



Additional Financing Appraisal Environmental and Social Review Summary Appraisal Stage **(AF ESRS Appraisal Stage)**

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I. BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Zambia	EASTERN AND SOUTHERN AFRICA		
Project ID	Project Name		
P181711	Second Additional Financing For The Scaling-up Shock Responsive Social Protection Project		
Parent Project ID (if any)	Parent Project Name		
P179095	Scaling-up Shock Responsive Social Protection Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	6/6/2024	6/28/2024
Estimated Decision Review Date	Total Project Cost		
6/5/2024	207,190,000		

Public Disclosure

Proposed Development Objective

To protect poor and vulnerable households' consumption in response to shocks in Zambia

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project Activities

The Scaling-Up Responsive Social Protection (SSRSP) Project, the parent project, aims to protect poor and vulnerable households' consumption in response to shocks in Zambia by stabilizing funding for the Social Cash Transfer (SCT) program of the Government of Republic of Zambia (GRZ) at a time when the Government is facing fiscal challenges and households are experiencing increasing vulnerabilities due to multiple shocks, including climate-induced shocks. It has one component, the SCT component, to cover cash transfers to a little over one million SCT beneficiary



households nation-wide. The project also provides the flexibility to undertake vertical and/or horizontal expansion of the cash transfers to respond to climate and other shocks, as required.

The SSRSP builds on the results achieved under the Bank’s main lending operation in the social protection sector in Zambia, the Girls’ Education and Women’s Empowerment and Livelihoods (GEWEL) Project (P151451), with a focus on the social protection program that supports the poorest families in Zambia with cash transfers. The SSRSP utilizes the existing systems and capacity built by the GEWEL project, including a Grievance Redress Mechanism (GRM), Management Information System (MIS) and digital payment system, all of which are functional nation-wide.

The first SSRSP Additional Financing (AF1), approved in May 2024, is an additional grant from the GEWEL Multi-donor Trust Fund (MDTF) with the purpose to cover the cost overrun as the caseload of the SCT program has increased from just over one million at approval of the parent project in June 2022 to a little over 1.3 million at the end of 2023, unanticipated at the time of parent project preparation.

The second SSRSP Additional Financing (AF2) is an additional grant from the IDA and a potential grant from the GEWEL MDTF to scale up the SCT both vertically and horizontally to address the on-going drought effects on poor and vulnerable households disproportionately impacted by climate-induced and other shocks. Specifically, under a vertical expansion (VE), the SCT will provide a time-bound cash top-up to existing SCT households in the drought-impacted districts. Under horizontal expansion (HE), new eligible households in the same drought-impacted districts will be enrolled on a temporary basis for emergency cash assistance. Its PDO, and institutional, implementation, fiduciary, as well as environmental and social management arrangements will remain unchanged, while the results framework will be updated and the closing date of the parent project will be extended by six months from June 2025 to December 2025, in line with the closing date of the AF2.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

The AF2 will be implemented in 84 districts and provinces country wide. AF2 builds on the parent project Girls Education and Women’s Empowerment and Livelihoods (GEWEL) project (P151451) and Scaling- Up Shock Responsiveness Social Protection Project P179095, lending operations in the social protection sector in Zambia. As per existing implementation arrangements under the GEWEL Project, this project will be coordinated by a Project Steering Committee (PSC) comprised the Permanent Secretaries (PSs) of the two implementing ministries and Cabinet office: the Ministry of Community Development and Social Services (MCDSS). Component 1 Social Cash Transfer (SCT) which is an extension of this AF2, will continue to be implemented by MCDSS under the guidance of the PS. In January, 2021 a fatality was reported by MCDSS involving a Payment Point Manager (PPM) in Chifunabuli District, Luapula province under the GEWEL AF1 where the PPM was robbed of the payment cash and killed. A rapid security assessment was developed and additional security mitigation measures were introduced that included, but not limited to irregular patterns of payment, less cash carried by the PPMs, two PPMs conducting cash transfers at any one time and security training for all PPMs. There have not been any reported similar incidents to date.

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

The proposed SSRSP AF2 will continue co-financing the project’s sole component - Social Cash Transfer, enabling the SCT to scale up both vertically and horizontally to address the on-going drought effects on poor and vulnerable households disproportionately impacted by climate-induced and other shocks. Specifically, under a vertical expansion



(VE), the SCT will provide a time-bound cash top-up to the existing 904,635 SCT households in the drought-impacted districts. Under horizontal expansion (HE), new 726,361 eligible households in the same drought-impacted districts will be enrolled on a temporary basis for emergency cash assistance. The duration of the drought response will be 12 months for both existing SCT households under VE and new households under HE, paid on a bi-monthly basis over 6 payment cycles and expected to be completed by June 2025. Efforts will also be given to continue strengthening institutional capacity and SP delivery systems for more effective and accountable shock response, complemented by on-going Bank-funded SP projects aimed at greater climate adaptation and resilience.

The Zambian government will implement the AF2 Shock Responsive Social Protection in Zambia Project, with the involvement of three implementing agencies, the Gender Division, Office of the President, Ministry of Community Development (MCDSS) and Social Services and Ministry of Education (MOE) in close coordination and collaboration with other government agencies and cooperating partners, as appropriate. During the implementation of the parent SSRSP there were no reported environmental or OHS incidents with the exception of the PPM fatality caused by the PPM’s close family member. The implementing agencies were quick to respond to the PPM fatality by implementing enhanced security arrangements and were able to conduct specific security training for all PPMs.

The parent SSRSP project is being implemented under the ESF and several key managers and leaders have attended WB ESF training. The new operation will utilize the existing systems and capacity built by the parent SSSRSP project including specialized environmental and social staff to adequately manage environmental and social risks. The existing PIU established under SSRSP have had their capacity assessed to absorb the AF1, AF2 SSRSP and GEWEL 2 (under ESF) as well as existing GEWEL AF1 and AF2 under safeguards, therefore, no additional PIU human resources are envisaged under the current AF-2, and the 2024 will be a transition year as some of the these projects will come to a close out. The roles of current GRM and GBV Specialists have also been assessed and will continue to be maintained and expanded to also include Stakeholder engagement. These have acquired experience in implementing World Bank financed projects and strengthened institutional capacity in managing risks. To build on the already existing activities this project will include a training plan to enhance capacities for the agencies to better inform risk management in alignment with ESF requirements.

The parent Scaling- Up Shock Responsiveness Social Protection Project was approved on June 28, 2022 and became effective on November 2022 and the Trust Fund component is set to close on September 30 2024. According to the last ISR under the parent project, the overall E&S performance was rated Satisfactory. The GBV-responsive GRM has already been rolled out to 116 districts in which cash transfers are implemented, including: complaints boxes, communications-adapted for COVID, Lifeline-Childline hotline for serious and GBV complaints, GRM module integrated into SCT MIS.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate



A.1 Environmental Risk Rating

Moderate

The environmental risk is rated moderate due to potential OHS risks associated with the Social Cash Transfer (SCT) method of payment, the low risk of Covid-19 transmission under this new operation and inappropriate disposal of PPE waste. Payment Point Mangers (PPMs) carrying substantial amounts of cash are vulnerable to theft and physical harm. The following measures are currently in place for the parent SSRP Project (i) Limiting the amount of cash carried by any one PPM (ii) PPM security training that includes risk awareness and safe mode of travel (iii) introducing the digital method of payment (iv) using two PPMs per cash transfer (principal and deputy PPM) to increase personal security, (v) maintaining a low profile during beneficiary payments by irregular payment patterns and maintaining privacy between PPM and beneficiaries during payments. This AF has a low risk of Covid-19 transmission compared to the preparation and implementation of the parent project when transmission was heightened. However, in the event of an increase in the transmission rates, the risk mitigation measures contained in the ESMP under the parent Project will be implemented. The risk of inappropriate disposal of Covid-19 related PPE waste is low due to reduced Covid-19 cases recorded in the country. The AF2 will utilize the waste management mitigation measures in the ESMP prepared under the parent project to minimize risks associated with PPE waste disposal. The Security Management Plan contained in the ESMP will be used to mitigate against the security and theft risks associated with SCT on the PPMs.

A.2 Social Risk Rating

Moderate

The Social risks for this project will include (i) exclusion for eligible vulnerable households, including persons living with disability, (ii) elite capture, (iii) labor risks (iv) increased incidence of GBV/SEA/SH involving direct, contracted and community workers (v) labor and working conditions risks due to failure to abide by national legislation and ESS2 requirements in relation to working hours, discrimination, compensation, overtime, and benefits and (vi) risk of elite capture and existing social and cultural norms may limit participation of women including vulnerable groups (people living with disabilities, marginalized women, the young and elderly) during community consultations, contrary to ESS 10 tenets. These risks are expected to be moderate. To mitigate against these risks, the Stakeholder Engagement, Labor Management Procedures and GBV Action Plan will be used.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1 Relevance of Environmental and Social Standards

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Relevant

As with the parent projects, the Environment and social risks associated with this operation include: (i) risk of exclusion for eligible vulnerable households, including persons living with disability, (ii) elite capture, (iii) labour risks (iv) increased incidence of GBV/SEA/SH and (v) lack of meaningful consultations. Required measures to address these risks are stipulated in the Environmental and Social Commitment Plan (ESCP). A Stakeholder Engagement Plan (SEP) was prepared, disclosed and finalized under the parent project. The SEP contains guidance on identification of project stakeholders, channels of engagement for different groups, including a grievance process for registering complaints. Labour risks may arise and therefore, a Labour Management Procedure (LMP) was prepared including measures for prevention of GBV/SEA/SH. The project will ride on the already existing GBV/SEA/SH action plan under the SSRSP project to address the potential risk of increased GBV/SEA/SH incidences.

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Further, there are potential OHS risks associated with the Social Cash Transfer (SCT) method of payment, low risk of Covid-19 transmission under this new operation and inappropriate disposal of PPE. Payment Point Managers (PPMs) carrying substantial amounts of cash are vulnerable to theft and physical harm. The following measures are currently in place for the parent SSRP Project (i) Increasing the cash threshold limit for the SCT PPMs to reduce the number of bank visits (ii) PPM security training that includes risk awareness and safe mode of travel (iii) introducing the digital method of payment (iv) using two PPMs per cash transfer (principal and deputy PPM) to increase personal security, (v) maintaining a low profile during beneficiary payments by irregular payment patterns and maintaining privacy between PPM and beneficiary during payments. The project developed an ESMP which includes: (i) an updated OHS risk mitigation measures to address PPM security risks , (ii) Covid-19 prevention management plan and (iii) waste management

ESS2 Labor and Working Conditions

Relevant

ESS2 is considered relevant for this operation. A Labour Management Procedure (LMP) that includes preventive measures for GBV/SEA/SH, managing OHS risks, prevention of child labour, forced labour and PPM security was prepared and included in the Environmental and Social Management Plan (ESMP). Measures contained in the LMP are applicable to the following worker categories: (i) direct workers (PIU staff/specialists, pay point managers, trainers) at national and provincial level and (ii) temporary workers contracted to provide services such as consultants and (iii) community workers (Community Welfare Assistant Committees (CWACs). Selection of CWAC members is conducted through a transparent and inclusive election process at community level. CWAC members work on a voluntary basis to support the implementation of the SCT programme by redefining boundaries on basis of distances to pay points thus ensuring adequate distribution of SCT services. Should the spread of COVID-19 be heightened during cash payouts activities and empowerment orientation activities thereby exposing communities and workers alike, COVID prevention measures which include: (i) social distancing and enhanced hygiene; and (ii) provision of Personal Protective Equipment (PPE) in the form of facemasks, washbasins and soap; (iii) encouraging frequent handwashing or disinfection with an alcohol based hand sanitizer, and (iv) conducting community meetings in well ventilated spaces among others have been included in the parent LMP and adopted by this AF. In addition, PPM security measures will continue to include (i) limiting the amount of cash carried by any one PPM (ii) PPM security training that includes risk awareness and safe mode of travel (iii) introducing the digital method of payment (iv) using two PPMs per cash transfer (principal and deputy PPM) to increase personal security, reduce the amount of cash carried per PPM, reduce the number of bank visits and the amount stored at any one time (v) maintaining a low profile during beneficiary payments by irregular payment patterns and maintaining privacy between PPM and beneficiary during payments.

ESS3 Resource Efficiency and Pollution Prevention and Management

Relevant

ESS 3 is relevant. The likely PPE waste to be generated in meeting the Covid-19 mitigation requirements consist of face shields, face masks, particulate respirators, nitrile glove and hand sanitizer bottles. Covid-19 related solid waste mitigation measures are documented in the parent project ESMP which will be implemented under the AF2.

ESS4 Community Health and Safety

Relevant

ESS4 is considered relevant. The risks are limited to issues arising from training activities and cash transfer payment initiative, both involving workers of the project and targeted community members. In the event that Covid -19 arises,

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the AF2 project will implement the mitigation measures contained in the ESMP of the parent Project. Proper training on the risk management procedures including OHS measures will be provided by the project’s environmental and social focal points.

GBV/SEA/SH could also be a potential community safety risk. To manage this risk, active implementation of the adopted under the parent project of the LMP, SEP and the GRM will be promoted to ensure awareness among community members. Furthermore, the project will continue implementing the GBV/SEA/SH action developed under the parent project, and additional focal points will be identified to oversee prevention and management of GBV/SEA/SH risks at project and community level. The project has adopted a code of conduct for all workers engaged by the project which includes provisions to address GBV/SEA, and outlines the process of addressing such complaints in line with guidance from the World Bank Good Practice Note (GPN) on GBV.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Not Currently Relevant

Due to the nature of this project, there will be no risk of involuntary resettlement nor land acquisition

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources Not Currently Relevant

The project will not impact any form of biodiversity or living natural resources

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities Not Currently Relevant

Zambia does not have these groups, hence the project will not involve such

ESS8 Cultural Heritage Not Currently Relevant

Due to the nature of the project, Cultural Heritage is not relevant

ESS9 Financial Intermediaries Not Currently Relevant

There are no Financial intermediaries

ESS10 Stakeholder Engagement and Information Disclosure Relevant

The project prepared a Stakeholder Engagement Plan (SEP) consistent with ESS10 that identifies the relevant project stakeholders that might be affected or interested in the activities of this operation. The SEP outlines the characteristics and interests of the relevant stakeholder groups, and the timing and methods of engagement throughout the life of the component. Key stakeholders include the Ministry of Community Development and Social Services and other organizations involved in the implementation of social protection programs, and communities of all project sites, representatives of women and vulnerable and/or marginalized groups including youth, elderly, disabled and chronically ill as well as extra efforts to reach out to non-beneficiary members of the target communities in terms of the project targeting processes and capacity limits, so as to prevent them from being unduly disadvantaged.



Consultations were held in October 2022 and over five thousand (5,000) participants were consulted with the majority being members of the community. The participants included officers at national, provincial and district level. Later in the same month, engagements were cascaded to nine (9) provinces across the country and participants this time were physically engaged. The targeted provinces included: Central, Copperbelt, Eastern, Luapula, Lusaka, Northern, North-Western, Muchinga and Western province. The main purpose of the consultations was to consult stakeholders on the design of the project and to obtain feedback thereof in relation to projected risks and/or challenges, including proposed mitigation measures aimed at addressing the perceived risks or challenges.

If, during implementation, the Project identifies additional disadvantaged groups they will be included as a relevant stakeholder group. Media and civil society will also be consulted. The project will facilitate meaningful consultations to provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation throughout the project period. Further, the SEP will utilize existing GRM system under the parent project which includes a GRM that is currently in operation and includes GBV/SEA/SH referral pathways that are survivor centered. The SEP has been disclosed in country and will be implemented throughout the project lifecycle and will be redisclosed following any updates. This requirement is reflected in the ESCP.

B.2 Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

B.3 Other Salient Features

Use of Borrower Framework	No
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The Borrower Framework will not be used under this operation.

Use of Common Approach	No
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N/A

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required during implementation?

The project is making use of the already existing instruments under the parent project which include the ESCP, ESMP and SEP.

III. CONTACT POINTS

Public Disclosure



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V. APPROVAL

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