are fundamental to sustain resilience of peoples livelihoods, economy and infrastructure.

This means investing simultaneously in:

- i. Setting up capacity development programs centred on access to climate knowledge, data and information;
- ii. Re-shaping and strengthening existing institutions and setting new ones, particularly to facilitate coordination, monitoring and evaluation;
- iii. Re-shaping existing or setting up new climate smart legislation and policies;
- iv. Piloting sector and local level climate smart projects that will promote transformational change and build solid foundations for leveraging financing and scale up existing initiatives to new sectors and regions.

It means that there is need to establish clear linkages between investment project and policy and institutional reforms. For instance, hard reforms (e.g. legislation and policies) need to be coupled with softs reforms (e.g. plans and programmes) that will lead to the effective implementation of those hard reforms.

In these sense, resources mobilization and investment in climate resilience activities needs to be oriented to foster the implementation of hard reforms, and to meet the target set in the soft reforms. Leveraging finance should be prioritized or oriented to mobilization of additional resources that will consolidate or build robustness of the ongoing investments or facilitate the scaling up of climate resilience into new sectors or regions. Specific sector investment projects should be regarded as means to demonstrate and source of learning to inform adjustment and up-grading of existing legislations and policies, and institutions roles.

In Mozambique, consistent programmatic policy and institutional reforms are underway since 2012, aiming at mainstreaming climate and disaster resilience into sector planning and budgeting, as part of the implementation of the Mozambique Strategic Program for Climate Resilience (SPCR), approved by the PPCR Sub-Committee in 2011, and funded by the Climate Investment Funds (CIF), through the World Bank (four projects), the African Development Bank (two projects) and International Finance Corporation (two projects).

The policy and institutional reforms are supported by the World Bank, and currently are jointly led by the Ministry of Land, Environment and Rural Development (MITADER) and the Ministry of Economy and Finance, and involve nine sectors: agriculture, disaster management, environment, health, roads, meteorology, water management, social protection and energy. As of today, and between 2012 and 2015, thirteen policy and institutional reforms have been completed and under implementation. These includes among others, the approval in 2012, of the National Climate Change Strategy, which defines DRR and CCA as national priority; the setting up of the Climate Change Unit, to facilitate coordination, monitoring and reporting on the climate change work across the country; the enactment in 2014, of the DRM Law that fosters disaster risk reduction and empowers local governments, municipalities, communities and stakeholders as key actors and champions for the achievement of national DRR objectives.

## **6. How to select sectors for investment in climate resilience**

As witnessed around the world, many developing countries rely on their NAPAs to identify and select sectors where they should promote climate resilience investment. Although this should be right approach, it is critically important that countries go beyond the sectors and actions listed in their NAPAs to include and prioritize actions in other key vulnerable sectors that are import to protect and sustain national development achievements and goals.

This new approach is important as NAPAs tend to focus on soft measures (people and institutional centred approaches) and neglect implementation of critical structural measures that are necessary to complement and protect existing settlements, livelihoods, economic assets and infrastructure.

Taking the case of Mozambique, from the eight priorities of Mozambique's NAPA, six priorities are people and institutional centred and are as it follows:

- Strengthen early warning systems;
- Strengthen resilience of small holder farmers;
- Improve water resources management;
- Promote public education and knowledge management;
- Improve coordination between climate change and disaster risk reduction;
- Integrate climate change into local planning.

Furthermore, as enrooted practice in many countries, NAPAs were designed to be funded through donor grant financing, while longer terms structural measures require both grant and loan financing from domestic both public, private sector, and donors.

Therefore, the most appropriate way of promoting climate resilience at country level is through combination of NAPA priorities, the evidence of climate impacts on reported damages sustained by the various sectors and regions over a significant period of time, and findings of national and regional climate change projections and scientific studies.

For example in Mozambique, the current investments in climate resilience, including policy and institutional reforms, took stock of NAPA priorities, but strongly considered existing evidences and scientific information from different sources such as:

- i. Damages sustained by the economy and sectors over the last 15 years;
- ii. The 2009 INGC study on the impacts of climate change into disaster risk. This study predicts changes in temperatures up to 3 and 5 degrees centigrade by 2060, which may trigger more frequent and powerful cyclones, prolonged droughts and heavy rains;
- iii. The 2010 World Bank study on the economics of climate change adaptation. This study suggests that without urgent and proper adaptation measures in agriculture, infrastructure, energy and human settlements planning sectors, the country will suffer annual losses of over \$400 million by 2030-40.

Therefore, depending on country's situation, future investments in climate resilience should consider the range of potential options to bring about and drive transformational change that will reduce vulnerability of both people and assets at risk by combining soft and structural measures.

In that sense, and based on the level of existing exposure of people and assets, developing countries are expected to continue investing resources to achieve sustainable and resilient development through increased investment that promotes resilient public services, infrastructure and livelihoods. Countries should also be encouraged to make adequate investments that will promote resilient human settlements through improved spatial planning, particularly in the growing cities and along the major populated river basins.

Finally, capacity development will remain an essential component of future investments, particularly in areas that are currently neglected such as knowledge generation, sharing and management, access to climate data and information, especially by the end users at scale, and institutional and policy development.

## 7. Lessons learned and key recommendations

Mozambique has started to allocate more public funding and to attract significant international resources for disaster and climate resilience since the beginning of 2005. The climate investment financing from the Climate Investment Funds through the PPCR in the amount of \$91 million is the first significant climate financing to the country. In the same lines, the climate and disaster policy and institutional reforms financed by the World Bank in the amount of \$150 million are a pioneering experience in Mozambique and in whole Africa.

Both initiatives have provided a room for learning on how long-term climate financing and policies and legislation to promote climate resilience should be shaped and implemented through strong coordination, collaboration and synergies among DRM, CCA, Planning and Finance lead institutions.

Some of the key lessons learned throughout this process are the following:

- i. Legislation and regulation remain a good incentive to mobilize several stakeholders to climate action however, alone they are not enough as they lack mechanisms to foster effective implementation and very often do not set commitments and accountability ties in terms of measurable goals, targets and standards.
- ii. National development plans, strategies and sector policies are excellent entry points for successful implementation of climate resilience objectives as these establish measurable and clear goals, standards and targets;
- iii. A combination of investment projects and policy and institutional reforms is desired if sustainable and resilient development is to be promoted across sectors and at all levels;
- iv. Strong cross-sector and institutional coordination mechanisms play an essential role to ensure adequate leveraging and scale up around strategic investments and delivery against expected results and outcomes;
- v. Investments in climate resilience should be based on evidence provided by the existing data and scientific analyses and studies and targeted to promoting transformational change in the most vulnerable key sectors.