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Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P507971	Investment Project Financing (IPF)	TRALARD II	2026
Operation Name	Transforming Landscapes for Resilience and Development in Zambia II		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Zambia	Zambia	EASTERN AND SOUTHERN AFRICA	Environment, Natural Resources & the Blue Economy
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Republic of Zambia, Ministry of Finance and National Planning	Ministry of Environment and Green Economy	03-Mar-2025	17-Jul-2025
Estimated Concept Review Date	Total Project Cost		
21-Nov-2024	118,375,112.00		

Proposed Development Objective

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

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

No

C. Summary Description of Proposed Project Activities

Zambia is endowed with abundant natural resources, including land, forests, water, wildlife, and various minerals, which are crucial to its national economy. The country boasts 2.9 billion m^3 of trees, with 72% located in semi-evergreen miombo-dominated forests. However, with rural poverty levels averaging 80%, rural communities heavily depend on these natural resources for survival. Majority if not most of Zambia's rural population relies directly on natural resources for fuel, food, income, raw materials, and medicines. Deforestation and forest degradation are the biggest threats to

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Zambia’s forests, putting the economy and environment at risk. As of 2021, Zambia's forest cover was estimated at 45.4 million hectares, representing 60% of the country's total land area, with an average deforestation rate of 172,000 ha/year and forest degradation of 38,400 ha/year. The primary drivers include land use changes due to population growth, agricultural expansion, infrastructure development, mining, and wood extraction for fuelwood. Uncontrolled forest fires and unregulated charcoal production further exacerbate these issues, leading to biodiversity loss, reduced forest productivity, and diminished ecosystem services. Other negative impacts include, soil erosion, flooding, high evapotranspiration, water and food insecurity, displacement of people and reduced hydropower generation. Climatic impacts such as droughts are forcing migration from certain regions of the country to others, leading to exertion of pressure on relatively intact forested areas. Charcoal production, especially in urban areas, is a significant driver of deforestation, exacerbated by power outages due to prolonged drought. Agricultural expansion, particularly smallholder farming, also contributes to deforestation through increased production areas and shifting cultivation due to poor crop management practices. Weak governance and poor implementation of forest management practices further aggravate deforestation, necessitating effective governance to regulate land use and control deforestation. The management of natural resources in Zambia is hindered by a lack of coordination among institutions, insufficient manpower, and limited technical capacity within the relevant ministries and departments. TRALARD II is designed to address this context of environmental and climatic vulnerability, further hindered by limited institutional capacity and policy enforcement. The project will be implemented in Luapula, Northern, Muchinga, Southern, Northwestern, Copperbelt, and Central provinces, where deforestation due to agriculture, charcoal production, and logging is widespread, leading to habitat loss, soil degradation, and reduced biodiversity. Erratic rainfall patterns and prolonged droughts, particularly in Southern Province, exacerbate water scarcity and food insecurity. Overgrazing, unsustainable farming practices, and mining activities contribute to land degradation and pollution. Climate change has worsened these problems, increasing the frequency of extreme weather events, such as floods and droughts, further stressing local ecosystems and communities. TRALARD II will support the implementation of Zambia's first National Green Growth Strategy 2024–2030, investments in climate-smart livelihoods, and knowledge management. It will build on the successes and lessons of TRALARD, implemented in Luapula, Muchinga, and Northern Provinces until December 2025. In these provinces, TRALARD II will consolidate achievements and scale up good practices and lessons learned to Central, Copperbelt, Northwestern, and Southern Provinces. Key focus areas include diversified and sustainable livelihoods, operationalizing climate-resilient infrastructure, establishing new community forest management and natural forest regeneration areas, and improving the management of existing Protected Areas. TRALARD II will leverage the existing implementation arrangements and the capacity developed under TRALARD, particularly in Environmental and Social (E&S) risk management, procurement, and financial management and FM audits. Institutionally, the Ministry of Green Economy and Environment (MoGEE) will continue to oversee the project. The National Project Coordinating Unit (NPCU) in charge of TRALARD will lead TRALARD II preparation and implementation under MoGEE's coordination. Relevant line ministries will provide support needed for impacts at landscape level: Department of Forestry, Department of National Parks and Wildlife under the Ministry of Tourism, Ministry of Agriculture, Provincial Administrative Office, Zambia Meteorological Department, Ministry of Small Medium Enterprises, and Ministry of Water Development and Sanitation. TRALARD II will be developed through the following components: Component 1. Fostering Implementation of the National Green Growth Strategy (GGS): Component 1 will finance capacity building, technical assistance (TA), and other enabling activities to (i) enhance policy frameworks and related technical capacities of key stakeholders, including state and non-state actors and local communities for forest management and conservation, rehabilitation of degraded land, biodiversity conservation, and climate change adaptation in priority areas; (ii) develop integrated land management (ILM) plans; (iii) promote creation of green jobs and value chains; and (iv) create the conditions for a prioritized province to access carbon markets. The latter will cover preparation of a jurisdictional Emission Reduction Program (ERP) in a

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selected TRALARD province and develop capacity at various government levels and among producers for ILM and emission reductions at the Agriculture, Forestry and Other Land Use (AFOLU) sector. Component 1 will also continue TRALARD investments in strengthening the climate and hydro-meteorological information system. Component 2. Promoting Climate-Smart Livelihoods and Value Chains and Green and Inclusive Jobs: Component 2 will finance physical investments and works to implement GGS measures fostered under Component 1, aligned with the ILM approach to achieve social, economic, and environmental objectives. It will address deforestation and forest degradation in high-value forest areas while providing grants for climate-resilient livelihoods and green jobs for local communities. Component 2 will fund (i) participatory Community Forest Management (CFM); (ii) strengthened management of Protected Areas and establishment of new conservation areas around threatened headwaters; and (iii) conservation and rehabilitation of prioritized productive landscapes with focus on drought resilience, climate-smart agriculture (CSA), and biodiversity-friendly production practices. It will support development of non-timber forest product (NTFP) value chains, reduction of post-harvest losses, and natural regeneration and re-vegetation through assisted natural regeneration (ANR) and tree planting, thus increasing forest cover and restoring degraded lands. Component 3. Project and Knowledge Management, Coordination, and Collaboration: Component 3 will ensure effective project management and coordination and execution of activities while capturing and sharing lessons learned throughout the implementation period. Along with planning, monitoring and evaluation (M&E), fiduciary management, environmental and social risk management, and reporting, Component 3 will support documentation, awareness raising and sensitization efforts on good practices, lessons learned, and innovative solutions for integrating forestry, ecosystem restoration, and economic development. Along with promotion of interinstitutional and cross-sectoral collaboration among stakeholders, the knowledge products will inform ongoing and future initiatives and enhance project outcomes and sustainability.

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D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

The project will respond to socioeconomic and climate change challenges to the agro-ecological contexts in five provinces. It will support the achievement of PDO based on the three components: (i) Implement select priorities of the National Green Growth Strategy (ii)Promote climate-smart livelihoods and value chains and (iii) Project and Knowledge Management and Coordination. The country boasts 45.9 million ha of forest resources, with 60% located in miombo-dominated forests. However, with rural poverty levels averaging 84%, rural communities heavily depend on these natural resources for survival. Majority if not most of Zambia's rural population relies directly on natural resources for fuel, food, income, raw materials, and medicines. In the entire Miombo eco-region, Zambia has the highest diversity of trees and is the center for endemism for Brachystegia tree species. However, deforestation and land degradation are posing significant challenges in Zambia, with a deforestation rate of 172, 000 ha per year. The primary drivers of deforestation include encroachment of protected areas, agricultural expansion, logging, and charcoal production, have resulted in the loss of valuable biodiversity and the availability of essential ecosystems. This loss not only diminishes habitats for countless plant and animal species and disrupts intricate ecological balances but hinders opportunities for the provision of local income opportunities and livelihoods which can support climate change adaptation strategies. Land degradation caused by unsustainable agricultural practices and deforestation leads to soil erosion, water pollution and loss of agricultural productivity. The rural poor and communities surrounding protected areas heavily depend on the exploitation of natural resources for their livelihoods and income generation through activities such as beekeeping, agriculture including harvesting medicinal herbs.

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

The proposed project is building on the interventions of Pilot Program for Climate Resilience (PPCR, P127254) and Zambia Integrated Forest Landscapes Project (ZIFLP, P161490) which were all under safeguard policies. However, this project is more aligned to TRALARD which is also under the safeguards policies whose overall risk is rated as Moderate and the performance rating in the last ISR was Satisfactory. While the project will make use of TRALARD NPCU under the Ministry of Green Economy and Environment (MoGEE) for implementation, an institutional assessment of all agencies contributing to PA management is underway.The MoGEE based on its mandate for climate change policy and project coordination will take overall responsibility for project execution, oversight and coordination through relevant line ministries and provincial administration responsible for specific project activities. The MoGEE through TRALARD National Project Coordination Unit (NPCU) has been implementing activities for natural resource management and land restoration in different parts of the country financed by various development partners, thus they have the institutional capacity to support this project. The capacity of the NPCU and three Provincial Project Implementation Units (PPIUs) in safeguards requirements has been demonstrated in the implementation of TRALARD. In addition, the Environmental and Social Inclusion Officer (ESIO) from Muchinga province participated in the Zambia Face to Face ESF training held in November 2023. The Project staff do not have capacity in the Bank Environmental and Social Framework (ESF. Therefore, capacity building in E&S risk management for all the provinces willl be conduced. These aspects will be also be included as a commitment in the ESCP. Thus far, TRALARD has not recorded any fatality, only one incident that resulted in injuries with corrective actions currently under implementation.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC) — Substantial

A.1 Environmental Risk Rating — Substantial

The environmental risk rating is Substantial. The project will leverage nature-based solutions to manage the Miombo ecoregion through activities such as promoting agro-ecological farming, community forest management (CFM), implementing integrated water and land management, enhancing climate change adaptation and resilient infrastructure e.g., small-scale/farmer-led irrigation schemes, canals and weirs, crossing points, and dredging of transportation channels. The project will also involve strengthening of protected areas management with GEF funding. Significant risks envisaged are associated with the geographical setup that is extensive, varied, and coupled with capacity needs. The necessary mitigation measures will be included in the Environmental and Social Commitment Plan (ESCP), Environmental and Social Management Frame (ESMF), waste and water management plans, stand alone Integrated Pest Management Plan (IPMP) , and electronic waste management plan. Necessary ESS provisions will be included in the terms of reference (TOR) of all TA products to address potential environmental and social impacts that could arise. The compliance of the sectoral agencies to applicable ESSs will be measured by annual performance assessment executed as part of the project. The new provinces need and will be provided capacity building 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 and other resource support. Specific key environmental risks include; increased loss of vegetation loss from subproject activites, air pollution among others and many others.There are also unidentified risks and impacts from project activities and limited capacity of the new PPIU in ESF that will be appointed in Southern.

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Substantial

A.2 Social Risk Rating

The social risk for the project is considered Substantial. The key social risks associated with this project include, (i) elite capture of benefits, resulting in the potential exclusion of vulnerable groups; (ii) potential intensification of internal and local conflicts associated with access to project benefits; (iii) potential access restrictions to natural resources; (iv) risk of child labor by enterprise beneficiaries; and (v) potential increase in SEA/SH cases as a result of project activities, enabled by a context characterized by deep gender inequalities, and the social norms and local beliefs that violence against women is acceptable and (vi) risks of community / ranger conflict involving the project implementation agency. The NPCIU and PPIUs have gained experience in managing social risks with provisions of Provincial social focal points with requisite skills in providing technical support to sub projects and coordinating with relevant provincial and district government departments. The expansion of the project scope to three additional provinces is expected to necessitate increased support for managing social risks. In the Southern Province, high levels of polygamy, early marriages, and teenage pregnancies, influenced by cultural customs, are expected to exacerbate GBV/SEA/SH risks. To manage these risks, the NPCU will prepare ESF instruments and closely monitor social risks and implement mitigation measures during project supervision including Environmental and Social Management Framework Plan (ESMF) prepared prior to appraisal, which will contain the Waste and Water Management Plans, OHS plan and a standard alone Integrated Pest Management Plan risks. Lessons from TRALARD include satisfactory social performance since June 2021, a functioning GRM with worker redress, and clear monitoring and reporting of social aspects. The social risk rating will be reassessed at appraisal based on the World Bank's due diligence during project preparation.

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B. Relevance of Standards and Policies at Concept Stage

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts Relevant

The project will support diverse investments and works to address the main drivers of deforestation, land and forest degradation while supporting actions aimed at improving climate-resilient livelihoods and market opportunities including nature-based solutions (NBSs), water harvesting, and Climate Smart Agriculture (CSA) practices and technologies. There will be small climate-resilient infrastructure to support economic growth and welfare of adjacent communities (e.g., small-scale/farmer-led irrigation schemes, canals and weirs, crossing points, and dredging of transportation channels) which could cause E&S risks. Risk mitigation will involve preparation of the ESCP, ESMF and related plans, and E&S screening of project activities. E&S risks associated with protected area management will include updating codes of conduct, SOPs, and training manuals for Community Scouts and HFOs to ensure compliance with ESS provisions, GRM, and incident reporting after an assessment.

ESS10 - Stakeholder Engagement and Information Disclosure Relevant

A SEP will be developed consistent with the Banks ESS 10 which identifies relevant affected and interested stakeholder on this operation. The SEP will ensure that all engagements with the communities are culturally appropriate with clear timelines of engagement activities at the community level, to complement sub-project identification and implementation. The SEP will also include a GRM already prepared under the TRALARD project that will provide a channel for lodging complaints arising from project implementation. It will further assess whether the

GRM covers the entirety of all protected areas in the project including sites not financed by the Bank. The GRM will include consideration for GBV/SEA/SH related complaints and will pay special attention to address any potential barriers to the most vulnerable groups. The SEP will be implemented through out the project cycle and will be publicly disclosed prior to appraisal, including a record of the consultations carried out until then.

ESS2 - Labor and Working Conditions Relevant

Project interventions may involve engagement of direct, contracted and community workers to carry out the project activities. The main risks to the workers will include, poor working conditions, delays in payment and GBV/Sexual harassment from construction of small-scale/farmer-led irrigation schemes, canals and weirs, crossing points, and dredging of transportation channels. Another risk includes rangers being harmed by poarchers including parties seeking to prevent them from enforcing PA regulations. To address these risks, the project will prepare a standalone Labor Management Procedure (LMP). The LMP will be in line with national laws, WB ESS2 and WB EHSGs that govern labor and working conditions and will also contain OHS procedures. These procedures will also include measures to protect rangers from being harmed by poarchers. The project is also required to have separate GRM for workers.

ESS3 - Resource Efficiency and Pollution Prevention and Management Relevant

ESS3 is relevant. Project risks include soil erosion and sedimentation, pesticide pollution, soil contamination from hazardous/non-hazardous waste generation, water resources depletion etc. from both climate resilient construction and livelihood sub-projects. To mitigate these risks, measures to ensure efficient use of raw materials and pollution management will be contained in site specific ESMPS including Integrated Pest Management Plan (IPMP), water and waste management plans, will be prepared and disclosed. In addition, the pesticides management guidelines contained in the (IPMP) will also be included in the ESMPs for agriculture subproject activities. The project is likely to generate small quantities of electronic waste whose source may include solar powered water pumps containing, batteries and panels and incubators from poultry livelihood subprojects. An e-waste management plan will be prepared to mitigate risks and impacts from e-waste.

ESS4 - Community Health and Safety Relevant

The project will involve community livelihoods and infrastracture activities that cause community heath and safety risks including reduced traffic and safety road, community exposure to dust emissions, noise, water borne and vector borne diseases. The presence of law enforcement officers is a security risk to the community. To make supporting a law enforcement agency (rangers) acceptable to the bank, during preparation, the project will, (i) assess the operational protocols and procedures which govern the enforcement, (ii) assess the capacity and track record of the enforcement agency in sticking to those procedures and protocols (iii) if there are gaps found, the project will support the enforcement agency to plug those gaps as part of the project. These risks and impacts will be mitigated using a security management plan. An emergency response plan to protect the health and safety of the community will be included in the ESMPs.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement Relevant

ESS5 is relevant to the this project. The project activities will support natural resources management which causes restriction to community access to natural resources resources. This will occur by strengthening the enforcement activities in PAs. This process will be done in consultation with the surrounding communities. The project will update

Public Disclosure

the Process Framework developed under TRALARD to include activities in Southern and Copperbelt provinces. The Framework will state the principles, organizational arrangements for addressing resettlement impacts and restrictions to natural resources that may arise during project implementation. It will further, include a cross-reference to the project's GRM which was updated to specifically include reporting channels for protected areas and will be described in the SEP for affected community groups to raise grievances. These actions will be documented in the ESCP.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources — Relevant

Positive impacts on the project in all provinces include following, (i) restoration of the miombo forest ecosystems in natural or modified habitats in all the including Protected Areas such as national parks and forests (ii) increase in biodiversity while supporting livelihoods of local communities (iii) restoration of the regulating function of the miombo ecosystems which act as carbon sinks, sequestering carbon dioxide from the atmosphere and mitigating the effects of climate change. Negative impacts may arise from increased agricultural activities leading to increased use of agrochemicals and expansion of agriculture frontiers that may affect biodiversity and (ii) introduction of agroforestry activities that may affect the indigenous forest with the introduction of alien species. However, there will be no introduction of invasive alien species or non-native species of flora. An exclusion criteria will be established to avoid adverse impacts on biodiversity.

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

ESS8 - Cultural Heritage — Relevant

ESS 8 is relevant as a precautionary and preventative measure for the potential negative impact of the project on cultural heritage. The impacts are likely to be associated with the excavation activities from construction works that may unearth objects of cultural heritage value. However, in cases where that will be encountered, a chance find procedure will be implemented as outlined in the ESMP. In addition, restrictions on access to PAs may also affect intangible cultural heritage; therefore, this will also be included in the PF.

ESS9 - Financial Intermediaries — Not Currently Relevant

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways	Yes
OP 7.60 Operations in Disputed Areas	No

B.3 Other Salient Features

Use of Borrower Framework — No

Borrower Framework will not apply for this operation

Public Disclosure

Use of Common Approach No

No Financing partners will be used under this operation.

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 by Appraisal?

The documents to be prepared prior to appraisal include the ESCP, SEP and draft ESMF which will contain the waste and water management plans, and OHS plan. However, the Integrated Pest Management Plan (IPMP), GBV Action plan, electronic waste management plan, LMP and updated Process Framework will be prepared as stand alone documents that will be disclosed with the final ESMF after effectiveness.

III. CONTACT POINT

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Public Disclosure

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