



The World Bank

Transforming Landscapes for Resilience and Development in Zambia II(P507971)

Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 09-Dec-2024 | Report No: PIDDC01142



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies) Zambia	Operation ID P507971	Operation Name Transforming Landscapes for Resilience and Development in Zambia II	
Region EASTERN AND SOUTHERN AFRICA	Estimated Appraisal Date 03-Mar-2025	Estimated Approval Date 17-Jul-2025	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing (IPF)	Borrower(s) Republic of Zambia, Ministry of Finance and National Planning	Implementing Agency Ministry of Environment and Green Economy	GEF Focal Area Land degradation

Proposed Development Objective(s)

To enhance natural resource management, livelihoods, and climate resilience in target areas in the Miombo ecoregion.

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)?	No

SUMMARY

Total Operation Cost	118.37
Total Financing	118.37
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	100.00
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IDA Grant	100.00
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Non-World Bank Group Financing

Trust Funds	18.37
Global Environment Facility (GEF)	10.37
Social Sustainability Initiative for All	8.00

Environmental and Social Risk Classification

Concept Review Decision

Substantial

The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **Zambia, a land-locked country situated in Southern Africa is highly endowed with natural resources.** Its economy primarily relies on natural resources, with copper mining being the cornerstone, contributing significantly to foreign exchange earnings with about 70 percent of the total exports. The heavy dependence on mining makes the economy vulnerable to global price swings and environmental challenges, underscoring the need for sustainable management and diversification of exports. In 2023, Zambia's copper output hit a 14-year low of 698,566 tons production due to declining copper prices and persistent operational challenges, and significantly affected the economy. Zambia's recovery is expected to strengthen, with GDP projected to expand at an annual rate of approximately 4.5 percent throughout the period 2023–2025. Zambia has an ambitious plan to increase copper production to 3 million tons annually by 2031. There has been an increase in artisanal mining activities for copper and gold, creating mostly low-quality informal jobs with limited consideration of environment and operational health and safety.
2. **Zambia faces significant challenges related to poverty and inequality, with approximately 64 percent of the population living in poverty.** Notably, around 80 percent of the country's poor reside in rural areas. These high poverty rates correlate with a large segment of the population engaged in agriculture, primarily in subsistence and rainfed farming. The rural poor rely heavily on natural resource exploitation for their livelihoods, rendering them particularly vulnerable to the adverse effects of climate change, which hampers Zambia's goal of achieving middle-income status by 2030 as outlined in The Vision 2030 (November 2022).
3. **Zambia boasts an extensive array of forest resources, covering approximately 45.9 million hectares (ha), about 60 percent of the country's total land area.** Among these forests, the predominantly found Miombo woodlands span roughly 45 percent of the landscape and are home to a diverse range of flora and fauna, including many endemic species. These forests are not only pivotal for maintaining the ecological balance but also play an essential role in the country's economic development and cultural practices. The vast forest resources support timber and non-timber products, crucial for both rural livelihoods and economic development.



4. **Zambia's forests offer crucial regulating services, aiding in carbon sequestration and acting as important carbon sinks that mitigate climate change.** However, the country is grappling with severe deforestation and forest degradation rates, which are among the highest in Africa. Current estimates indicate that deforestation occurs at a staggering rate of 172,000 ha per year, with degradation affecting an additional 38,400 ha annually¹. The primary drivers of this forest loss include encroachment of protected areas (PAs), charcoal production, unsustainable agricultural practices, uncontrolled wildfires, and illegal logging.
5. **In response to these alarming trends, Zambia aims to transition to a green economy by 2030.**² The Government of the Republic of Zambia (GRZ) is committed to promoting resource efficiency, enhancing protection and restoration of natural capital and fostering social inclusion through creation of green jobs³. Sustainable forest management is essential for improving forest practices, building resilience of communities dependent on forest ecosystems, and restoring degraded lands.

Sectoral and Institutional Context

6. **The forest sector in Zambia plays a vital role in biodiversity conservation, socioeconomic development, and livelihood sustenance.** Rich in biodiversity, Zambia's forests host a diverse range of plant and animal species, including many endemics to the region. Approximately 60 percent of rural households rely significantly on natural resources. The forestry sector contributes around 5.2 percent to the national GDP and is estimated to employ about 1.1 million people, encompassing both formal and informal employment, particularly in rural areas with scarce job opportunities. Timber exports generate both revenue and job opportunities, benefiting numerous local communities. Additionally, forests fulfill 70 percent of the country's energy requirements, primarily through the provision of firewood and charcoal⁴. For rural communities, forests are vital for sustenance; they supply energy in the form of charcoal and firewood and timber and non-timber forest products (NTFPs), including fruits, vegetables, and edible caterpillars. Forests are not just a source of income but also a lifeline that sustains rural livelihoods and enhances socioeconomic wellbeing. The dependence on natural resources underscores the importance of sustainable management practices to ensure that both agriculture and forestry can thrive while supporting local communities and the national economy.
7. **The Miombo is a regionally important ecosystem that covers a vast region of woodlands, savannas and shrublands in central and southern Africa.** This area includes parts of Angola, eastern region of the Democratic Republic of Congo, Zambia, Zimbabwe, Malawi, Tanzania and Mozambique. Miombo woodlands cover about 190 million ha and support the livelihoods of more than 300 million people. They are characterized by a diverse mix of tree species, including both deciduous and evergreen trees, as well as a rich understory of grasses and shrubs. These woodlands play a crucial role in supporting biodiversity, providing habitat for a wide range of plants and iconic animals, including rhinos, lions, wild dogs, and some of the largest populations of elephants in Africa. Miombo woodlands also play a key role in regulating local and regional climate, as well as maintaining soil health and preventing erosion. They face many challenges, deforestation for agriculture, ranching, and charcoal production being the biggest threats. Zambia is a signatory of the Miombo Initiative launched in April 2024 to mobilize partnerships and funding to support the conservation and sustainable management of Miombo woodlands for the benefit of people and nature.
8. **The agricultural sector in Zambia plays a significant role in the country's economy, accounting for approximately 3.4 percent of the GDP.** It employs close to 60 percent of the population. Over 75 percent of rural households in

¹ GRZ (2024). Draft National Forestry Policy, Ministry of Green Economy and Environment, Lusaka, Zambia.

² GRZ (2024). National Green Growth Strategy (2024-2030), Ministry of Green Economy and Environment, Lusaka, Zambia.

³ The GGS defines green jobs as "Employment created in economic sectors and activities, which reduces environmental impact and ultimately brings it down to levels that are sustainable."

⁴ Zambia's FREL 2021.



Zambia depend on agriculture for their livelihood. Zambia is well-known for its agricultural exports, which include key crops like maize, tobacco, cotton, and sugarcane. The agricultural sector negatively impacts the forest sector primarily through deforestation for crop and livestock production, leading to loss of biodiversity and habitat destruction. It contributes to soil erosion, alters water cycles, and diminishes the capacity of forests to sequester carbon. Consequently, local forest-dependent communities have less food, water, and fuel wood.

Relationship to CPF

9. **The project is aligned with the recently launched Country Partnership Framework (CPF) FY25-FY29.** It is aligned with objective 5 “Improve natural resources management and climate-smart agriculture” and objective 6 “Enhance Climate Risk Management Systems and Financing.”

C. Proposed Development Objective(s)

To enhance natural resource management, livelihoods, and climate resilience in target areas in the Miombo ecoregion.

Key Results (From PCN)

10. **The success of TRALARD II will be evaluated using the following World Bank Group scorecard indicators:**

1. Hectares of terrestrial and aquatic areas under enhanced conservation/management;
2. The area of landscapes managed with improved practices (measured in hectares); and
3. The number of direct beneficiaries, with enhanced resilience to climate risks, categorized by gender.

D. Concept Description

11. **The proposed Investment Project Financing (IPF) includes an IDA grant of US\$100 million (M) and additional grant resources:** US\$10.4M from the Global Environment Facility (GEF) and US\$8M from the Nordic Development Fund (NDF). The GEF-8 funding was initially prepared as a stand-alone IPF: Sustainable Management of Ecosystems in Miombo Ecoregions of Zambia (P501987). It is now proposed to integrate the GEF financing with TRALARD II to maximize results and operational efficiency. It directs GEF resources to support rehabilitation and conservation of Miombo forest and woodlands in selected locations through (assisted) natural regeneration, enrichment planting, and other improved forest management practices.

12. **TRALARD II builds on Transforming Landscapes for Resilience and Development in Zambia (TRALARD, P164764) to strengthen the resiliency of communities in target districts to adapt to climate change.** It will support climate-smart productive activities at the national, subnational, and community-levels to strengthen the land, forests, and watershed management. GGS implementation support will enhance the country’s goal to become a low-carbon, resource efficient, resilient, and socially inclusive country by 2030. Investments in value chains and green jobs will provide alternative livelihoods that reduce exploitation of natural resources. The specific GGS objectives are to: (i) promote resilient and climate compatible economic transformation that generates green growth opportunities in development priority sectors; (ii) to ensure resource efficiency by the promotion of sustainable consumption and production that safeguards the integrity of the environment; (iii) enhance the protection, conservation and restoration of natural capital; and (iv) enhance social inclusion by creating green jobs and sustaining livelihoods.



13. TRALARD II will prioritize interventions and follow a phased approach. It currently covers target districts in the three TRALARD provinces: (i) Luapula; (ii) Northern; and (iii) Muchinga Provinces to scale up these efforts. In addition, TRALARD II will include Copperbelt and Southern Provinces. Southern Province has faced prolonged droughts and extreme temperatures, resulting in severe water shortages and crop failures and substantial agricultural losses over the past two years. The project will focus on watershed and land degradation initiatives. As additional funding sources become available, the project may expand to additional districts within the selected provinces and potentially include new provinces. It includes three components: (i) Implement select priorities of the National Green Growth Strategy; (ii) Promote climate-resilient livelihoods and value chains; and (iii) Project and Knowledge Management and Coordination.

Legal Operational Policies

Policies	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The proposed project will be implemented in five provinces and agro-ecological regions of the country and will build on the interventions from the TRALARD, PPCR and ZIFLP projects thus making use of existing environment and social structures under TRALARD PIU. However, for Southern province, the project will establish a new PIU and recruit an ESIO for E&S risk management. The project is envisaged to improve management of degraded landscapes and support climate resilient livelihoods. Risks and impacts may arise from agricultural activities, construction works including agro-businesses and other livelihood subprojects; and forestry management activities such as boundary markings and fire protection. These activities are envisaged to generate environmental and social risks such as localized soil erosion, wastewater, pesticides waste, e-waste, vegetation loss, dust emission, noise and vibrations, soil contamination and community and occupational health and safety risks. The new provinces do not have capacity to manage the environmental aspects of the project. The project areas have different geographical settings that could contribute to varying environmental risks and impacts which will require mitigation measures for a broader perspective, e.g., Southern province is the most degraded, water stressed, and requires adequate capacity. In addition, there may be elite capture of benefits, resulting in the potential exclusion of vulnerable groups, potential intensification of internal and local conflicts associated with access to project benefits, potential access restrictions to natural resources, risk of child labor by enterprise beneficiaries and potential increase in SEA/SH cases as a result of project activities, enabled by a context characterized by deep gender inequalities as well as social norms and local beliefs that violence against women is acceptable. To address and manage these potential risks and impacts adequate measures as part of due diligence will be undertaken with appropriate instruments prepared including IPMP, site specific ESMPs, GBV Action Plan, LMP, updated Process Framework and the SEP. Further, ongoing preventive measures currently being implemented under TRALARD will be extended to this operation.



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APPROVAL

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