



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 24-Nov-2023 | Report No: PIDC36731



BASIC INFORMATION

A. Basic Project Data

Country Zambia	Project ID P181391	Parent Project ID (if any)	Project Name Girls' Education and Women's Empowerment and Livelihoods for Human Capital Project (P181391)
Region EASTERN AND SOUTHERN AFRICA	Estimated Appraisal Date Jan 18, 2024	Estimated Board Date Mar 28, 2024	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) Republic of Zambia	Implementing Agency Ministry of Education, Ministry of Health, Ministry of Community Development and Social Services, Gender Division of the Office of the President	

Proposed Development Objective(s)

Support the Government of Republic of Zambia to improve human capital development and productivity among girls and women and strengthen social protection delivery systems.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	150.00
Total Financing	150.00
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	150.00
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IDA Grant	150.00
Environmental and Social Risk Classification Moderate	Concept Review Decision Track II-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

- Zambia, once known for its strong economic growth, is currently facing a significant macroeconomic downturn, negatively impacting its growth prospects.** Resulting from unsustainable debt accumulation and fiscal deficits, Zambia was reclassified as a low-income country in 2022. While the country's gross domestic product (GDP) experienced an average annual growth rate of 7.1 percent¹ between 2000 and 2010, it declined to an average of 3.6 percent in the follow decade. In November 2020, Zambia entered a recession and inflation soared from 7.6 percent in 2019 to 27.6 percent in 2021, and the Zambian Kwacha depreciated by over 50 percent against the U.S. dollar in 2020. The fiscal deficit reached 14.2 percent of GDP, far exceeding the target deficit of 5.5 percent.² However, in a recent positive turn, Zambia successfully agreed on a debt restructuring process with the International Monetary Fund, a critical step toward fostering sustainable growth and safeguarding the well-being of its citizens.
- Weak economic performance has reversed income gains and exacerbated already high poverty rates in the country.** Zambia's strong performance in the decade following 2010 led to a reduction in poverty levels from 61 to 54 percent between 2010 and 2015. However, following COVID-19 and recent price shocks, the poverty rate has returned to its 2010 levels of 60 percent in 2022, with 48 percent of the population experiencing extreme poverty. While majority of the poor are concentrated in rural areas (79 percent), urban poverty has been growing at a faster rate, increasing by nine percentage points in the last five years.³
- Zambia is highly vulnerable to various shocks, including climate-induced natural disasters and macroeconomic shocks, further deepening its vulnerabilities.** Zambia is among the countries highest in vulnerability and lowest in resilience to climate change,⁴ increasingly experiencing more frequent and acute weather events, such as droughts and floods. These climate-related shocks have a significant negative impact on agriculture, which is the main source of livelihood for over 60 percent of the population, threatening food security of the poor. It has therefore been estimated that about 58 percent of the population would require additional assistance in the event of a shock, rising to 94 percent in rural areas. The ability of the poor to cope with shocks is extremely limited, causing them to adopt negative coping mechanisms, such as reduced food consumption, pulling children out of school, and/or selling off assets.⁵
- Consequently, human capital accumulation and human development outcomes remain low.** In 2022, 70.6 percent of children suffered from deprivation in two or more welfare dimensions, pointing to inadequate access to water

¹ International Monetary Fund. 2023. World Economic Outlook.

² Zambia. 2023 National Budget.

³ As compared to by 2.2 percentage points in rural areas. ZAMSTAT. 2022. Zambia Living Conditions and Monitoring Survey.

⁴ Notre Dame Global Adaptation Index ND-GAIN, <https://gain.nd.edu/our-work/country-index/rankings/>

⁵ World Bank. 2020. Zambia High Frequency COVID-19 Phone Survey.



and sanitation, education, and health and nutrition, among others.⁶ Zambia's Human Capital Index is 0.4, which implies that children born today will only be 40 percent as productive as they would be if they enjoyed full educational and health. Although the country achieved close to universal access to primary education, secondary school coverage is much lower at 43 percent. Twelve percent of children are born with low birthweight, four percent suffer from wasting, and 35 percent suffer from stunting.⁷ Unsurprisingly then that the country's human development index value decreased by 1.8 percent from 0.575 to 0.565 between 2019 and 2021, largely due to inequality in health, education, and income.⁸

5. Women and girls in Zambia continue to be disproportionately impacted by worsening poverty and vulnerability, whereby a human centered engagement is needed to address their disempowerment. Zambia ranks 154 out of 191 countries on the Gender Inequality Index in 2023.⁹ Women and girls experience unequal gender norms, child marriage, gender-based violence (GBV), and limited access to maternal health, job opportunities, and earnings. For instance, only a quarter of girls from poorer districts enroll and graduate from secondary school, compared to one third of boys. Drop-out rates among secondary school girls are higher due to early pregnancy (47 percent), economic constraints (18 percent), and early marriage (13 percent). Economic constraints are also more significant, with lack of access to land, assets, markets, and business development services posing as key constraints.

Sectoral and Institutional Context

6. Zambia has a strong enabling policy environment and commitment to social protection (SP) in recognition of its strategic role in addressing poverty and vulnerability. Various policies, such as the National Social Protection Policy (2014-2018), Integrated Framework for Basic Social Protection, and the Cash Plus Policy, provide a broad framework within which social assistance programs operate, highlighting the objectives of reducing poverty, boosting food security, and building human capital. This commitment to SP in policy frameworks has translated to increased budget allocations since 2014, such that share of social assistance increased from 0.14 to 0.8 percent of GDP between 2014 and 2022, with share of SP budget increasing from 4.9 percent of the total budget in 2023 to 5.4 percent in 2024. However, SP funding continues to be dominated by social assistance, namely the Social Cash Transfer (SCT) program,¹⁰ with financing for nutrition largely invisible in the 2024 national budget.

7. The International Development Association (IDA) has been progressively increasing its investment in the SP sector in Zambia, together with donors and cooperating partners. Through the Girls' Education and Women's Empowerment and Livelihoods (GEWEL) Project (P151451) and the Scaling Up Shock Responsive Social Protection (SSRSP) Project (P179095), IDA, together with bilateral donors, have invested approximately US\$515 million (US\$467 million IDA credit and about US\$47.86 million donor grant) in the SP sector, contributing to significant results. On-going expansion of the SCT to a little over 1.1 million poorest households and increase in transfer value is estimated to have reduced poverty by six percentage points in 2021. Financial support for enrolment of about 133,000 vulnerable girls in secondary school helped to overcome barriers to education, and the provision of livelihoods package have improved economic independence of some 116,000 poor rural women, leading to increased consumption, agricultural profits and income, savings, and assets. Enhanced SP systems for better beneficiary management, digital payments, grievance redress, and GBV response have also contributed to effective and accountable delivery of assistance. IDA support to the SP sector is

⁶ Multidimensional child poverty is measured across seven dimensions of wellbeing: nutrition, health, education, water, sanitation, housing, and access to information. See ZAMSTAT. 2022. Zambia Living Conditions and Monitoring Survey.

⁷ ZAMSTAT. 2019. Zambia Demographic and Health Survey.

⁸ UNDP. 2022. *Human Development Report 2021-2022: Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World*.

⁹ UNDP. 2023. Gender Social Norms Index. Breaking Down Gender Bias: Shifting Social Norms towards Gender Equality.

¹⁰ The SCT covers vulnerable and poor households, defined as those that include persons with a disability, elderly of 60 years and above, chronically ill in palliative care, female-headed households with three or more children under the age of 18 years, and child-headed households. The transfer is ZMW 200 per household per month for regular households, and ZMW 400 per household per month for households qualifying on disability.



complemented by the United Nations Joint Programme on Social Protection, led by the United Nations Children's Fund (UNICEF).

8. **Efforts is now required to not only protect human capital gains to date against emerging risks, but also advance the sector to enable a 'big push' to unleash girls' and women's potential for growth.** As GEWEL is coming to an end in April 2024, there is a critical need to protect the human capital gains to date, particularly against the deteriorating poverty and vulnerability context. At the same time, opportunities exist to move towards more social and productive inclusion activities aimed at strengthening girls' and women's empowerment and human capital in support of their sustainable pathways out of poverty for longer term development outcomes. It is expected that better educational and economic opportunities for women can trigger a demographic transition towards a more favorable population age structure and help to break the inter-generational transmission of poverty.

Relationship to CPF

9. **The proposed Girls' Education and Women's Empowerment and Livelihoods for Human Capital (GEWEL 2) Project is closely aligned with the Government's development priorities.** The National Long-Term Vision 2030 (Vision 2030) sets the goal for Zambia to become a prosperous middle-income nation by 2030, and strengthened SP ensuring the welfare of poor and vulnerable Zambians is a critical aspect in this. The Eighth National Development Plan (2022-2026) acknowledges that the expansion of SP programs has contributed to the reduction in poverty levels, emphasizing that human and social development is crucial for inclusive development and the transformation of the country.

10. **GEWEL 2 is in line with the World Bank's Country Partnership Framework (CPF) for the period FY19-23, which has been extended to FY24 following Performance and Learning Review (PLR) completed in May 2023.** Specifically, it will contribute to the CPF Objective 2.1 under Focus Area II "improve access to secondary education, health services, nutrition and social protection, with attention to girls and women in selected rural areas," streamlined in the PLR to "Objective 3: Increased access to health, education and social protection." The CPF also places a priority on improving access for girls and women in rural areas, recognizing that their empowerment is crucial in breaking the intergenerational cycle of poverty. GEWEL 2 will directly contribute to these goals by enhancing girls' access to secondary education and promoting greater women's productivity for human capital growth, while continuing to strengthen delivery systems for institutional sustainability.

11. **GEWEL 2 also aligns with Zambia's climate change strategy and commitment.** The updated Nationally Determined Contribution (2021) sets a mitigation goal of reducing greenhouse gas emissions by 25 percent by 2030, with the potential for a 47 percent reduction with substantial international support. Adaptation to climate change is also a priority, focusing on enhanced resilience in population. GEWEL 2 will contribute to these adaptation goals by strengthening resilience among women and girls who are most vulnerable to climate impacts, and by facilitating diversified livelihoods in line with climate adaptation to avoid negative coping mechanisms that are potentially harmful to the climate.

C. Proposed Development Objective(s)

12. The project development objectives (PDO) are to improve access to nutrition services, increase girls' educational attainment and women's earnings, and strengthen social protection delivery systems.

Key Results

13. **The progress toward achievement of the PDO will be measured by the following outcome indicators:**



- (a) Number of SCT households receiving nutrition-sensitive cash transfer
- (b) Percentage of Keeping Girls in School girls who graduate from Secondary Schools
- (c) Percentage of Supporting Women’s Livelihoods women that have improved their poverty score¹¹
- (d) Number of districts where the roll-out of Social Registry covers at least 75 percent of targeted households

D. Concept Description

14. **GEWEL 2 will build on the results achieved and lessons learned from the design and implementation experience of the first phase of GEWEL to promote greater productivity and human capital growth.** It will use a life-cycles approach, with a focus on girls’ and women’s empowerment. GEWEL 2 will serve as an anchor for a more comprehensive multisectoral human capital program in the future by providing a foundation with national scope upon which additional activities can be layered. The proposed project will have four main components as following:

- (a) **Nutrition-Sensitive Social Cash Transfer (SCT):** With a focus on the *first 1,000 days of a child's life*, this component will aim to improve the nutrition outcomes of the SCT households with pregnant and lactating women and girls and/or children under the age of two through a holistic approach, looking at both demand and supply sides of nutrition service provision.
- (b) **Keeping Girls in School and Beyond (KGS):** Looking at *adolescent years*, this component will scale up KGS nationally through the provision of financial assistance to eligible adolescent girls from SCT households for associated education costs. Efforts will also be given to support KGS girls to access employment and livelihoods opportunities through enhanced transition from secondary school to work or to tertiary education.
- (c) **Supporting Women’s Livelihoods for Climate Smart Productive Inclusion (SWL):** With the goal towards improving productivity and economic welfare in *adulthood*, this component will scale up SWL nationally, expanding to urban areas in response to rising urban poverty in Zambia. Poor women from SCT households will be given productivity grants as seed capital, with options for additional sources of financing explored, coupled with life and business and digital literacy skills training and mentorship, as well as facilitated formation into savings groups. Particular attention will be given to enhancing resilience to climate-induced shocks, while supporting them to adapt more climate-adaptive livelihoods activities. Concerted focus will also be on ensuring value chain linkages and access to markets by SWL beneficiaries to be able to sustainably expand their businesses.
- (d) **Institutional Strengthening and Systems Building for Cash ‘Plus’ Delivery (ISSB).** Efforts will continue to be given to strengthening SP systems and institutional capacities for effective, accountable, and transparent delivery of assistance, with focus on two broad areas: (i) girls’ and women’s empowerment and (ii) digital solutions. Specifically, attention will be given to addressing negative social norms that give rise to unequal gender practices and GBV, as well as operationalizing digital solutions to support effective and accountable delivery of SP services. Support will also be provided on overall SP sectoral coordination, as well as on cross cutting issues of project governance and coordination, monitoring and evaluation, strategic communication and visibility, beneficiary outreach and community engagement, and fiduciary capacity building.

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

¹¹ Definition of the poverty threshold will be confirmed during preparation on the basis of the Proxy Means Testing score calculations and cut-off value used to determine eligibility for the SCT.



Summary of Screening of Environmental and Social Risks and Impacts

15. **Environmental and Social (E&S) risks are Moderate.** The project will (a) not involve construction but minor rehabilitation activities; (b) be implemented within domestic and school settings and not in sensitive or near sensitive areas; (c) not generate hazardous waste except for biowaste and solid waste; and (d) not involve risks and impacts to tangible or intangible cultural heritage. The environmental risks may include (a) generation of biohazard waste from the use of menstrual hygiene kits, waste debris from rehabilitation works, and wastewater pollution from domestic and school sanitation; (b) generation of e-waste from improved service delivery; (c) occupational health and safety risks to Pay Point Managers during SCT activities; and (d) downstream environmental risks from technical assistance activities. All negative environmental risks and impacts are expected to be temporary, site-specific, reversible, and mitigated through the implementation of a project Environmental and Social Management Plan. Social risks associated with this project may include (a) increased risk of GBV/Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH); (b) exclusion of eligible vulnerable households; (c) elite capture; (d) labor risks; and (e) lack of meaningful consultations. Corresponding mitigation measures will be documented in appropriate instruments, including Labor Management Procedures, Stakeholder Engagement Plan, GRM, and the updated GBV/SEA/SH Action Plan. Dedicated E&S, GBV/SEA, and nutrition experts will be recruited within the implementing agencies to further manage these risks and impacts.

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APPROVAL

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