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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT *AND/OR*
INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER
ON A
PROPOSED CONTINGENT EMERGENCY RESPONSE PROJECT (CERP)

TO THE

ZAMBIA

SEPTEMBER 8, 2026

Eastern And Southern Africa

CURRENCY EQUIVALENTS

(Exchange Rate Effective {Jun 04, 2026})

Currency Unit =	
SDR 0.73 =	US$1
US$ 1.38 =	SDR 1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Ndiame Diop
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ABBREVIATIONS AND ACRONYMS

AM	Accountability Mechanism
AR	Activation Request
CERP	Contingent Emergency Response Project
COVID-19	Coronavirus Disease- 2019
CPF	Country Partnership Framework
DPF CAT DDO	Development Policy Financing with a Catastrophe Deferred Drawdown Option
DRF	Disaster Risk Financing
DRM	Disaster Risk Management
E&S	Environmental and Social
EP&R	Emergency Preparedness and Response
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESMP	Environmental and Social Management Plan
FM	Financial Management
FY	Fiscal Year
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRS	Grievance Redress Service
GRZ	Government of the Republic of Zambia
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
IDA	International Development Association
IDP	Internally Displaced Person
IFR	Interim unaudited Financial Report
IMF	International Monetary Fund
IPF	Investment Project Financing
M&E	Monitoring and Evaluation
MCDSS	Ministry of Community Development and Social Services
MSMEs	Micro, Small & Medium Enterprises
NAPCC	National Adaptation Plan for Climate Change
NDC	Nationally Determined Contribution
NDMC	National Disaster Management Council
NGO	Non-Governmental Organizations
PDO	Project Development Objective
PFM	Public Financial Management
PforR	Program for Results
PIU	Project Implementation Unit
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee

RRO	Rapid Response Option
RSF	Resilience and Sustainability Facility
SDR	Special Drawing Rights
SEP	Stakeholder Engagement Plan
SOP	Standard Operating Procedures
SORT	Systematic Operations Risk-Rating Tool
TOR	Terms of Reference
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
WARMA	Water Resources Management Authority
WASH	Water, Sanitation, and Hygiene
WFP	World Food Programme
ZMD	Zambia Meteorological Department

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DATASHEET

BASIC INFORMATION

Project Beneficiary(ies)	Operation Name		
Zambia	Zambia Contingent Emergency Response Project		
Operation ID	Financing Instrument	Environmental and Social Risk Classification	
P517175	Investment Project Financing (IPF) – Contingent Emergency Response Project (CERP) (RR)	Moderate	

Implementation Modalities

[ ] Alternative Procurement Arrangements (APA)

[ ] Fragile State(s)

[ ] Small State(s)

[ ] Fragile within a non-fragile Country

[ ] Conflict

[ ] Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
08-Sep-2026	18-Jun-2032
Bank/IFC Collaboration	
No	

Components

Component Name
Component 1: Emergency Livelihood Support to Households
Component 2: Provision of Essential Emergency Supplies and Services

Component 3: Emergency Response Coordination and Management

Organizations

Borrower/Recipient:	Ministry of Finance and National Planning
Implementing Agency:	Ministry of Community Development and Social Services

PRACTICE AREA(S)

Practice Area (Lead)

Urban, Subnational Finance, Tourism, and Disaster Management

Contributing Practice Areas

Jobs; Finance, Competitiveness and Innovation; Social Policy

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Moderate
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Moderate
8. Stakeholders	Moderate
9. Overall	Moderate

POLICY COMPLIANCE

Policy

Does the project require any waivers of Bank policies?
[ ] Yes [✓] No

Have these been approved by Bank management?
[ ] Yes [ ] No

Is approval for any policy waiver sought from the Board?
[ ] Yes [ ] No

ENVIRONMENTAL AND SOCIAL

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8: Cultural Heritage	Not Currently Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

I. COUNTRY CRISIS PREPAREDNESS CONTEXT

A. Country Risk Profile

1. **Zambia faces a complex and evolving risk landscape shaped by its landlocked geography, high climate variability, and growing exposure to hydrometeorological hazards**. The country is recurrently affected by droughts, floods, wildfires, and extreme heat, with the southern and western provinces most exposed to drought and cities such as Chipata, Ndola, and Kitwe experiencing the most rapid expansion of urban built-up areas into flood zones[1]. Rainfall variability has been a persistent and costly feature of Zambia's development trajectory: over the period 1977 to 2007, hydrological variability is estimated to have cost the country US$13.8 billion (in 2006 prices), equivalent to a loss of 0.4 percent of annual gross domestic product (GDP) growth. The 2006/07 floods alone affected 1.5 million people and cost over US$4.5 million in emergency operations and an additional US$80 million during recovery. A severe drought event comparable to that of 1991/92 can cost up to 6.6 percent loss in its growth rate in a single year and increase the national poverty rate by 7.5 percentage points[2]. The 2024 El Niño-induced drought — described as the worst in 40 years — left an estimated 6.6 million people (approximately 33.5 percent of the population) in need of emergency assistance and led the Government of the Republic of Zambia (GRZ) to declare a national disaster. Looking ahead, the frequency of extreme droughts in Zambia is projected to increase fivefold by mid-century under a dry/hot climate scenario[3]. Urban exposure to flooding has also been growing rapidly: the share of urban built-up areas exposed to 100-year floods increased from 5.6 to 8.2 percent between 2000 and 2015, as settlements expanded without risk-informed land-use planning[4]. Annual Average Losses from emergency disaster response to drought are estimated at US$25 million per year, rising to nearly US$300 million in a 1-in-100-year event; for floods, the figures are US$10 million and US$130 million respectively — excluding reconstruction costs and broader economic impacts[5].

2. **Health threats significantly compound Zambia's risk profile, amplified by its borders with eight countries and by rapidly urbanizing settlements with inadequate water, sanitation, and hygiene (WASH) infrastructure.** Cholera has been a recurrent hazard since its first outbreak in 1977, with cases registered almost every year except for the periods 1984–1988, 1994–1995, and 2012–2015[6]. The 2023–24 outbreak was the worst in the country's recorded history: as of June 2024, 23,303 confirmed cases and 740 deaths were reported across all ten provinces, representing a case fatality rate of 3.2 percent, and driven largely by flooding, drought-induced water scarcity, and poor WASH conditions particularly in urban slums[7]. Malaria remains one of the ten leading causes of illness and death, with approximately 20,000 new cases and four deaths per day according to the Zambia National Malaria Elimination Centre; evidence from Zambia confirms that climatic variables — temperature and rainfall — are significantly associated with malaria incidence and child mortality[8]. Zambia ranked 159 out of 195 countries on the Global Health Security Index

[1] World Bank, Zambia Urbanization Review, 2022.
[2] World Bank, Managing Water for Sustainable Growth and Poverty Reduction, 2009.
[3] World Bank, Zambia Country Climate and Development Report, 2026.
[4] World Bank, Zambia Urbanization Review, 2022.
[5] Government of Zambia/World Bank, Crisis and Disaster Risk Financing Diagnostic, Ministry of Finance and National Planning, 2025.
[6] World Bank, Cholera Risk in Lusaka: A Geospatial Analysis, 2023.
[7] World Bank, Cholera Risk in Lusaka: A Geospatial Analysis, 2023; WHO, Health Data Overview for the Republic of Zambia, 2024.
[8] Lubinda et al., "Climate Change and the Dynamics of Age-Related Malaria Incidence in Southern Africa," Environmental Research, 197, 2021.

2021, reflecting significant weaknesses in prevention, detection, and emergency response capacity[9]. The Coronavirus Disease – 2019 (COVID-19) pandemic demonstrated the severe macroeconomic consequences of health shocks: real GDP contracted by 2.8 percent in 2020 — Zambia's first recession in decades — and the pandemic disrupted health service delivery, reversed hard-won gains in maternal and child health outcomes, and deepened fiscal pressures in a context of already elevated public debt[10].

3. **Deep structural poverty, marked regional inequality, and heavy dependence on copper exports render Zambia acutely vulnerable to the compound effects of climate, health, and external economic shocks.** The national poverty rate stood at 60 percent in 2022 — effectively returning to 2010 levels — with rural poverty at 79 percent compared to 32 percent in urban areas, and poverty concentrated in Muchinga, Northern, Western, and Luapula Provinces[11]. Agriculture, predominantly rain-fed and smallholder, is the primary livelihood for over 60 percent of the population and is acutely climate-sensitive: analysis of ward-level data over 25 years finds that each additional drought exposure is associated with a 0.5 percentage point increase in the incidence of poverty, even after controlling for structural barriers[12]. Zambia's dependence on copper — which accounts for approximately 70 percent of total exports — creates severe exposure to global commodity price cycles. When global copper prices fell sharply in 2015, the value of Zambia's copper exports declined by US$2.4 billion (31 percent), the kwacha lost over 54 percent of its value against the US dollar by November of that year, and annual consumer prices rose by 21 percent — a vivid illustration of how external commodity shocks transmit rapidly to household welfare[13]. The conflict in Ukraine in 2022 similarly generated imported inflationary pressures through food and fertilizer prices, compounding household food insecurity in a country where subsistence agriculture dominates rural livelihoods[14]. The 2024 drought triggered a further macroeconomic deterioration: annual inflation peaked at 16.8 percent in February 2025, driven by food prices and kwacha depreciation, while real GDP growth in 2024 was constrained to 4.0 percent despite mining sector performance[15]. The convergence of high structural poverty, limited fiscal space — exacerbated by a period of debt distress — and compound exposure to climate, health, and commodity shocks underscores the urgent need for pre-arranged financing mechanisms and a comprehensive approach to disaster risk management in Zambia.

B. Crisis Preparedness Strategy and Arrangements

4. **Zambia has progressively developed a legislative and institutional framework for Disaster Risk Management (DRM), though gaps remain in its operational effectiveness and financial underpinnings**. The primary legal basis to DRM in Zambia is the Disaster Management Act No. 13 of 2010, which established the Disaster Management and Mitigation Unit (DMMU) within the Office of the Vice President. The DMMU serves as the national focal point for DRM, mandated to anticipate, prepare for, coordinate, and respond to disasters. The Disaster Management Act also created the National Disaster Relief Trust Fund — though this fund has not yet been operationalized[16]. In 2024,

[9] Global Health Security Index, 2021.
[10] World Bank, Macro Poverty Outlook, Annual Meetings 2023.
[11] Zambia Statistics Agency, Highlights of the 2022 Poverty Assessment in Zambia, 2023.
[12] World Bank, Zambia Poverty and Equity Assessment, 2025.
[13] World Bank, Beating the Slowdown in Zambia, 2016.
[14] World Bank, Macro Poverty Outlook, Annual Meetings 2023.
[15] World Bank, Macro Poverty Outlook, Spring Meetings 2026.
[16] Disaster Management Act No. 13, Government of the Republic of Zambia, 2010.

Zambia approved an updated DRM Policy, which marks a significant shift from reactive disaster response toward a more proactive approach encompassing risk reduction, early warning, early action, sectoral and territorial DRM mainstreaming, and institutional coordination. The updated Policy also mandates the development of a multi-hazard early warning system tailored to priority sectors[17]. Complementing this, the National Social Protection Policy 2024–2028, approved by Cabinet in October 2024, explicitly aims to mainstream climate resilience into social protection programming and strengthen shock-responsive systems and institutional arrangements [18] The Eighth National Development Plan 2022–2026 (8NDP) further reinforces these objectives, identifying DRM, enhanced early warning systems, and community-based disaster risk management programs as priority government investments[19].

5. **The DMMU operates through a multi-level coordination structure that extends from the national to the community level and integrates both government and non-governmental actors.** The National Disaster Management Council (NDMC) is chaired by the Vice President, and supported by a National Disaster Technical Committee. The NDMC comprises permanent secretaries of relevant ministries, and a set of specialized sub-committees covering areas such as health and nutrition, agriculture, water and sanitation, relief and logistics, and early warning systems. This structure cascades to Provincial Disaster Management Committees, District Disaster Management Committees, and village-level Satellite Disaster Management Committees, with the DMMU providing secretariat functions and coordination throughout. Early warning is coordinated through the Vulnerability Assessment Committee (VAC), chaired by the Office of the Vice President with DMMU as secretariat, drawing on inputs from the Zambia Meteorological Department (ZMD), the Water Resources Management Authority (WARMA), and the National Early Warning Unit in the Ministry of Agriculture, with the National Food Balance Sheet published annually by May 15 as the primary national food security decision-making tool[20]. The National Emergency Operations Centre, established under the DMMU, provides real-time hazard monitoring and incident management[21]. For public health emergencies, the Zambia National Public Health Institute (ZNPHI), given its autonomous legal status under ZNPHI Act No. 19 of 2020, serves as the technical arm of the Ministry of Health and leads health security preparedness under a One Health approach, guided by the National Health Strategic Plan 2022–2026[22]. The Social Cash Transfer (SCT) program, implemented since 2003 by the Ministry of Community Development and Social Services (MCDSS) and reaching a little over 1.55 million households nationally, constitutes the primary delivery channel for cash-based emergency response and has been progressively strengthened to include shock-responsive scalability mechanisms, including vertical and horizontal expansion protocols for climate and other shocks[23].

6. **Zambia's financial preparedness for disaster response until recently has relied primarily on reactive instruments, with a meaningful gap remaining between risk exposure and available pre-arranged financing.** Disaster response has historically been financed through budget reallocations, emergency borrowing, and development and humanitarian partner support. Zambia's national budget contingency fund stood at ZMW 390 million (approximately US$14.6 million in 2024). However, it is not ring-fenced for disasters and is routinely drawn

[17] Government of the Republic of Zambia, DRM Policy, 2024.
[18] Government of the Republic of Zambia, National Social Protection Policy 2024–2028, 2024.
[19] Government of the Republic of Zambia, 8th National Development Plan 2022–2026, 2022.
[20] World Bank, Assessment of Food Security Early Warning Systems for East and Southern Africa, 2018.
[21] World Bank, Zambia Strengthening Climate Resilience PPCR Phase II, Implementation Completion Report, 2023.
[22] ZNPHI Act No. 19 of 2020; Government of the Republic of Zambia, National Health Strategic Plan 2022–2026, 2022.
[23] Government of the Republic of Zambia/MCDSS, Zambia Social Cash Transfer Factsheet, 2022.

upon for other purposes[24]. Budget reallocation is the primary instrument for larger shocks: during the 2024 drought, approximately US$100 million was financed through supplementary budget reallocations for disaster response, carrying significant opportunity costs as funds were redirected from planned investments in schools, hospitals, and roads[25]. Zambia also maintains a sovereign drought parametric insurance policy with the African Risk Capacity (ARC). Following the 2024 drought, it triggered a near-maximum payout of US$10 million for the government and US$3.3 million for a World Food Programme (WFP) replica policy, though there is scope to strengthen treasury and operational approval processes to enable faster deployment of these funds once triggered[26]**.**

7. **The scale of the 2024 emergency response illustrated both the severity of Zambia's risk exposure and the need to further expand the pre-arranged financing toolkit.** The combined instruments available at the time of the 2024 drought proved insufficient to fully meet emergency needs, necessitating a US$200 million IDA Crisis Response Window grant in July 2024 and a US$300 million humanitarian appeal. In December 2024, the World Bank approved a US$100 million Climate and Economic Resilience Development Policy Financing package, comprising US$25 million as an immediate DPF and US$75 million as a Catastrophe Deferred Drawdown Option (CAT-DDO) that can be triggered by a declaration of national disaster, providing Zambia with an important liquidity backstop for future shocks. Additionally, the World Bank's Rapid Response Option (RRO) that is available for Zambia, allows reallocation of up to 10 percent of undisbursed funds from Zambia's existing World Bank portfolio. Zambia also accessed in July 2025 the Regional Emergency Preparedness and Access to Inclusive Recovery Program (REPAIR, P508319) with US$70 million available with reserves, contingent financing (IPF-DDO) and insurance premia.

8. **The Government, with World Bank support, has identified clear priority actions to strengthen financial preparedness and is actively working to implement them**. The Crisis and Disaster Risk Financing Diagnostic identified four priority actions: developing a formal national Crisis and Disaster Risk Financing Strategy; strengthening public financial management (PFM) systems to enable faster flow of funds; investing in scalable delivery systems to reach smallholder farmers and Micro, Small & Medium Enterprises (MSMEs) rapidly; and improving risk data to better quantify exposure and inform budgeting[27]. In parallel, the World Bank's Health Emergency Preparedness, Response and Resilience project (effective September 2024, US$50 million) is strengthening ZNPHI and national health emergency response systems, while successive financing operations under the Scaling-up Shock Responsive Social Protection Project (P179095) stabilized and enhanced the shock-responsive SCT delivery channel, together representing a concerted effort to build a more robust and layered crisis financing architecture and delivery mechanism in Zambia.

C. Key Preparedness and Readiness Gaps

9. **Despite Zambia's relatively solid policy and legislative foundations for crisis preparedness, significant operational, institutional, and financial gaps persist, constraining the country's ability to move from frameworks on paper to effective action on the ground.** A recent Emergency Preparedness and Response Diagnostic finds that Zambia's system is "policy-rich and technically capable" at the center, with scope to strengthen operational capacity

[24] Government of Zambia/World Bank, Crisis and Disaster Risk Financing Diagnostic, Ministry of Finance and National Planning, 2025.
[25] ibid.
[26] ibid.
[27] Government of Zambia/World Bank, Crisis and Disaster Risk Financing Diagnostic, 2025.

at the frontline with relatively stronger performance in early warning systems, accountability, and statutory authority, and considerably weaker performance in community engagement, financial preparedness, information management, and frontline operational capacity[28]. An area for improvement is the devolution of authority and resources to sub-national levels: the DMMU currently functions more as a facilitative coordinator than a directive authority, with an opportunity to strengthen the legal basis for cross-sectoral preparedness obligations to fulfill preparedness obligations outside of formally declared national disasters, while provincial and district levels operate without predictable financing, permanent storage facilities, or resilient emergency operations infrastructure[29]. District Disaster Management Committees often rely on a single officer to cover all management and liaison functions, and Satellite Disaster Management Committees at the community level are frequently dormant due to the absence of resources, equipment, and training[30]. Thus, significant additional technical and operational staffing is needed at DMMU to fully manage multi-hazard functions [31]. The draft DRM Amendment Bill and the 2024 DRM Policy represent the Government's primary vehicle to address these structural weaknesses, seeking to shift the legal framework from reactive disaster management to proactive disaster risk management, clarify inter-ministerial mandates, and establish a legal basis for decentralized emergency action and sub-national funding windows within the National Disaster Relief Trust[32].

10. **Financial preparedness is the most acute and cross-cutting gap in Zambia's crisis preparedness architecture, with critical weaknesses spanning fund availability, disbursement speed, and delivery reach.** The National Disaster Relief Trust Fund, mandated by the Disaster Management Act No. 13 of 2010, remains non-operational due to unresolved governance, capitalization, and disbursement arrangements — leaving Zambia without a dedicated, ring-fenced reserve for disaster response[33]. Disaster-related spending is not systematically tagged in the national budget or in the Integrated Financial Management Information System (IFMIS), making it difficult to assess historical costs or plan for future events[34]. PFM procedures, while essential for accountability, introduce significant delays: the 2024 ARC drought insurance payout of US$10 million remained inaccessible until January 2025 (after being announced in June 2024) due to pending Treasury approvals, illustrating the critical gap between instrument design and operational delivery[35]. The scale of pre-arranged instruments also remains far below modelled needs: while a 1-in-100-year drought could cost US$521 million, and a comparable flood event US$227 million, the total envelope of immediately accessible financing — comprising the contingency fund, ARC payout, and World Bank CAT-DDO — falls well short of these benchmarks[36]. Furthermore, the social protection system — Zambia's primary delivery channel for cash-based emergency response — currently lacks a dynamic social registry to rapidly expand coverage horizontally to shock-affected households, although one is under development and is expected to be operational by January 2027; and MSMEs were largely excluded from the emergency response, despite being severely affected by the 2024 energy crisis triggered by drought[37]. The Government, with World Bank support, has identified four priority actions to close these

[28] World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming.
[29] ibid.
[30] ibid.
[31] ibid.
[32] Government of the Republic of Zambia, DRM Policy, 2024.
[33] World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming; Government of Zambia/World Bank, Crisis and Disaster Risk Financing Diagnostic, 2025.
[34] World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming.
[35] Government of Zambia/World Bank, Crisis and Disaster Risk Financing Diagnostic, 2025.
[36] ibid.
[37] ibid.

gaps: developing a formal national Crisis and Disaster Risk Financing Strategy[38]; strengthening PFM systems to enable faster fund flow through ring-fenced budget lines and designated accounts; investing in scalable delivery systems for households, farmers, and MSMEs; and improving risk data and profiling to better inform planning and budgeting[39].

11. **Early warning, risk monitoring, and operational response capacity face persistent technical fragmentation and last-mile connectivity gaps that undermine the translation of warnings into timely action**. The ZMD, WARMA, the Ministry of Agriculture's National Early Warning Unit, and the ZNPHI's epidemiological surveillance systems each generate valuable hazard data, but these outputs are not routinely consolidated into a unified multi-hazard risk information platform[40]. In the health sector, while ZNPHI and its network of Public Health Emergency Operations Centers represent the most advanced preparedness function in the national system, the linkages between health surveillance and non-health sectors such as WASH, remain dependent on informal advocacy rather than enforceable cross-sectoral mandates, and pre-hospital care is limited by a shortage of ambulances and trained paramedics outside urban centers[41]. Social protection and DRM systems operate largely in parallel rather than as integrated functions: activation of emergency cash transfers is not yet systematically linked to specific early warning thresholds or Emergency Preparedness and Response (EP&R triggers), contributing to response delays, while shelter and evacuation planning does not consistently account for the differentiated needs of women, children, and persons with disabilities[42].

D. Bank Engagement with the Country on Crisis Preparedness and Emergency Response

12. **The World Bank has substantially deepened its engagement on crisis preparedness and resilience in Zambia in recent years, supporting a layered portfolio of analytical work, policy support, and investment financing.** On the analytical side, two foundational diagnostics have recently been completed or are near completion: (i) the Crisis and Disaster Risk Financing Diagnostic[43], which established the risk-layering baseline and identified priority actions for Zambia's disaster risk financing architecture, and (ii) the EP&R Diagnostic[44], which undertook a comprehensive, multi-sectoral assessment of Zambia's operational preparedness and response capacity. These diagnostics directly inform the design of the proposed CERP and the broader crisis preparedness reform agenda. On the investment side, the Bank financed the Second Additional Financing for the Scaling-up Shock Responsive Social Protection Project (US$207.6 million, June 2024), which scaled the SCT program to reach approximately 1.6 million drought-affected households; the Health Emergency Preparedness, Response and Resilience Project (US$50 million, September 2024), which strengthens ZNPHI and national health emergency response systems; and the first Climate and Economic Resilience Development Policy Financing with a CAT-DDO (US$100 million, December 2024), providing immediate budget support and contingent liquidity triggered by a national disaster declaration, and supporting a reform program to enhance resilience. Zambia is also a beneficiary of the REPAIR program, which provides contingent financing for moderate and severe shocks alongside sovereign insurance coverage. Together, these instruments span budget

[38] This is being delivered through the technical assistance available under the REPAIR Program (P508319)
[39] ibid.
[40] World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming.
[41] ibid.
[42] ibid.
[43] Government of Zambia/World Bank, Ministry of Finance and National Planning, 2025.
[44] World Bank, Upcoming.

support, contingent credit, parametric insurance, and emergency investment financing — providing the layered financial architecture within which the proposed CERP is designed to operate.

13. **A CERP is a standing financing mechanism, established under the World Bank's RRO, that allows a government to access pre-agreed funds rapidly following a declared emergency — without the need to negotiate a new operation**. It works by allowing reallocation of up to 10 percent of undisbursed funds across a country's existing IDA investment portfolio, providing flexible, fast-disbursing financing across sectors within days of a triggering event. Unlike the Cat DDO — which provides budget support upon declaration of a national disaster — the CERP finances specific emergency expenditures at the project level, filling the gap between macro-level contingent liquidity and the targeted operational response needed on the ground.

14. **The proposed CERP, established through the World Bank's RRO, is the latest addition to Zambia's crisis response toolkit and is designed to complement the instruments already in place.** The CERP is directly aligned with the World Bank's Country Partnership Framework (CPF) for Zambia FY25–29, which establishes six strategic objectives, with Objective 6 — "climate risk management systems and financing" — specifically targeting the strengthening of DRM institutional frameworks, multi-hazard early warning systems, and pre-arranged financing instruments[45]. The CERP also contributes to CPF Objective 4 on the targeting and effectiveness of social protection, by reinforcing the scalability of the SCT delivery channel as the primary mechanism for household-level emergency cash assistance. More broadly, the CERP is consistent with Zambia's 8NDP 2022–2026, which identifies DRM and climate resilience as cross-cutting priorities for sustained and inclusive development[46]. By operationalizing a standing emergency financing mechanism, the CERP will reduce Zambia's reliance on costly ex-post budget reallocations and ad hoc humanitarian appeals, as well as strengthen the Government's capacity to respond swiftly and predictably to future climate, health, and economic shocks — directly supporting the reform trajectory already underway.

II. CONTINGENT EMERGENCY RESPONSE PROJECT FRAMEWORK

A. Project Development Objective (PDO)

15. To respond promptly and effectively to an eligible crisis or emergency in Zambia.

B. PDO Indicators

16. The following indicators will be used to measure progress toward the PDO:
- Time from request for CERP activation to first disbursement [Days].
- People directly benefiting from the Crisis Response Plan (CRP) -financed activities [Number].
- CERP Funds utilized for emergency activities within the activation period from the amount reallocated [Percentage].

[45] World Bank, Zambia Country Partnership Framework FY25–29, 2024.
[46] Government of the Republic of Zambia, 8th National Development Plan 2022–2026, 2022.

- Percentage of people targeted by the Crisis Response Plan that directly benefit from CERP-financed activities [Percentage].

C. Project Beneficiaries

17. **The project has a national scope.** The beneficiaries will be defined in the Crisis Response Plan based on the eligible emergency or crisis for each CERP activation and the geographical spread of the impacts. Beneficiaries will include the affected populations in the country, who will receive support through the Government to ensure their safety and resilience during and after crises. A particular attention will be paid to the disaggregation of the beneficiaries according to their sex and age, with a focus on youth, women, the elderly, and people with disabilities.

D. Framework of Emergency Response Activities and Expenditures

18. **In the event of an eligible crisis, the CERP can be activated to finance immediate response needs, as applicable depending on the nature of the crisis.** This is intended to mitigate the immediate impacts of crises on vulnerable populations by aiding access to critical supplies and the resources needed for immediate response. The CERP provides a positive list of eligible emergency expenditures, as detailed in the CERP Manual, across the following components:

19. **Component 1: Emergency Livelihood Support to Households**: The CERP will provide direct emergency cash assistance in the form of unconditional cash transfers to households affected by a given crisis. Specifically, the existing SCT program will be temporarily scaled up both horizontally and vertically in response to a shock to help stabilize livelihoods and smoothen consumption for food and basic commodities.

20. The SCT has proven experience in responding to climate and other shocks, as demonstrated by the recent cash-based emergency response to the 2024 El Niño-induced drought, using the SCT Scalability Framework and Standard Operating Procedures (SOPs). Specifically, the SCT Proxy-Means Test (PMT) based targeting methodology was adapted for the drought response through an in-depth consultative process engaging multiple sectors and actors involved in the emergency response. Following, a rapid nationwide enumeration was undertaken across all 116 districts to identify 726,361 new households in the 84 drought impacted districts to be eligible for drought emergency cash transfer (D-ECT). These households, along with 904,646 existing SCT households, received the D-ECT over a 12-month period.[47] As such, the D-ECT reached some 1.63 million households cumulatively. At the same time, the GRZ also financed ECT to 632,664 households (406,455 SCT households and 226,209 new households) at the same level and duration as the D-ECT in the remaining 32 districts to address indirect price shocks. Thus, the government supported a total of about 2.26 million households, representing 54 percent of the population, with emergency cash assistance in response to the direct and indirect impacts of the drought in 2024-2025.

21. Payments were made bimonthly following the SCT schedule and were disbursed digitally using the SCT delivery mechanisms. Similarly, the existing nation-wide gender-based violence (GBV)-sensitive grievance redress mechanism

[47] The new households were enrolled in the D-ECT under horizontal expansion and received ZMW 400 per month for a 12 month period. The existing SCT households were enrolled in the D-ECT under vertical expansion and received a cash top up of ZMW 200 per month, alongside their regular SCT of ZWM 200, for a total of ZMW 400 per month for the same period.

(GRM) was used to manage grievance, with dedicated touch points for drought related complaints. A robust communication campaign was launched to educate beneficiaries and communities on the specifics of the D-ECT, particularly around eligibility, payment level and duration, program closure etc., to manage expectations and minimize grievances. Once the D-ECT closed in April 2025, the new households were exited from D-ECT and ceased to receive social assistance under the SCT, while the existing SCT households also ceased to receive D-ECT but maintained their regular SCT support. Currently, efforts are ongoing to (i) revise the SCT SOPs based on lessons from the drought response; (ii) strengthen the GRM for shock response; and (ii) establish a dynamic social registry to enable faster and more cost-efficient identification of potential beneficiaries for future emergency response.

22. Under the CERP, ECT will be activated in affected regions, as appropriate, and disbursed using the current SCT delivery systems that have been tested and proven for shock response. The PMT has been recently updated in line with the 2022 Living Conditions Monitoring Survey and serves as a good starting point for poverty-based targeting for crisis response. Further, it is anticipated that the social registry currently under development will be ready to enable emergency targeting by January 2027. If the CERP is activated prior to that, the SCT management information system (i.e., Zambia Integrated Social Protection Information System) holds household data for more than half the population that can be leveraged for emergency response. Moreover, the MCDSS has well trained enumerators nationwide on retainer that can be quickly deployed for rapid enumeration, as necessary. The beneficiary choice based electronic payment model will be used to deliver the ECT, ensuring timeliness and accountability of funds disbursed. Equally, the existing GRM will also be leveraged for grievance handling, customized for a given shock, as appropriate. Lastly, relevant sensitization and awareness building campaigns will be developed and launched for a given response, as necessary. The specific design of transfers (amount, duration etc.) will be determined in the CRP at the time of activation, with delivery guided by the updated SCT SOPs.

23. **Component 2: Provision of Essential Emergency Supplies and Services**: Support will be provided to sustain delivery of critical services and ensure the accessibility of essential supplies during and after emergencies. This will include financing the procurement and distribution of essential goods, including but not limited to i) necessary supplies and services to meet immediate needs of affected persons, such as WASH supplies (hygiene kits, water trucking, handwashing stations, water purification tablets and filters, etc.); and ii) the rental of alternative vehicles for essential services related to emergency response and the functioning of the State and local authorities. All supplies will be tailored to the nature of the crisis and sourced from both local and international suppliers to ensure rapid delivery to the most affected areas. All procured items must be included on the Positive List in the CERP Manual.

24. **Component 3: Emergency Response Coordination and Management** will finance incremental operational and management costs incurred by the Government for response and early recovery efforts, such as evacuation processes, shelter administration, additional transportation costs (use of alternative transportation), increased electricity bills for the public sector, and rental of light and critical machinery (i.e., generators for emergency and shelter operation, equipment for debris removal, etc.). This component also finances the preparation and updating of CRPs as well as the mobilization of necessary technical expertise (consultancy) to support the implementation of activities under other Components and assist with the preparation of technical documents for procurement. Eligible expenditures under this component also include subsistence allowances (per diems) and other travel and logistics costs such as fuel, for staff conducting field missions related to emergency response; and costs of Monitoring and Evaluation (M&E) as well as audit reports.

25. **Given the CERP's focus on providing rapid financing for immediate crisis response, each activation of CERP is expected to be implemented within a 12-month timeframe.** The positive list of activities and related eligible expenditures is included in the CERP Manual. The list will be updated as needed during the duration of the project prior to each CERP activation, except when the CERP is activated, and it should be subject to the World Bank's no-objection. Recognition of eligible expenditures may be claimed up to 60 days prior to CERP activation, consistent with applicable World Bank policies. The CERP manual specifies the criteria to be met, for such expenditure to be deemed acceptable by the World Bank.

III. PROJECT IMPLEMENTATION

A. Institutional and Implementation Arrangements

26. **The CERP will be a six-year engagement and may include multiple activations for different crises.** Each individual crisis response under a CERP activation will have a short implementation period, expected not to exceed 12 months.

27. **Activation Process**: The activation of CERP for an eligible crisis will be initiated through a formal request from the Government, sent to the World Bank's Division Director. The Activation Request (AR) package will provide a list of host operations from which financing will be repurposed to finance the CERP with the corresponding amount to be repurposed from each host operation, a CRP, evidence of eligible emergency or crisis and payment instructions as per the Disbursement and Financial Information Letter (DFIL). The AR may be based on a rapid impact and needs assessment and will outline urgent response priorities to be addressed through the CERP. It will list emergency activities to be financed in accordance with the CERP Manual, the budget for the activation, and specific implementation modalities and procurement details. Following the submission of the AR, the World Bank will review the request to confirm the eligibility of the event and approve the reallocation of RRO funds. Upon approval, a notification of confirmation will be sent to the Government. The financing repurposed for CERP will be operationally delinked from the host operation, meaning all operational responsibilities and M&E will lie with the CERP, although it will remain linked to the original host operation financially and legally.

28. **The MCDSS will have overall responsibility for the CERP, coordinating with relevant ministries, departments, and agencies for CERP preparation, activation, and implementation of each activation**. The MCDSS through the existing SCT Project Implementation Unit (PIU) has been initially designated as the CERP PIU given its experience with World Bank investment project financing (IPF) and shock response. The SCT PIU has extensive and demonstrated fiduciary capacity with World Bank projects, having managed two IPFs in the past and currently managing an IPF operation, with the last two based on the World Bank's Environmental and Social Framework (ESF), with environmental and social (E&S) performance consistently rated Satisfactory or Moderately Satisfactory throughout project implementation. The PIU is staffed with full-time E&S/GRM, Financial Management, Procurement, and Monitoring and Evaluation (M&E) specialists, with long standing experience in World Bank procedures. The SCT PIU, as the CERP PIU, will be responsible for day-to-day management of the CERP, facilitating the implementation of CERP activities, including coordination with relevant government agencies, procurement, financial management, ensuring E&S compliance, as well as monitoring, reporting, and evaluation.

29. **A Project Steering Committee (PSC) for the CERP will be set up under the leadership of the MoFNP which will provide strategic oversight of the project, including approval of response budgets and the CERP resources for different sectors, and approving the CRP for each request of activation.** The PSC will be chaired by the Minister of Finance and National Planning or his delegate and will include representatives of key stakeholders: MCDSS, DMMU, and other Ministries representing the associated PIUs. The PSC will meet every six months and discuss readiness for implementation if an eligible event occurs. After activation, during the implementation period, the PSC will meet more regularly upon the invitation of its Chairperson. In addition, with World Bank support, the PSC will ensure coordination among the various ministries and agencies involved, facilitating implementation, and addressing any inter-ministerial issues that may arise during the project execution. The PSC will also provide a platform for addressing stakeholders' concerns and ensuring that the project aligns with national priorities and policies on disaster management and climate resilience.

30. **The GRZ adopted the CERP Manual on August 24, 2026 which details the operational aspects of emergency response, procurement, environmental and social processes, and financial accountability.** The CERP Manual includes a template for the AR letter and an outline for the CRP[48]. It also includes the positive list of activities and related expenditures allowable under the CERP and addresses key issues such as procurement (also detailed in the Project Procurement Strategy for Development, [PPSD]), financial management and auditing, and E&S compliance, among others. Given the CERP's focus on providing rapid financing for immediate crisis response, the positive list of activities is designed to minimize environmental and social risks. The CERP Manual will be updated regularly with the Bank's no-objection—at least annually in the absence of a crisis or activation—to reflect the current strategic dialogue between the Government and the World Bank regarding use of contingent financing for emergency response, based on needs and lessons from implementation experience

B. Results Monitoring and Evaluation Arrangements

31. **The CERP PIU will be responsible for monitoring and reporting results.** As part of the CERP implementation, the CERP PIU, the MoFNP, and the World Bank will meet at least annually to discuss the list of potential host operations and corresponding amount to be repurposed if the CERP were to be activated and to assess whether the CERP Manual needs to be updated. If the CERP is activated, the CERP PIU will update the results framework based on the CRP and use the updated Results Framework as a reference for results monitoring. With support from all CERP implementing sectors and PIUs, the CERP PIU will collect the Results Framework data and other data (as agreed in the CERP Manual) from stakeholders, analyze it, and report to the PSC and the World Bank at least every six months from the CERP activation date. Within six months of the CERP activation end date, an activation completion report will be prepared by the CERP PIU, documenting results achieved, funds utilized, beneficiaries reached (disaggregated by sex and age), and lessons learned. If the CERP is not activated, the CERP PIU will report to the Bank at least once a year, highlighting the readiness for implementation in case of possible future events. If the CERP is activated at least once during its six-year implementation period, the World Bank team prepares an evaluation of the CERP.

[48] A CRP is a component of the CERP activation package, triggered by a formal activation request. It outlines an overview of the emergency, specific response objectives, coordination and implementation arrangements, budget estimates, and monitoring protocols; guiding an effective and accountable disaster response during a crisis activation period of up to 12 months.

IV. APPRAISAL OF EMERGENCY RESPONSE READINESS

A. Emergency Response Plans and Readiness

32. **Zambia has made meaningful progress in developing emergency preparedness and contingency planning frameworks across key sectors.** The country's core guiding instruments include a National Contingency Plan and the Disaster Management Operations Manual (2015), complemented by a range of sector-specific plans that reflect the breadth of hazards the country faces[49]. The health sector has the most developed planning architecture: ZNPHI maintains an All-Hazards Emergency Preparedness and Response Plan supported by disease-specific contingency plans and Incident Management System (IMS) protocols. During the COVID-19 pandemic, the Government developed a National COVID-19 Preparedness and Response Plan — mobilizing approximately US$40 million from the Government and development partners — aligned with the World Health Organization's (WHO) Strategic Preparedness and Response Guidelines and covering ten operational pillars including surveillance, case management, laboratory testing, and risk communication[50]. In the food security and agriculture sector, the Ministry of Agriculture leads food security monitoring through its National Early Warning Unit, while emergency food responses are coordinated by the DMMU alongside the WFP and other implementing partners, drawing on releases from the Food Reserve Agency's Strategic Grain Reserve[51]. In the social protection sector, the MCDSS leads on cash-based and other social protection emergency programming. Planning in other sectors — including water, energy, and fire services — is at an earlier stage of development, and there is scope to more systematically integrate these sectors into a unified national multi-hazard preparedness and response framework[52].

33. **Zambia's DRM framework is formally aligned with international commitments, while opportunities remain to strengthen the operational testing and updating of plans.** The 2024 DRM Policy aligns Zambia's preparedness architecture with the Sendai Framework for Disaster Risk Reduction 2015–2030 and recognizes climate change as a systemic risk multiplier, reflecting the adaptation objectives of the Paris Agreement[53]. There is scope to expand the frequency of multi-agency and sub-national exercises beyond ad hoc and donor-supported events toward a nationally mandated exercise program, and to more systematically incorporate lessons from After-Action Reviews into updated standard operating procedures[54]. The 2024 drought and cholera outbreak also highlighted the importance of strengthening the speed of financial instrument deployment — including through streamlined treasury and operational approval processes — and of expanding pre-positioned stocks and trained personnel at provincial and district levels[55].

34. **The Government is actively taking steps to address these areas, with the proposed CERP serving as a key instrument in this effort.** The draft DRM Amendment Bill — being prepared for submission to Parliament — will codify

[49] World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming, pp. 103.
[50] World Bank, Zambia COVID-19 Emergency Response and Health Systems Preparedness Project, 2020.
[51] World Bank, Role of Strategic Grain Reserves in Enhancing Food Security in Zambia and Zimbabwe, 2021.
[52] World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming.
[53] World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming.
[54] ibid., pp. 63, 111.
[55] Government of Zambia/World Bank, Crisis and Disaster Risk Financing Diagnostic, 2025; World Bank, Zambia Emergency Preparedness and Response Diagnostic, Upcoming.

inter-ministerial preparedness obligations and fast-track emergency procurement procedures. The World Bank's Country Partnership Framework FY25–29 targets at least 25 percent of districts having sub-national climate emergency preparedness and management plans in place by 2026. The proposed CERP will support the consolidation of sectoral plans, the operationalization of regular testing protocols, and the development of a National Multi-Hazard Emergency Preparedness and Response Master Plan — building on the analytical foundation provided by the recently completed Emergency Preparedness and Response Diagnostic and the Crisis and Disaster Risk Financing Diagnostic.

35. **The operation is aligned with the goals of the Paris Agreement, on both adaptation and mitigation**. The operation is consistent with Zambia's climate strategies, including the Revised Nationally Determined Contribution (2021), the National Adaptation Plan (2023), and the National Disaster Risk Management Policy (2024). It supports the country's priorities to strengthen resilience to climate-related hazards, including floods and droughts, enhance adaptive capacity, protect vulnerable populations, and maintain the continuity of essential public services during climate-related disasters. On **adaptation**, the project will finance activities that maintain resilience and adaptive capacity of vulnerable communities in response to a crisis, including those resulting from climate-related hazards such as floods and droughts to which Zambia is highly vulnerable. These include social protection (unconditional cash transfers), food security measures (acquisition of food staples), the provision of emergency response materials and goods, and technical assistance to enhance capacity for crisis response. The project also provides financial support to Zambia to cover additional costs in critical sectors facilitating the uninterrupted provision of essential public services during and after climate related disasters and emergencies. These measures are critical to enabling communities to recover more swiftly whilst building resilience against future climate-induced disasters. On **mitigation,** eligible expenditures on the positive list will not lead to any significant increases in GHG emissions. These activities include emergency preparedness and response, are temporary and timebound, and support the continuity of critical services, consumption protection, livelihood recovery, and food security response to emergencies. Therefore, any adaptation and mitigation risks are reduced to acceptable and low levels, respectively.

B. Fiduciary Readiness for Emergency Response

36. **Procurement related to CERP falls under Paragraph 12 of IPF Policy, which applies to “projects in situations of urgent need of assistance or capacity constraints”.** Once the CERP is activated, it will follow fast-track procurement procedures as specified in the CERP Manual. The procurement for activities financed under the CERP will be carried out in accordance with ‘The World Bank’s Procurement Regulations for IPF Borrowers’ (Procurement Regulations), seventh edition (dated September 2025); and the World Bank ‘Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants’, dated October 15, 2006, and revised in January 2011, and as of July 1, 2016 (Anti-Corruption Guidelines); and other provisions stipulated in the CERP Manual. The Project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions. Procurement procedures will be reflected in the procurement section of the CERP Manual.

37. **The procurement activities and selection methods under the CERP have been agreed upon with the World Bank and are included in the PPSD and the Procurement Plan.** The PPSD, developed using a simplified template, is tailored to meet the objective and needs of the project and is attached to the CERP Manual. It covers the positive list of eligible expenditures. The proposed procurement approach prioritizes fast-track emergency procurement for the required emergency goods and services. Streamlined procurement arrangements and procedures justified in the PPSD will be used to facilitate rapid implementation as detailed in the CERP manual.

38. **The CERP Procurement risk is Substantial** due to the likely changes that urgent and high-pressure nature of emergency situations will present to the implementation and approval institutions, including: (i) limited experience with World Bank procedures especially in situations of emergency, (ii) potential overload of procurement units, (iii) market and logistics disruptions, (iv) supplier constraints in remote or insecure areas, (v) inter-agency coordination difficulties, (vi) and challenges in procurement of hardware and software means for beneficiary verification for cash transfers.

39. The project procurement risk mitigation measures which are also carried in the PPSD include: (i) enhancing the procurement capacity of the MCDSW especially in carrying out procurement under emergency situations (ii) Possible recruitment of additional procurement staff, (ii) carry out targeted procurement and contracts management training for implementing entities in carrying out procurement under emergency situations and develop and detail these in the operational manual related to procurement (iii) The World Bank will enhance its support including through supervision. (iv) conduct advance planning ; (v) implement supplier prequalification and framework agreements; (vi) enhance logistics and quality control, and establish robust grievance mechanisms related to procurement; (vii) ensure strict adherence to environmental and safety standards related to procurement and logistics management (viii) develop comprehensive security plans to avoid pilferage and loss including through adequate insurance; (ix) set up expedient inter-institutional coordination structures that facilitate speedy implementation, decision making and approval and payment systems; and (xi) utilize mechanisms to support expedient systems for procurement or establishment of alternative verification methods such as mobile payments and community-vetted lists.

40. **Applicable Procurement Regulations:** Procurement will be governed by the World Bank Procurement Regulations for IPF Borrowers (Seventh Edition, September 2025) and the Anti-Corruption Guidelines dated July 1, 2016. With the support of the Bank, the MCDSS prepared the PPSD. Procurement activities will use the World Bank's Standard Procurement Documents for all large procurement activities implemented on Procurement Prior Review Basis. The procurement activities will be processed, and documents filed in STEP, for both activities implemented on a Procurement Post and Prior Review basis. The World Bank will carry out procurement posts and prior reviews. Activities undertaken under Results Based Contracts and Operating Cost activities are not classified as Procurement activities and will be implemented based on procedures to be elaborated in the PIM.

41. **The procurement activities and selection methods under the CERP have been agreed upon with the World Bank and are included in the PPSD and the Procurement Plan.** The PPSD, has been developed using a simplified template, is tailored to meet the objective and needs of the project and is attached to the CERP Manual. It covers the positive list of eligible expenditures. The proposed procurement approach prioritizes fast-track emergency procurement for the required emergency goods and services. Streamlined procurement arrangements and procedures justified in the PPSD will be used to facilitate rapid implementation as detailed in the CERP manual.

42. **The financial management (FM) arrangements for CERP will rely on the existing FM systems of the SCT PIU, which is familiar to the World Bank procedures and policies.** Assessments of the CERP PIU were conducted in line with the World Bank FM Directive and Guidance for IPF Operations to determine whether the proposed FM arrangements for CERP are adequate to (i) ensure that funds are used efficiently; (ii) record transactions and balances accurately; (iii) prepare reliable financial reports in a timely manner; and (iv) safeguard assets. The FM arrangements for MCDSS under the SCT PIU have been rated Satisfactory, with an overall FM risk rating of Moderate. The MCDSS

operates through the SCT PIU, which is supported by a Financial Management Specialist and a Project Accountant to manage finance function for SCT.

43. Disbursement methods under CERP will include Advance, Reimbursement, Direct Payment, and Special Commitment. A Designated Account (DA) denominated in United States Dollars (USD) will be opened and maintained at the Bank of Zambia for exclusively for project. Disbursement from the World Bank will be made to this account. To facilitate project implementation, funds will be transferred funds DA at BOZ through the Control 99 to an operational account held at a Commercial Bank acceptable to the World Bank.

44. The PIU will be on the Statemen of Expenditure (SOE) disbursement procedure, and the DA will operate with a fixed ceiling. The DA ceiling will be determined at activation based on the approved Crisis Response Plan.

45. The PIU will submit quarterly interim financial reports (IFRs) to the World Bank within 45 days of the end of each reporting period. Annual audited financial statements will be submitted within six months of the end of each fiscal year. All activities must comply with the World Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants."

46. **The overall FM residual risk is assessed as moderate**. Key risks include: (i) FM capacity constraints; and (ii) risk of delays in receiving project funds through control 99 (Government Revenue Account) or diversion of funds by MoFNP. The following mitigation measures are proposed: (a) continued training and handholding of finance personnel, and if necessary, on activation of the CERP reinforcing with additional accountant, (b) establishing a dedicated and ring-fenced Designated Account for CERP to be held a Commercial Bank and introducing cash-needs-based transfer mechanisms from the Designated Account to eliminate idle balances,(c) ensuring regular updated of the Control 99 funds flow monitoring tool, and (c) enforcing regular internal audit report sharing with the World Bank.

47. **Use of FundsChain.** In addition, to strengthen transparency, accountability, and traceability, the project will be onboarded onto the World Bank's FundsChain platform. The PIU will record transactions in FundsChain and ensure that all beneficiaries and vendors are registered in the system.

C. E&S Readiness for Emergency Response

48. **Commitment to E&S responsibility is integral to the CERP's activation, and the CERP PIUs are required to meet the relevant E&S obligations as set out in the Environmental and Social Commitment Plan (ESCP).** The CERP is classified as Moderate E&S risk, consistent with the nature of activities on the Positive List, which are quick-disbursing and involve no new physical footprint. The CERP Manual provides guidance to ensure that all activities financed under the CERP comply with the World Bank's ESF. The E&S risks and impacts of the positive list, detailed within the CERP Manual, are covered by the CERP Environmental and Social Management Plan (ESMP), which establishes appropriate E&S management measures, enhancing the project's readiness for an effective emergency response. Moreover, the ESMP provides the screening procedures, such as triage sheets for categorization for risk identification and mitigation of impacts and defines detailed site-specific ESMPs to ensure that activities supported under the CERP will comply with the E&S requirements and comply with national regulations in a manner proportionate to the likely E&S risks and impacts of the project. Funds allocated to the CERP after its activation will finance a selected list of essential emergency expenditures detailed in the CERP Manual. Any changes to the CERP ESMP, resulting from changes to the

positive list outside an implementation period will need to be agreed with the World Bank. These changes require a consensus between the CERP PIU and the World Bank, formalized through an exchange of letters as specified in the ESCP, and must be disclosed. The E&S documents (ESCP, A-ESRS, SEP and ESMP) have been approved by the World Bank and disclosed on August 11, 2026.

49. **The operation is informed by gender analysis, as crisis and disasters affect women and men, boys and girls differently**. Post-disaster recovery usually poses challenges on women and girls—affected disproportionally by disasters due to pre-existing inequalities, limited access to resources, and increased exposure to violence and poverty, but can also provide women with economic empowerment opportunities. In recognition, the D-ECT in 2024-2025 prioritized women as primary recipients, such that about 70 percent of the new households temporarily enrolled under the D-ECT were women. The D-ECT impact evaluation found that the transfers helped advance women's decision-making power, contributing to enhanced gender equity overall. For example, most focus group respondents reported either starting to make decisions about the cash received, or sharing financial decision-making with other household members.[56] Second, the expansion of digital payments improved security and women's financial inclusion[57] by reducing physical risks related to manual cash transfers and connecting them to the broader digital and mobile money platforms. Lastly, the D-ECT continued to support efforts to address GBV risk factors. Specifically, the utilization of the existing GBV responsive GRM supported institutional capacity to identify, refer, and respond to GBV risks during emergency scale-ups, with significant efforts undertaken to enhance awareness and sensitization to generate gender transformative dialogue on harmful gender norms and GBV among communities and beneficiaries. These efforts will be continued under Component 1**:** Emergency Livelihood Support to Households. Moreover, to mitigate the risk of GBV, the Stakeholder Engagement Plan and Grievance Mechanism include awareness raising on the subject and a referral system of survivors to support in a safe, confidential, and survivor-centered manner.

50. **Citizen Engagement:** Citizen-led groups can play a pivotal role in resource mobilization and distribution, assisting in the distribution of emergency supplies like clean water, food, and medical aid, and coordinating with local emergency services for an efficient response. When possible, the CERP financed response activities will encourage the use of citizen involvement, including the use of community volunteers and student volunteer engagement, to support response and recovery. The contribution of citizens (for instance, using social media information) can also be instrumental in getting a clearer and more reliable picture of the situation on the ground. Integrating such citizen engagement into crises response aids in developing more resilient communities that better are equipped to manage the challenges of emerging crises. Under the D-ECT, robust communication and in-depth community mobilization, sensitization, and awareness raising were undertaken to ensure that all stakeholders understand the key parameters of the drought response. Capacity building was undertaken to strengthen citizen feedback loop to provide input and feedback and empower communities to take ownership of the drought response. Various channels, such as information boards, community meetings, radio, posters, and service charters, were used to disseminate information. Complaints were recorded and monitored through the existing GRM, and a structured social accountability process, tailored to marginalized beneficiaries, was implemented using social accountability tools.

[56] Palm Associates. 2026. *Impact Study of Zambia's Drought Emergency Cash Transfer: Endline Survey*.
[57] SCT has financially included a little over 1 million beneficiaries since 2023, half of which are women.

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

Grievance Redress Services:

51. ***Grievance Redress.*** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), visit http://www.worldbank.org/GRS. For information on how to submit complaints to the Bank's Accountability Mechanism, visit https://accountability.worldbank.org.

D. Key Actions to Strengthen Readiness for Emergency Response

52. **On an annual basis, the World Bank and the MoFNP will review the portfolio and undisbursed and uncommitted balances of each operation, alongside forthcoming Loan closing dates.** Discussions will focus on (i) which project(s) may be expected to provide the funding for a CERP activation (ii) determination of the percentage of undisbursed and uncommitted balance to be utilized from the operation in the list upon CERP activation; and (iii) together with the CERP PIU, review the CERP Manual and as needed undertake any updates.

53. **Moreover, to ensure CERP readiness, tabletop exercises and activation simulations will be conducted on an annual basis.** These exercises will involve key stakeholders and participants with the primary objective of simulating potential emergency scenarios and assessing the effectiveness of the CERP response plans. During these exercises, participants will engage in discussions and activities that cover the identification and assessment of potential emergency situations that could trigger CERP activation. They will review and validate the roles and responsibilities of each participant and unit involved in the CERP response, evaluate communication and coordination mechanisms to ensure timely and efficient response during an emergency, and test decision-making processes and protocols to determine the most effective course of action in different emergency scenarios. Additionally, the exercises will help identify potential gaps and recommendations to be incorporated into the CERP Crisis Response Plan.[58] Lessons learned and best practices will be documented to enhance future CERP readiness.

[58] The CERP Crisis Response Plan will be fully developed when an eligible emergency happens, not in advance of it.

54. **Fiduciary actions are necessary to be taken to strengthen readiness for emergency response**. To streamline the market approach and improve procurement efficiency during emergency response the CERP PIU will conduct periodic supply market assessments as a base source of information for procurement of items that can be required in case of such emergency (per the positive list). A good understanding of the reality of the prevailing market conditions in Zambia, its competitiveness, and the country's logistical infrastructure is essential for determining an appropriate delivery strategy in a crisis. The World Bank will support Zambia as part of its supervision of the CERP to carry out advanced procurement procedures using framework agreements as indicated in the CERP Manual and World Bank Procurement Guidelines. This reduces the timelines required in an emergency to arrange procurement of emergency goods and services. This long-term agreement with suppliers, contractors and providers of non-consulting services sets out terms and conditions under which specific procurements (call-offs) can be made throughout its term. Framework agreements are based on prices that are either pre-agreed or determined at the call-off stage through competition or a process allowing their revision without further competition. Prior arrangements allow the offering and signing of contracts, whose execution is only triggered when crisis occurs.

55. **To address gender inequality challenges under the project, attention will be given during implementation for the specific vulnerabilities of women and girls**. The M&E framework will include the following intermediate indicators to monitor these aspects: (a) beneficiaries receiving post-emergency cash transfers, of which are female, (b) beneficiaries of emergency supplies and services, of which are women, if the CERP activation includes activities relevant to these indicators.

V. KEY RISKS

56. **The overall risk to the project is rated Moderate.** The CERP is designed as a contingent, rapidly disbursing instrument that will only finance activities from the positive list included in the CERP Manual, with each activation implemented through an approved Crisis Response Plan and within a timebound activation period. The main risks relate to institutional coordination and operational readiness during emergency conditions, fiduciary risks associated with rapid procurement and fund flows, and the need to maintain adequate environmental, social, stakeholder engagement, and grievance management arrangements during crisis response. These risks are mitigated through the use of the existing SCT PIU as the CERP PIU, the establishment of a Project Steering Committee chaired by the MoFNP, the annual review and updating of the CERP Manual, annual tabletop exercises and activation simulations, dedicated fiduciary arrangements, and implementation of the ESCP, ESMP, SEP, and GRM.

Risk Category	Risk Description	Rating	Mitigation Measures
Institutional Capacity for Implementation and Sustainability	The CERP will require effective coordination across the MoFNP, MCDSS, DMMU, and other sector institutions during emergency conditions. Capacity constraints may affect the timely preparation of the loss and damage assessment, Crisis Response Plan, activation	Substantial	The CERP will be implemented by the SCT PIU within MCDSS, which has experience with World Bank-financed operations and shock-responsive delivery systems. A Project Steering Committee chaired by the MoFNP will provide strategic oversight and inter-ministerial coordination. The CERP Manual will define roles, responsibilities, activation

	package, and coordination of implementation across participating agencies.		procedures, and implementation arrangements, and annual tabletop exercises and activation simulations will be conducted to test and strengthen readiness
Fiduciary	Emergency conditions may create pressure for rapid procurement and disbursement, increasing risks related to procurement delays, limited market availability, supplier constraints, inter-agency coordination, fund-flow delays, and potential weaknesses in documentation, controls, or accountability.	Substantial	Procurement will follow the World Bank Procurement Regulations and fast-track procedures specified in the CERP Manual, supported by the PPSD, Procurement Plan, STEP, advance procurement planning, market assessments, framework agreements where appropriate, and enhanced World Bank implementation support. FM arrangements will rely on the existing SCT PIU systems, with a dedicated Designated Account, quarterly IFRs, annual audits, continued training and handholding, and regular internal audit reporting.

ANNEX: RESULTS FRAMEWORK

PDO Indicators by PDO Outcomes

Baseline	Closing Period
To respond promptly to an eligible crisis or emergency in Zambia	
Time from request for CERP activation to first disbursement (Days) (Days)	
	Jun/2032
	5
To respond effectively to an eligible crisis or emergency in Zambia	
People directly benefiting from the CERP-financed activities (Number)	
	Jun/2032
	TBD
➢People directly benefiting from the CERP-financed activities - Female	
	Jun/2032
	TBD
➢People directly benefiting from the CERP-financed activities - Youth	
	Jun/2032
	TBD
CERP funds utilized for emergency activities within the activation period from the amount reallocated (Percentage)	
	Jun/2032
	100
Percentage of people targeted by the Crisis Response Plan that directly benefit from CERP-financed activities (Percentage)	
	Jun/2032
	100

Intermediate Indicators by Components

Baseline	Closing Period
Component 1: Emergency Livelihood Support to Households	
Beneficiaries (households) of post-emergency cash transfer payments (Number)	

	Jun/2032
	TBD
➢Beneficiaries (households) of post-emergency cash transfer payments - Female	
	Jun/2032
	TBD
Average transfer value as a share of the monthly poverty line (Percentage)	
	Jun/2032
	TBD
Component 2: Provision of Essential Emergency Supplies and Services	
Beneficiaries of emergency supplies and services (Number)	
	Jun/2032
	TBD
➢Beneficiaries of emergency supplies and services - Female	
	Jun/2032
	0
Component 3: Emergency Response Coordination and Management	
Emergency response activities implemented according to the CERP Manual (Yes/No)	
	Jun/2032
	Yes
CERP Manual reviewed and updated as needed (Yes/No)	
	Jun/2032
	Yes
Grievances resolved within the timeframe defined in the SEP (Percentage)	
	Jun/2032
	80
Time taken to use 25% of funds approved under CERP for emergency activities (Days)	
	Jun/2032
	TBD

Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

To respond promptly to an eligible crisis or emergency in Zambia	
Time from request for CERP activation to first disbursement (Days) (Days)	
Description	This indicator will measure the time in days elapsed from the determination of the eligible event to disbursement of resources from CERP Project to the PIU Designated Account.
Frequency	Annual
Data source	Project reports
Methodology for Data Collection	The data will be collected from World Bank Client Connection and Bank of Burundi statements.
Responsibility for Data Collection	CERP PIU
To respond effectively to an eligible crisis or emergency in Zambia	
People directly benefiting from the CERP-financed activities (Number)	
Description	This indicator will measure the number of people directly receiving the support provided under different components of CERP whenever CERP is activated. This indicator will provide the sum of beneficiaries reported by all intermediary indicators.
Frequency	Semiannual
Data source	Project reports
Methodology for Data Collection	Data will be collected in emergency temporary sites, primary health-care units, and list of beneficiaries of distribution of goods and services provided by the Project
Responsibility for Data Collection	CERPPIU
People directly benefiting from the CERP-financed activities - Female (Number)	
Description	This indicator will measure the number of people directly receiving the support provided under different components of CERP whenever CERP is activated. This indicator will provide the sum of beneficiaries reported by all intermediary indicators.
Frequency	Bi-Annual
Data source	Project reports
Methodology for Data Collection	Data will be collected in emergency temporary sites, primary health-care units, and list of beneficiaries of distribution of goods and services provided by the Project
Responsibility for Data Collection	CERPPIU
People directly benefiting from the CERP-financed activities - Youth (Number)	
Description	This indicator will measure the number of people directly receiving the support provided under different components of CERP whenever CERP is activated. This indicator will provide the sum of beneficiaries reported by all intermediary indicators.
Frequency	Semiannual
Data source	Project reports
Methodology for Data Collection	Data will be collected in emergency temporary sites, primary health-care units, and list of beneficiaries of distribution of goods and services provided by the Project
Responsibility for Data Collection	CERPPIU
CERP funds utilized for emergency activities within the activation period from the amount reallocated (Percentage)	
Description	This indicator will measure the efficiency of CERP implementation through the utilization of reallocated funds.
Frequency	Annual
Data source	Project reports
Methodology for Data	The data will be collected from World Bank Client Connection, Bank of Burundi statements, and receipts of delivery of

Collection	goods and services by beneficiaries in temporary relocation sites or households.
Responsibility for Data Collection	CERP PIU
Percentage of people targeted by the Crisis Response Plan that directly benefit from CERP-financed activities (Percentage)	
Description	This indicator measures the proportion of people targeted under the approved Crisis Response Plan who directly receive goods, services, cash transfers, or other assistance financed by the CERP. Beneficiaries will be counted as unique individuals to avoid double counting across activities.
Frequency	Semiannual
Data source	Approved Crisis Response Plan, beneficiary registers, distribution records, service-delivery records, and implementing agency reports.
Methodology for Data Collection	The CERP PIU will consolidate beneficiary data submitted by the responsible implementing agencies and verify the records against the approved Crisis Response Plan. Beneficiary records will be disaggregated by sex, age, disability status, and geographic location, where feasible and appropriate.
Responsibility for Data Collection	CERP PIU

Monitoring & Evaluation Plan: Intermediate Results Indicators by Components

Component 1: Emergency Livelihood Support to Households	
Beneficiaries (households) of post-emergency cash transfer payments (Number)	
Description	This indicator measures the number of unique households that receive at least one CERP-financed post-emergency cash transfer during an activation period. Each household will be counted once, irrespective of the number of payment instalments received.
Frequency	Semiannual
Data source	Beneficiary registry, social protection management information system, payment service provider records, payment reconciliation reports, and implementing agency reports.
Methodology for Data Collection	The responsible implementing agency will reconcile approved beneficiary lists with completed payment records. Households will be identified and deduplicated using the applicable household or social protection identification number. Only households with confirmed successful payments will be counted.
Responsibility for Data Collection	CERP PIU
Beneficiaries (households) of post-emergency cash transfer payments - Female (Number)	
Description	This indicator measures the number of unique female-headed households that receive at least one CERP-financed post-emergency cash transfer during an activation period. Each household will be counted once, irrespective of the number of payment instalments received.
Frequency	Semiannual
Data source	Beneficiary registry, social protection management information system, payment service provider records, payment reconciliation reports, and implementing agency reports.
Methodology for Data Collection	Female-headed beneficiary households will be identified from gender-disaggregated household registration data and matched against confirmed payment records. Records will be deduplicated using the applicable household or social protection identification number.
Responsibility for Data Collection	CERP PIU
Average transfer value as a share of the monthly poverty line (Percentage)	
Description	This indicator measures the adequacy of CERP-financed post-emergency cash transfers relative to the applicable official monthly poverty line. Where transfers cover more than one month, the transfer amount will be converted to a monthly equivalent.
Frequency	Each payment cycle, with semiannual reporting during the activation period.

Data source	Payment records, payment reconciliation reports, beneficiary registry, and the latest official poverty-line data published by the Zambia Statistics Agency.
Methodology for Data Collection	Payment records will be reviewed to establish the average monthly transfer value received by beneficiary households. Transfers covering multiple months will be converted to a monthly equivalent and assessed against the latest applicable official poverty-line data published by the Zambia Statistics Agency. Household composition will be considered where the poverty line is expressed per person or adult equivalent.
Responsibility for Data Collection	CERP PIU
Component 2: Provision of Essential Emergency Supplies and Services	
Beneficiaries of emergency supplies and services (Number)	
Description	This indicator measures the number of people who directly receive CERP-financed emergency supplies or services, including food, water, health and nutrition supplies, shelter-related support, agricultural inputs, and other eligible assistance identified in the approved Crisis Response Plan.
Frequency	Semiannual
Data source	Beneficiary registers, distribution records, service-delivery records, facility registers, delivery notes, and implementing agency reports
Methodology for Data Collection	Implementing agencies will record beneficiaries at the point of distribution or service delivery. The CERP PIU will consolidate and deduplicate the records using available identification numbers or other approved identifiers. Each person will be counted once within the aggregate indicator, even when receiving more than one type of CERP-financed assistance.
Responsibility for Data Collection	CERP PIU, based on data submitted by the responsible implementing agencies and service providers.
Beneficiaries of emergency supplies and services - Female (Number of people)	
Description	This indicator measures the number of women and girls who directly receive CERP-financed emergency supplies or services during an activation period.
Frequency	Semi annual
Data source	Beneficiary registers, distribution records, service-delivery records, facility registers, delivery notes, and implementing agency reports
Methodology for Data Collection	Gender-disaggregated beneficiary data will be recorded at the point of distribution or service delivery. Female beneficiaries will be consolidated and deduplicated using available identification numbers or other approved identifiers. Each female beneficiary will be counted once within the aggregate indicator.
Responsibility for Data Collection	CERP PIU, based on data submitted by the responsible implementing agencies and service providers.
Component 3: Emergency Response Coordination and Management	
Emergency response activities implemented according to the CERP Manual (Yes/No)	
Description	This indicator assesses whether CERP-financed emergency response activities are implemented in accordance with the eligibility, institutional, procurement, financial management, environmental and social, monitoring, reporting, and accountability requirements established in the CERP Manual. The indicator will be recorded as “Yes” when all applicable mandatory requirements have been met and no material noncompliance remains unresolved at the reporting date.
Frequency	**Annual**
Data source	**Implementation progress reports, procurement and financial management records, environmental and social reports, internal audit reports, and supervision records.**
Methodology for Data Collection	**Compliance will be assessed based on the findings of World Bank implementation support missions, Implementation Status and Results Reports, and applicable financial, procurement, environmental and social, and technical audits. The indicator will be recorded as “Yes” where these reviews identify no material outstanding noncompliance with the CERP Manual. Where material noncompliance remains unresolved at the reporting date, the indicator will be recorded as “No.”**
Responsibility for Data Collection	**PIU**
CERP Manual reviewed and updated as needed (Yes/No)	

Description	This indicator measures whether the CERP Manual has undergone a documented review to reflect lessons from activation, changes in institutional arrangements, applicable requirements, and implementation experience. The indicator will be recorded as “Yes” when the review has been completed and any required revisions have been formally adopted. Where no revision is required, a documented determination that the Manual remains adequate will satisfy the indicator.
Frequency	Annual
Data source	Approved revisions to the CERP Manual, including WB and Governmenet correspondance.
Methodology for Data Collection	The CERP PIU will document the review process, issues assessed, consultations undertaken, conclusions reached, and revisions made. Where updates are required, the revised Manual will be processed through the applicable government approval and World Bank review procedures.
Responsibility for Data Collection	CERP PIU
Grievances resolved within the timeframe defined in the SEP (Percentage)	
Description	This indicator measures the proportion of project-related grievances resolved within the applicable timeframe established in the Stakeholder Engagement Plan.
Frequency	Quaterly during the activation period
Data source	Grievance redress mechanism register, grievance investigation records, and stakeholder engagement reports.
Methodology for Data Collection	Data will be extracted from the project grievance register and verified through environmental and social implementation reports, audit findings, and World Bank implementation support reviews. Grievances will be assessed against the resolution timeframes established in the SEP.
Responsibility for Data Collection	CERP PIU
Time taken to use 25% of funds approved under CERP for emergency activities (Days)	
Description	This indicator measures the number of calendar days between the World Bank’s approval of a CERP activation and the date on which cumulative eligible expenditures paid under that activation reach 25 percent of the total approved activation amount.
Frequency	Once per activation, upon reaching the 25 percent threshold.
Data source	World Bank Client Connection, Designated Account bank statements, interim unaudited financial reports and payment documentation.
Methodology for Data Collection	The CERP PIU will track cumulative eligible expenditures against the total amount approved for the activation. The indicator will be calculated as the number of calendar days from the activation approval date to the value date of the payment that brings cumulative eligible expenditures to at least 25 percent of the approved amount. If the threshold is not reached before the activation closes, the indicator will be reported as “not achieved,” together with the elapsed number of days.
Responsibility for Data Collection	CERP PIU