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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 22-Mar-2024 | Report No: PIDA0128



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Zambia	EASTERN AND SOUTHERN AFRICA	P155827	EASTERN PROVINCE JURISDICTIONAL SUSTAINABLE LANDSCAPE PROGRAM
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Investment Project Financing (IPF)	23-Oct-2023	31-May-2024	Agriculture and Food
Borrower(s)	Implementing Agency	GEF Focal Area	
Government of the Republic of Zambia, Ministry of Finance and National Planning	Ministry of Green Economy and Environment	Land degradation	

Proposed Development Objective(s)

To generate payments to the Program Entity for measured, reported, and verified Emission Reductions (ERs) and to distribute the payments according to an agreed Benefit Sharing Plan (BSP).

Components

Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan
Strengthening communities and governance for sustainable land management
Program Management

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	Yes

SUMMARY

Total Operation Cost	63.96
Total Financing	43.96



Financing Gap	20.00
DETAILS	
Non-World Bank Group Financing	
Trust Funds	43.96
BioCFplus Initiative for Sustainable Forest Landscapes	6.96
BioCF Tranche 3	35.00
Global Environment Facility (GEF)	2.00
Environmental And Social Risk Classification	
Moderate	
Decision	
The review did authorize the team to appraise and negotiate	

B. Introduction and Context

Country Context

- Zambia, a country rich in natural resources, faces numerous development challenges, including a rapidly growing population, poverty, inequality, and high unemployment.** About 60 percent of Zambia's land surface is covered by forests, and 5.1 percent by arable land. The country is a global hub for diverse ecosystems and biodiversity, proudly possessing a range of protected areas such as national parks, game management areas, and forest reserves.¹ Zambia's population, estimated at 19.6 million in 2020, is growing at a rate of 3.4 percent per year.² In 2022, 61.5 percent of Zambians lived in extreme poverty (US\$1.90/day), amidst high income inequality (Gini coefficient of 0.51). As of 2021, unemployment was at 38.3 percent, with youth unemployment at 45.5 percent, and higher among rural youth (52.4 percent). To keep up with its growing population, Zambia will need to create 375,000 jobs annually by 2030.³
- Despite a protracted debt restructuring process and subdued copper production, Zambia's economy has been recovering since the COVID-19 recession on the back an ambitious reform package.** Zambia is in debt distress and requires debt restructuring.⁴ Meanwhile, the current administration elected to office in 2021 has pursued bold fiscal

¹ The country protected areas include: 20 national parks, 39 game management areas, 432 forest reserves, 59 botanical reserves, 42 important bird areas, and 2 bird sanctuaries.

² ZamStats 2023. 2022 Census of population and housing. Preliminary report.

³ Paul, Boban Varghese; Finn, Arden; Chaudhary, Sarang; Mayer Gukovas, Renata; Sundaram, Ramya. 2021. COVID-19, Poverty, and Social Safety Net Response in Zambia. Policy Research Working Paper No. 9571. World Bank, Washington, DC. <http://hdl.handle.net/10986/35249>

⁴ Official external creditors and the authorities agreed in October 2023 on a Memorandum of Understanding outlining treatment covering around US\$6.3 billion of official debt. Zambia is seeking comparable treatment with its Eurobond holders (US\$3.5 billion) and other external commercial



and structural reforms to restore macroeconomic stability, reinvigorate growth, and increase pro-poor spending. Supported by these reforms, and despite the protracted finalization of the debt restructuring, Zambia's economy has been recovering since the COVID-19 recession, driven by momentum in non-mining sectors, notably in services. In the third quarter of 2023, real gross domestic product (GDP) grew by 5.1 percent year-over-year despite subdued copper production. However, structural challenges underpinning Zambia's development path persist. Economic transformation is not taking place. Growth remains heavily reliant on the mining sector, with limited spill-over benefits to other sectors. The vast mineral resources (mainly copper) have been exploited with little value addition and employment creation, making growth and revenues volatile and contributing little to inclusive growth. The mainstay agriculture sector, which employs most of the workforce, remains undiversified and with low and declining productivity, exacerbating socio-economic development challenges. The rising vulnerability to climate shocks is further affecting agricultural productivity, heightening food insecurity, and hampering the sector's contribution to growth.

3. **Land degradation, driven mainly by poverty, climate change, and low productive agriculture, is a concern in Zambia as it exacerbates the country's high level of vulnerability and hinders its progress toward faster growth and poverty reduction.** The country's climate is highly variable and, in recent decades has, experienced droughts, floods, and extreme temperatures that have negatively impacted food and water security and rural livelihoods.⁵ For instance, agricultural growth rates have fluctuated with changes in rainfall due to climate events like El Niño and La Niña, causing a 21.2 percent contraction in 2018. By 2050, temperatures in Zambia are projected to rise to 2.2°C, with the greatest increases in the southern and eastern crop production areas.⁶ Rainfall is expected to increase in the northern parts but decrease in the southern parts.⁷ Human activities such as unsustainable forest harvesting, forest burning, land conversion for agriculture and mining, and monocropping have contributed to soil erosion and decreased the productivity and resilience of Zambia's landscapes. This cycle of poverty and degradation, perpetuated by low-productive agriculture and deforestation, makes rural inhabitants more vulnerable to external shocks.
4. **Zambia is pursuing a bold plan of sustainable development that balances economic growth, poverty reduction, and the preservation of natural resources.** This approach aims to create a resilient and low-carbon future for the country. Zambia is committed to mitigating and adapting to the impacts of climate change. In 2016, the National Strategy to Reduce Deforestation and Degradation was adopted, with the aim of reducing greenhouse gas (GHG) emissions through improved forest and land management, while ensuring fair distribution of carbon and non-carbon benefits to communities. This aligns with Zambia's Vision 2030 of a prosperous, climate-resilient economy built on sustainable management of natural resources. The 2021 National Policy on Climate Change has elevated the profile of climate change in high-level policymaking, and the Ministry of Green Economy and Environment is tasked with implementing policies for a green economy, climate change mitigation and adaptation, and sustainable development. The Eighth National Development Plan, covering 2022-2026, prioritizes environmental sustainability and low-carbon development, with a focus on climate resilience and social inclusion, as part of the transition to a green economy.⁸

lenders (US\$3.2 billion).

⁵ <https://www.adaptation-undp.org/explore/africa/zambia#:~:text=Zambia%20has%20been%20experiencing%20adverse,changes%20in%20the%20growing%20season.> Also,

The World Bank. April 2017. Project Appraisal Document for A Zambia Integrated Forest Landscape Project.

⁶ CIAT; World Bank. 2017. Climate Smart Agriculture in Zambia. CSA Country Profiles for Africa Series

⁷ <https://climateknowledgeportal.worldbank.org/country/zambia/climate-data-projections>. Also, Tembo, Bernard, Sydney Sihubwa, Ignatius Masilokwa, and Mulima Nyambe-Mubanga. 2020. "Economic Implications of Climate Change in Zambia." Southern Africa – Towards Inclusive Economic Development. SA-TIED Working Paper #137. <https://sa-tied.wider.unu.edu/sites/default/files/pdf/SA-TIED-WP-137.pdf>

⁸ <https://www.nydc.gov.zm/wp-content/uploads/2022/04/8th-NDP-2022-2026.pdf>.



Sectoral and Institutional Context

5. **Transforming Zambia's development path and breaking the poverty-degradation cycle requires a focus on sustainable land management and agricultural growth, with deliberate actions targeting rural women.** The path to sustainable development in Zambia lies in the effective management of its natural resources, particularly its forests and agricultural lands. In Zambia, forests represent a source of livelihood for 1.5 million people, while approximately half of the country's labor force is employed in the agricultural sector. The productive Miombo woodlands, which make up 70 percent of Zambia's forests, provide a range of valuable ecosystem services, from food and energy to water regulation and carbon storage.⁹ As the majority of women reside in rural areas and play a pivotal role in managing natural resources, fostering inclusivity of women in sustainable forestry and agriculture not only has the potential to conserve resources but also to elevate the living standards of households. Accelerating the adoption of technologies among women is essential, considering that access to technology represents a significant gender gap.¹⁰
6. **Sustainable land management and sustainable agriculture are also essential for reducing emissions.** According to the latest data from the United Nations Framework Convention on Climate Change (UNFCCC), Zambia's GHG emissions amounted to 120 million tons of carbon dioxide equivalent (MtCO₂e) in 2011, marking a three percent increase from 1990 levels. Land use, land-use change, and forestry (LULUCF) was the primary contributor to these emissions, accounting for 74 percent of the total in 2011, with the energy sector following behind at 23 percent. Projections indicate that emissions from LULUCF will continue to rise, reaching 100 MtCO₂e per year by 2030 due to increased deforestation. Deforestation rates in Zambia are among the highest in the world, with an estimated loss of between 79,000 and 150,000 hectares of forest annually. From 2001 to 2017, the country lost approximately 2.5 million hectares of forest, or roughly six percent of its total tree cover, resulting in the release of an estimated 252 MtCO₂e into the atmosphere. The land use change and forestry sector alone accounted for 61 percent of Zambia's national GHG emissions in 2011.
7. **The Eastern Province, a region plagued by land degradation and poverty, has been selected to pilot the implementation of climate change mitigation and low carbon development.** The Eastern Province includes the resource-rich and biodiverse Luangwa Valley and some of Zambia's most renowned national parks, such as the lucrative South Luangwa National Park, offering vast potential for the development of sustainable, natural resource-based livelihoods, particularly in tourism. The forested landscapes in Eastern Province play a crucial role in driving economic growth, creating jobs, providing clean water and essential building materials, and supplying energy to various sectors. However, the forests are facing numerous challenges, including illegal encroachment into protected areas, habitat fragmentation, and the effects of deforestation and uncontrolled charcoal production. Together, these factors contribute to biodiversity loss and elevated GHG emissions. The Eastern Province is one of the poorest regions in Zambia, with 70 percent of its 2.1 million residents living in poverty and 48 percent lacking adequate food access throughout the year.¹¹ These rural communities are heavily reliant on agriculture and natural resources for their livelihoods, perpetuating a cycle of poverty and resource degradation. To break this cycle, it is imperative to address

⁹ Country Forest Note: Zambia. Towards a Sustainable Way of Managing Forest

(<https://openknowledge.worldbank.org/bitstream/handle/10986/33239/Zambia-Country-Forest-Note-Towards-a-Sustainable-Way-of-Managing-Forest.pdf?sequence=1&isAllowed=y>)

¹⁰ Country Forest Note: Zambia. Towards a Sustainable Way of Managing Forest

(<https://openknowledge.worldbank.org/bitstream/handle/10986/33239/Zambia-Country-Forest-Note-Towards-a-Sustainable-Way-of-Managing-Forest.pdf?sequence=1&isAllowed=y>) and Zambia Gender Assessment 2023

(<https://documents1.worldbank.org/curated/en/099052923081020509/pdf/P177348030d77b00f09db70d49e03be1574.pdf>). Low participation in agriculture, among other economic activities, has been identified as one of the critical gender gaps in Zambia.

¹¹ Indaba Agricultural Policy Research Institute, IAPRI (2019). Rural Agricultural Livelihoods Survey Report.



the underlying causes of forest loss and degradation, and promote sustainable land management practices. The Government of the Republic of Zambia (GRZ) is committed to transforming Eastern Province into a comprehensive rural development model that combines forest protection and the promotion of sustainable agricultural practices. To achieve this goal, the Eastern Province Jurisdictional Sustainable Landscape Program (EP-JSLP) has been established. This program is expected to play a crucial role in bringing the GRZ's vision to life and serve as a model for shaping and influencing national and provincial policies related to forest conservation, land use, climate-smart agriculture, and sustainable natural resource management.

8. **Early private-led initiatives in the Eastern Province have demonstrated the potential and limitations of utilizing the voluntary carbon market to incentivize sustainable land management.** These projects offer valuable lessons for future efforts to tap into the carbon markets for sustainable land use in the region. The Community Markets for Conservation (COMACO) and BioCarbon Partners (BCP) have successfully implemented projects accessing the voluntary carbon market as a means of incentivizing sustainable land use in the Eastern Province of Zambia. Established in 2003, COMACO, through its partnership with the World Bank, promotes sustainable farming and agricultural services in nine chiefdoms of the Luangwa Valley.¹² In 2015, COMACO launched the Landscape Management Project, Zambia's first large-scale project within UNFCCC Framework for Reducing Emissions from Deforestation and Forest Degradation (REDD+), which pays communities for their conservation efforts by generating and selling carbon credits on the voluntary market.¹³ The carbon revenues have been used to fund community activities, such as beekeeping and poultry farming, and the drilling of wells for drinking water. BCP, a private developer of REDD+ projects, has also generated and sold carbon credits on the voluntary market since 2012, with a focus on forest protection and forest-based livelihoods in twelve chiefdoms.¹⁴ However, the Verified Carbon Standard (VCS) program used by both projects is undergoing revision, raising concerns about the communities' ability to continue receiving carbon revenues. Critics of the use of voluntary standards, such as VCS, have raised issues of poor GHG accounting and the social and environmental integrity of certified credits.
9. **Building on the lessons learned from the early private-led projects in the Eastern Province, Zambia has taken decisive action to tap into the potential of carbon finance and is now ready to generate and trade emission reductions at the jurisdictional level.** The Government launched the 'Zambia Integrated Forest Landscape Project' (ZIFLP, P161490) in 2017 with funding from the International Development Association (IDA), the Global Environment Facility (GEF), and the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL). The ZIFLP has effectively put into practice emission-reducing activities—also called underlying investments in the context of the EP-JSLP. As a result, over 73,000 farmers are practicing climate-smart agriculture (CSA) in approximately 163,000 ha, and over 70,000 ha of forest are currently under sustainable community management. Besides the initiatives led by COMACO and BCP, the ZIFLP has been one of the largest contributors to climate-positive actions in the region, laying the foundations for the EP-JSLP. The transition to a jurisdictional approach brings several advantages compared to project-specific carbon trade. Firstly, at the jurisdictional level, it allows for the scaling up of emission reduction efforts and provides a platform for multiple actors to contribute and attract financing from both the public and private sectors. This creates a collaborative space where various stakeholders can work together towards a common goal. Secondly, the jurisdictional approach includes all of Eastern Province's chiefdoms in the carbon finance scheme. This ensures that the benefits of carbon trading are extended to all communities within the jurisdiction, promoting inclusivity. Lastly, the jurisdictional approach offers a transparent and centralized carbon transaction mechanism that adheres to an improved standard. This enhances accountability and trust in the carbon market by providing clear guidelines and regulations for carbon transactions. Thanks to the ZIFLP's support, the country has established the capability and

¹² World Bank 2020. COMACO Landscape Project (P144254) Implementation Completion Report

¹³ <https://documents1.worldbank.org/curated/en/307081595830064526/pdf/Zambia-COMACO-Landscape-Management-Project.pdf>

¹⁴ <https://bcp.earth/>



systems for measuring, reporting, and verifying emission reductions using ISFL standards and trading carbon credits through the EP-JSLP. The Eastern Province is now poised to become a model of sustainable land management and a proof of concept for using carbon financing to incentivize emission reductions from forest protection and increased carbon sinks in soils. The GRZ expects to replicate the model in other regions of the country.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

10. To generate payments to the Program Entity for measured, reported, and verified Emission Reductions (ERs) and to distribute the payments according to an agreed Benefit Sharing Plan (BSP).
11. In the PDO statement, emissions reduction will be achieved through improved capacity to implement sustainable land management practices and livelihood low carbon investments in sustainable forest management and climate-smart agriculture, leading to reduced deforestation and forest degradation, enhancement of forest carbon stocks (REDD+), and carbon sequestration in agricultural soils.

Key Results

12. The achievement of the Project Development Objective (PDO) will be measured through the following indicators:
 - Volume of CO₂e Emission Reductions that have been measured and reported by the Program Entity, and verified by a Third Party (tCO₂e)
 - Measurement, Reporting and Verification (MRV) systems set up and functional for all relevant land-use sectors (forest degradation, and land-use change) (Yes/No)
 - Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan (Yes/No)

D. Project Description

13. The project components are summarized below.

Component 1: Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan (US\$50 million)

14. Component 1 finances the purchase of Emission Reduction Credits (ERCs) coming from the sound management of landscape and the distribution of net revenues according to the BSP.

Subcomponent 1.1

15. **Subcomponent 1.1 will pay for eligible ERCs generated through the MRV system.** The expectation for the EP-JLSP is to generate up to 29.9 million ERCs from the forest and agriculture sectors in six years (crediting period 2024-2029). The Program classifies emission reductions into two categories: Contract ERs and Option ERs, as outlined in the



Emission Reduction Purchase Agreement (ERPA). The World Bank commits to purchasing a 3 million tons of Contract ERs and offers a fixed floor price that remains unchanged throughout the life of the project. The payments for these purchases will be available once the program achieves, verifies, and reports on results following the program's MRV system. If the program exceeds expectations and generates a greater volume of ERCs, the World Bank reserves the right to purchase more ERCs, which are referred to as Option ERs. The World Bank has set aside US\$20 million for the potential purchase of Option ERs.

Subcomponent 1.2: Distribution of ERCs and payments as per an agreed BSP

16. **Subcomponent 1.2 aims to distribute ERCs and payments to traditional authorities, farmers, community resource groups, and community members.** Most forest and agricultural land in Eastern Province are under customary ownership, and ER activities will be undertaken by the groups involved in these complex, traditional arrangements. BSP-financed activities will include re-investment in sustainable landscape management and other measures to build climate resilience, improve livelihoods, and generate income. The distribution of benefits to those beneficiary groups will be made according to a BSP that has already been developed and agreed upon by Eastern Province stakeholders. The BSP defines principles for benefit distribution, eligible beneficiaries, and conditions for their participation in the BSP. It also explains criteria for benefit distribution, disbursement channels and institutional arrangements, monitoring provisions, and Environmental and Social compliance, and provides a description of the consultation process followed to design the BSP.
17. **The nested projects will receive benefits in accordance with the calculation procedure described in the Program BSP and in a partnership agreement, the "Nested ERPA" (NERPA).** As specified in the NERPA, these nested projects may receive either ERCs or payments. Meanwhile, the Chiefdoms will receive monetary benefits as well as non-monetary benefits. Cash payments will be allocated per Chiefdom in accordance with the Chiefdom Emission Reductions Performance Agreements (CERPAs). Payments are expected to flow to Chiefdoms and, within them, to resource management and community groups, designated leaders, and households or individuals. Budget allocations will be used to fund the upfront or administrative costs of implementing ER activities, as well as investments in community infrastructure or services. The Program Implementation Unit (PIU) and the government will receive payments to cover the operating costs for the program. The BSP operational manual will provide detailed guidance on management and distribution of funds, including fiduciary management and controls, and environmental and social risk management arrangements.

Component 2. Strengthening communities and governance for sustainable land management (US\$12.9 million)

18. **Component 2 will enhance local community involvement in climate resilience and mitigation within the jurisdictional program, ensuring the generation of ERs to be paid for under Component 1.** The suite of activities aims to scale up livelihood and low carbon investments, enhance technical abilities, foster social cohesion, promote inclusiveness of women across all initiative aspects, and reinforce a people-led approach to sustainable land management. This strategic component is crucial, as citizen participation is key to generating ERs and achieving the PDO. It involves promoting innovative approaches to build technical capacity for climate resilience and mitigation, strengthening communities' surveillance and monitoring capabilities, establishing collaborative platforms between local communities and public/private sectors, and mainstreaming active women participation in sustainable land management. Specifically, the component will support both maintaining of area brought under sustainable land management practices and expanding new area under sustainable land management practices through a landscape approach combining forestry and CSA activities such as improve community forest management, improve capacity to manage land rights and landscape, adoption of CSA practices, improve livelihoods through the provision of grants, etc.



Financing of the activities will be as follows:

- i. GEF US\$2 million will support maintaining of the area brought under sustainable land management practices under ZFILP,
- ii. BioCarbon ISFL US\$4 million will support enhancing the management capacity of 20 Community Forestry Management Groups (CFMGs) established under ZFILP in sustainably managing their land, and the establishment of 30 new CFMGs hence expanding the area under sustainable land management. The target of the combined area under sustainable land management will amount to 335,000 ha; and
- iii. UK Government Trust Fund US\$6.9 million with \$5 million to maintain CSA areas under ZIFLP, support establishment of additional 200 farmer field schools and bring 80,000 hectares under climate-smart agriculture; \$1 million to support the provision of digital climate advisory services to farmers for enhanced climate resilience; and \$0.9 million to support activities carried out by the existing seven Community Resource Boards (CRBs) in sustainable wildlife management, establish five new CRBs, and support small infrastructure improvements such as camp sites and roads around Lukusuzi and Luambe Parks.

Component 3: Program Management (US\$1 million)

19. **Component 3 aims to establish and develop the management functions required for the program's success.** Startup funding of US\$1 million will cover the costs of hiring consultants for the PIU and other operating expenses related to program management for the first three years of implementation. These resources will be used to prepare the first report of emission reductions, coordinate program activities, manage fiduciary matters, monitor, and evaluate performance, and implement environmental and social management measures, including regular citizen feedback. After this initial period, program management costs will be covered by revenues from the sale of emission reductions.
20. **The component will also finance expenses related to monitoring and evaluation, communication, and knowledge management, setting the program up to be self-sustaining and a model for future sustainability initiatives.** Operating costs include expenses associated with standard administrative activities such as budgeting and planning, procurement, and financial management, as well as environmental risks management and coordination meetings. The component will also finance expenses related to impact assessment, midterm review, and project completion evaluations. By financing key cross-cutting functions of program management, financial management, monitoring and evaluation, MRV, and environmental and social management, the program can become a model for future sustainability initiatives and make a lasting impact on the environment and local communities.

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Area OP 7.60

No

Summary of Screening of Environmental and Social Risks and Impacts

21. The environmental risk classification for the EP-JSLP is moderate. There are multiple positive environmental gains with the implementation of EP-JLP, but many potential environmental risks could materialize if not managed by the Government and beneficiaries. ZIFLP was guided by Operational Policies and the COMACO and BSP activities are



guided by a mix of Zambian environmental laws and bespoke environmental and social management systems. All previous ZIFLP, COMACO, and BSP activities will be nested under EP-JSLP and there is a requirement to continue environmental and social (E&S) management under national laws, regulations and where there are gaps Environmental Health and Safety Guidelines (EHSs) and Good International Industry Practices (GIIPs). In addition, when the project reaches the benefit-sharing phase (June 2025) all projects funded during this phase will be guided by national laws, regulations, the updated Environment and Social Management Framework (ESMF) and the ESHGs and GIIP. Hence, the ER Program is anticipated to have a positive impact on the lives of the rural communities and on the environment in the project areas. The ER Program's intervention strategy has been developed in alignment with the National REDD+ Strategy Framework and has considered the recommendations resulting from the Social and Environmental Strategic Assessment (SESA) process and National ESMF. The Republic of Zambia has also defined its National Social and Environmental Standards to put in place its own national regulatory framework (Zambia Environmental Management Agency) and ensure the integration of social and environmental considerations in the implementation of REDD+, in full compliance with the Cancun Safeguards. The program will apply these safeguards instruments during implementation and operationalize the risk management matrix that has been prepared. The management of the social and environmental impacts of the program is fully integrated into the identification, design, monitoring, and evaluation of its activities. All projects/activities implemented by the program will need to comply with the requirements of the ESMF at every step of implementation. The sound application of safeguards as well as the generation of non-carbon benefits during the implementation of the program will be disclosed through the following channels: regular information posted in the National REDD+ Registry; a monitoring report on National Environmental and Social Standards and specific safeguards plan if relevant published annually (or bi-annually); and an independent report produced by civil society and based on an independent observation mission. Roles and responsibilities: To manage potential complaints and conflicts, a Feedback Grievance and Redress Mechanism (FGRM) is currently being operationalized and will be the responsibility of the PIU and the implementing agencies. The FGRM has been operationalized and the national REDD+ registry once in place will provide a transparent platform for filing complaints and monitoring their handling.

E. Implementation

Institutional and Implementation Arrangements

22. **The MGEE is leading both the Program and the Project.** The MGEE is the authority responsible for the transfer of title of Emission Reductions (ERs) based on key laws and regulations, including the Constitution of Zambia, the Forests Act (2015), and Forests (Community Forest Management) Regulations (2018). The Forestry Department, under the MGEE, has the authority to transfer the title of ERs generated from agriculture activities under the project. The CFM Regulations provide details on when CFM Agreements will be required, how existing REDD+ projects can be nested into the project, and what registration and permit requirements are necessary for jurisdictional programs. The MGEE is responsible for the broader EP-JSLP Program, in which this ER Project is anchored, and a program steering committee ensures harmonization of interventions across the program. The day-to-day coordination of project activities is supported by the Provincial Steering Committee, led by the Provincial Permanent Secretary. Various implementing institutions play a critical role in the project, including the Forestry Department, Department of National Parks and Wildlife, Ministry of Agriculture, Ministry of Local Government, and Department of Energy.
23. **A PIU located in the province will coordinate operations and report to the Permanent Secretary of the MGEE.** The PIU's tasks include coordinating activities, preparing monitoring reports, supporting the implementation of the Grievance Redress Mechanism, and supporting the implementation of the BSP in collaboration with the Ministry of Finance and National Planning, Nested Projects, and Chiefdoms. The PIU will contain individuals fulfilling various roles, including program coordinator, MRV technical specialist, environmental and social specialist, community grants



officer, monitoring and evaluation specialist, accountant, procurement specialist, communication specialist, and district GHG officers. The PIU will: measure performance against the CERPA and NERPA; calculate the benefit share as detailed in the BSP; ensure monetization of ERs in the best interest of the program; provide for equitable and transparent distribution of benefits among stakeholders; and oversee implementation of BSP-financed activities, including compliance with Environmental and Social requirements. Additional functions and roles will be outlined in the Project Implementation Manual. The formation of the PIU will be based on the successful setup of the PIU from the ZIFLP project, incorporating existing personnel and supplementing them with any necessary new roles.

CONTACT POINT

World Bank

Ademola Braimoh
Senior Agriculture Economist

Silvia Mauri
Senior Agriculture Specialist

Borrower/Client/Recipient

Government of the Republic of Zambia

Ministry of Finance and National Planning

Implementing Agencies

Ministry of Green Economy and Environment

Douty Chibamba, Permanent Secretary, douty.chibamba@grz.gov.zm
Noel Muchimba, National Coordinator ZIFLP, muchimbanoel@gmail.com

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Ademola Braimoh, Silvia Mauri
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Approved By



Practice Manager/Manager:		
Country Director:	Achim Fock	22-Mar-2024