Zambia Devolution Support Program (ZDSP) – P178492

Program-for-Results (PforR) Operation

Environmental and Social Systems Assessment (ESSA)

Report prepared by

WORLD BANK GROUP

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List of Acronyms

DLI	Disbursement Link Indicator/s
EIS	Environmental Impact Statement
EMA	Environmental Management Act
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
GHG	Green House Gases
GRM	Grievance Redress Mechanism
GRZ	Government of Republic of Zambia
GVD	Government Valuation Department
LA	Local Authority
MLGRD	Ministry of Local Government and Rural Development
MoA	Ministry of Agriculture
MoFNP	Ministry of Finance and National Planning
NAP	National Agricultural Policy
NRP	The National Resettlement Policy
OHS	Occupational Health and Safety
OHSI	Occupational Health and Safety Institute
PAP	Program Action Plan
PDO	Project Development Objective
PforR	Program For Results
PPD	Policy and Planning Directorate
RAP	Resettlement Action Plan
TMP	Traffic Management Plan
WARMA	Water Resources Management Agency
WB	World Bank
WDC	Ward Development Committee
WRDP	Water Resources Development Project
ZDC	Zone development Committee
ZDSP	Zambia Devolution Support Program
ZEMA	Zambia Environmental Management Agency

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EXECUTIVE SUMMARY

1. **The proposed ZDSP will have a duration of five years and six months (starting July 2022 and ending June 2028) and is estimated to have a resource envelope of US$ 698 million, of which US$ 200 million will be funded from the IDA credit** through the PforR and $10 million through the IPF based elements. Based on the existing fiscal framework for the Local Authorities (LAs), the expenditure framework for the Program will comprise of the following: (i) estimated allocations for the LGEF equalization grants to the Town Councils (TCs); (ii) estimated budget allocations for grant-in-lieu of rates; (iii) estimated allocations for matching grants to TCs; (iv) estimated budget allocations for the implementation of the Government program; and (v) the capital grants to the TCs. The first four areas will be funded from the Central Government budget and are part of the Medium-Term Expenditure Framework (MTEF). The financing provided by the World Bank will be used to finance the key result areas of the Program including the organization of the APA, the financing of the capital grant to eligible TCs, and capacity building and institutional reforms to strengthen devolution. The capital grants will be utilized by the TCs to meet their development and capital investment priorities in accordance with their integrated development plans (IDPs) and annual plans.

2. **PforR Component (US$ 210 million).** The proposed PforR Program will provide funding through Disbursement Linked Indicators (DLIs) aligned with the three result areas as follows:

a) **Result Area One: Strengthened Fiscal Framework for Devolution**. The 2017 IFA had envisaged a fiscal framework comprised of fiscal transfers, own source revenues and borrowing to provide the LAs with sustainable sources of financing their service delivery mandates. However, the actual practice of the IFA has shown several gaps and weaknesses. The DIP observes that "intergovernmental transfers have lacked allocative equity and clarity to respond to the current demands of decentralization and that high indebtedness, unsustainable management of debt and dwindling local own source revenues have equally affected operations of local authorities". In line with the priorities of the Government program, this result area will incentivize the Government to achieve a set of results relating to the review and reforming of the existing fiscal framework such as the review of the equalization grant, and a review of the gaps in the existing policy and practice frameworks for local revenue collection and local debt management. The DLIs will be formulated and agreed with the Government during preparation.

b) **Result Area Two**: **Performance Based Capital Grants for Town Councils**. The Central Government will introduce a new performance-based capital grant to fill a critical gap in the intergovernmental fiscal transfer system. A two-stage approach to the introduction of the performance grant system is envisaged, taking into consideration the wide variance in capacities of rural local governments. In the first two years, a basic capital grant will be introduced, and it will be accessible to all Town Councils that comply with a set of Minimum Conditions (MCs). These MCs will include indicators relating to the basics of good governance. In the second stage, which will start in the third year of the Program, an enhanced capital grant will be introduced as a top up to the basic grant. All Town Councils will be eligible, and access to the enhanced capital grant will be conditional on participation in the APA that will measure a set of Performance Indicators. The APA will measure the performance of participating TCs against indicators spanning the core areas of local governance such as planning, budgeting, financial management, procurement, service delivery and citizen engagement. The two-stage approach will ensure that the capacity

building support provided through the Program will allow the weak TCs to have a reasonable chance to achieve the performance indicators. The allocation of the performance-based capital grant will adopt a formula-based approach that will provide transparency and predictability in resource allocation. The performance grant can be used by the recipient LAs at their discretion to meet local service delivery and capital investment requirements, following the local government PFM rules and practices.

c) **Result Area Three: Strengthened PFM, Transparency and Accountability Framework for Local Governments**. This result area focuses on strengthening the budgeting, procurement and contract management, financial reporting, and auditing systems of the LAs. As such, it will ensure that these processes enhance the efficiency, transparency, and accountability of local governance. With the increased flow of resources to LAs and the increase in scope of their powers and responsibilities, it is necessary to ensure that LAs carry out their core PFM functions in an efficient, accountable, and transparent manner. This result area will support the Government's stated intention to enhance the use of Information and Communication Technologies (ICT) for PFM and Public Procurement. These include an increase in the coverage of the electronic government procurement (e-GP) system in TCs, use of ICT to strengthen the monitoring of local government finances and service delivery performance as well as the use of ICT to strengthen grievance redressal. These aspects of resource utilization and accountability will be incentivized through specific DLIs.

d) **Results Area Four: Capacity Building of Town Councils**: Capacity Building of staff is critical for the efficient implementation of Devolution and for strengthening local governance. The capacity building strategy for the program will involve a mix of input-based capacity support at the start of the Program and transitioning into a results-based approach after mid-term. The wide variance in LA capacities and the urgent necessity to enable the maximum number of Town Councils to achieve eligibility through the APA and receive the PBCG requires the provision of targeted capacity support in an intensive manner initially. Plans are being made to do this in the first two years of the Program through structured training programs focusing on the core functional areas of local governance. (Please see annex to the Project Appraisal Document (PAD) for details on the input-based capacity support provided as part of the Program). The input-based capacity support will taper towards the mid- term of the project, and the Government will take the lead in institutionalizing the capacity building support, as well as in achieving specific capacity building results. In accordance with the priorities of the Government program, annual capacity building support will be provided to TCs on the basis of annual capacity building plan that will bring together the various capacity building support activities provided by the Government as well as Cooperating Partners. Support will also be provided to strengthen both the institutional systems relating to these areas as well as to enhance staff skills and competencies. In addition to formal training courses delivered through the Local Government Training Institute, Chalimbana, the Program will support a "mentorship" program where hands-on technical assistance and capacity building support will be delivered to the weaker LAs. These capacity building results will be measured using the DLIs. The capacity building activities will draw synergies from the ongoing capacity building and technical assistance interventions provided by developing partners. This will be done in a complementary manner to avoid duplication of efforts.

3. **IPF Component (US$10 million).** This component will use the IPF modality as the lending instrument. It will have two sub-components: (i) Capacity building support; and (ii) program management.

The ESSA Scope and Methodology

4. **The Environment and Social Systems Assessment (ESSA) for the Zambia Devolution Support Pragram (ZDSP) has been undertaken to ensure consistency with six "core principles,"[1] outlined in the World Bank's Operational Policy 9.00 and Directive – Program-for-Results Financing** – The Policy and Directive set out core principles and planning elements used to ensure PforR operations are designed and implemented in a manner that maximizes potential environmental and social benefits while avoiding, minimizing or mitigating adverse environmental and social impacts and promote the environment and social sustainability of the Program. The ESSA has been undertaken by the Environmental and Social Development Specialists and consultants of the World Bank and examines Zambia's existing legal, regulatory, and institutional framework guiding the Program's environmental and social management systems. It also defines measures to strengthen the systems and integrates these measures into the overall Program.

i. ***Stakeholder Engagement and Consultations:*** The ESSA process included extensive stakeholder consultations, data collection from Governments organizations, and disclosure of the ESSA Report following the guidelines of the World Bank's Access to Information Policy. Consultations with stakeholders indicated that there is a willingness to address gaps identified for the efficiency and effective application of the environmental and social management processes, and this feedback has been instrumental in designing and revising the Program's ESSA action plan.

ii. ***Institutional Analysis***: An institutional analysis was carried out to identify the roles, responsibilities, structure and relations of the relevant institutions responsible for implementing the PforR funded activities, including coordination between different entities at the national, regional and local levels. Analysis included assessments of key institutions that will be involved in the management of the Program, focusing on environmental and social assessment and management processes within these institutions.

iii. ***Desk Review of policies, legal framework, regulations and Program documents;*** The review examined the set of policies and legal requirements related to environment and social management at the national and regional governments level in Zambia. The review also examined technical and implementation support documents from previous and ongoing World Bank PforR Programs in the regional countries[2]. The World Bank Related Documents reviewed included: Program Aide Memoire; Program Concept Note; Program Appraisal Document; Relevant reports and ESSA reports for other PforR projects in Kenya (KUSP, KDSP); and other ESSAs under World Bank financing.

[1] ESSA core principles are described in Chapter 2.

[2] KSPForR, KDSP, KUSP (Kenya), , Tanzania Statistical Master Plan (TSMP) project; and the Development Support for Tanzania Statistics, Uganda Institutional Support to Municipal Infrastructure Development Program

Scope of projects under the Program

5. The Program under Results Area 2 (KRA) will support "*local service delivery* Local service delivery will include but is not limited to the funding of standard local services such as providing local infrastructure, street cleaning, maintenance of water resources and sanitation, solid waste management, maintenance of road infrastructure and local community facilities. The infrastructure subprojects expected to be financed using the performance grants are small scale infrastructure within the mandates of Town Councils. No land acquisition or large infrastructure will be covered by the PforR activities.

6. The Program will not support any large-scale civil works. Environmental and social risks of the Program activities shall be confined to small works and rehabilitation initiatives, and small works for installing and or upgrading data servers and possibly supply of electronic equipment at LA offices for improving service delivery to citizens. The risk and impacts are site specific in nature and well known to be mitigable by enforcement of good environmental and social systems.

Program Environmental and Social Risks and Impacts

7. The purpose of the screening and risk rating for the program was to: (i) identify activities likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; those activities are not eligible for the Financing, and should not be included under the Program; (ii) to determine the priority areas for further attention during the environmental and social system assessment, and (iii) determine the risk rating of the program.

8. The scope of subprojects to be undertaken by the LAs will be very small to moderate in scale, and will mainly be limited to small construction of infrastructure projects, street lighting, maintenance of infrastructure, among others. Because of the significant geographic dispersion of the participating LAs, different scales of proposed investments, the potential cumulative environmental and social impacts associated with many sub-projects in the Program, and the capacity of the PMU and other institutions to manage environmental and social risks, the ESSA has determined that the overall risk of the program is rated as ***Moderate***.

Potential Positive Benefits for the Program

9. The Program will have mostly positive social benefits as the Program interventions will strengthen the systems and infrastructure in the participating local governments, which thence will result in, among others, increased revenue generation, better living conditions for the citizens, better and improved roads, drainage, better access to services, among others. The Program will increase effectiveness and efficiency of local governments, strengthening transparency and accountability by improving access to information through the use of information technology, enhancing and improving service delivery.

Environment Risks and Impacts for the Program

10. The potential adverse environmental impacts from the Program include, but not limited to.

- Disturbance of existing vegetation;
- Air pollution by release of hydrocarbons in the atmosphere through melting of materials if not properly managed.
- Water, and soil pollution from the accidental spillage of fuels or other materials associated with construction works.
- occupational health and safety incidents through injuries or accidents to the workers at construction sites and/or managing/maintaining IT equipment and infrastructure.
- Improper and indiscriminate disposal of E-waste by the organizations may result to soil and water contamination through the release of heavy metals (lead, arsenic, and cadmium).

11. The majority of adverse potential impacts can be prevented, are reversible, and can be mitigated with standard operational procedures and good construction management practices. These procedures will be included in the Program's technical manual, environment and social management manual (ESMM) and be a standard part of environmental and social management plans included in bidding documents for contractors/suppliers.

Environment Risks Management Measures

12. All project investments under the Program will be subjected to screening, and preparation of relevant instruments (eg Environmental Impact Assessment) as per the Zambia's national requirements. The subprojects are expected to be site specific and well-defined mitigation and monitoring measures based on mitigation hierarchy will be developed for each subproject through the ESMP. Other than requiring that all sub-project investments under the Program to be subjected to screening and further environmental assessment and analysis, the Program has developed a set of principles that will act as measures to minimize sub-project risks at the concept level.

13. While no high-risk projects are expected under the Program, the screening process will include criteria to exclude certain categories of projects as well as projects that are high risks and significant negative impacts that are sensitive, diverse, irreversible, or unprecedented on the environment and/or affected people. Such types of investments will be excluded from the Program. The screening procedure will be done during the sub-project appraisal and will be guided by the National Guidelines which will be outlined in detail in Environment and Social Risk Management Manual and highlighted in the Project Operations Manual (POM). This exercise will be carried out by the program management team in each participating LA in coordination with the country relevant environmental and social regulators (ZEMA and other relevant agencies).

14. The Project Operation Manual and Environmental and Social Risk Management Manual will incorporate contractual responsibilities and obligations with appropriate mechanisms for addressing non-compliance of environmental, health, and safety issues of the sub-projects (by the subcontractors/suppliers and the client). The Environment and Social Risk Management Manual will operationalize the Program Action Plan. Further, the World Bank team will undertake a post-screening audit to ensure that all the selected sub-projects meet the outlined criteria.

Main Social Risks and Impacts of the Program

15. Depending on the type, scope, and extent of eligible work under the Program, the potential negative social impacts are likely those that are typically related and limited to the construction phase and are generally work site-specific. Potential negative impacts of the Program includes but not limited to:
    - Lack of transparency and trust by local communities due to poor consultations and stakeholder engagement with project beneficiaries and vulnerable groups;
    - Elite capture in the identification process of investment projects during the community consultation process, which might lead to poor investments equity between regions (rural and urban), gender and vulnerable groups/low income households;
    - Social conflict may arise due to lack of inclusion as beneficiaries of minority groups, marginalized groups such as women, youth, and persons living with disability (PLWD);
    - Disruption of access, traffic deviations, noise, vibration, dust, etc., that could generate disturbances in normal activities in neighborhoods;
    - Disruption and/or damage to public utilities such as water facilities;
    - Improvement of services at urban areas may increase the rate of crimes and/or perception of insecurity by the local community;
    - Women who seek employment may also face sexual harassment including demands for sexual favors before being employed;
    - Construction workers could increase or create demand for casual sex leading to the emergence or increase in sex work near the construction sites;
    - Interaction of workers with local women and girls can lead to domestic conflicts, GBV and domestic violence at a household level;
    - Potential increase in communicable diseases, including COVID-19 at workplaces
    - Poor labour management practices for the contractor and his workers;

Social risks management Measures

16. In addition to screening, the Program has developed a set of principles and minimum standards that will act as measures to minimize project risks at the concept level. The principles that will apply to all investments as a mechanism for mitigating adverse social impacts and risks shall include but not limited to:

    - The program will evaluate risks to community health and safety associated with potential electronic waste management.
    - To avoid elite capture for the investment project, the project selection process should involve a robust locally-led LA and community engagement process to be outlined in the Program Environment and Social Risk Management Manual.
    - The stakeholder engagement plan will ensure stakeholder mapping, analysis, and consultation processes that ensure that all members of the community are involved in the consultation process, including the vulnerable groups such as women, youth and PLWD.
    - Establish an effective and adequately financed project-specific grievance redress mechanism that is accessible to all project beneficiaries.
    - Projects likely to create or exacerbate social conflict within communities or regions/authorities will not be eligible.
    - Participatory project monitoring by the LAs and local communities during the investment project construction phase.

- Put in measures to prevent and respond to incidents of gender-based violence within the context of the program's investment projects, involving LA gender officers.
- The Program Environment and Social Risk Management Manual will incorporate contractual responsibilities and obligations with appropriate mechanisms for addressing non-compliance of social issues of the sub-projects by the contractor and the respective project area.
- Key result areas under the program to include citizen participation and gender equity under the project.
- ***Codes of conduct:*** Contractors should also prepare worker CoCs which are to be understood and signed by their employees.

17. To screen out for potential risks, the Program will rely on the guidelines in the Environment and Social Risk Management Manual and Program Operation Manual (POM), which will include a rigorous sub-project screening process to be done by PMU Safeguards team.

Exclusion Criteria

18. The exclusion principle applies to Program activities that meet these criteria, regardless of the borrower's capacity to manage such effects. In the PforR context, the concept of exclusion means that an activity *is not* included in the identified Program of expenditures. Also, an activity is not included if it requires the completion of a non-eligible activity to achieve its contribution to the Project Development Objective (PDO) or any specific Disbursement Linked Indicators (DLI). The six principles under the PforR will apply to all investments as a mechanism for mitigating adverse environmental and social impacts.

19. The Program shall exclude projects that are likely to include:

    i. Significant conversion or degradation of critical natural habitats or cultural heritage sites.
    ii. Air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems.
    iii. Workplace conditions that expose workers to significant health and personal safety risks.
    iv. Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people or the use of forced evictions.[3] If any of the

[3] As per the PforR financing Environment and Social Systems Assessment Guidance (July 2019), Resettlement includes physical relocation of individuals and communities as well as the acquisition of land for Program purposes. Because of the extreme sensitivity of land acquisition and resettlement, the Bank exercises caution when proceeding with any resettlement when the borrower cannot demonstrate that its systems meet the core principles and attributes or cannot ensure consistently satisfactory resettlement outcomes.
It is not necessarily helpful to define fixed numerical thresholds for "large scale" because the significance of impacts depends very much on local contextual factors. The definition of significant resettlement impacts is closely related to the extent to which the borrower's systems align with the core principles and to the borrower's capacity to carry out land acquisition and resettlement in accordance with policy principles and requirements.
The emphasis should be on the potential for significant impacts on affected people regardless of scale, as significant adverse impacts are not acceptable to the Bank even if they affect only a small number of people. When the Bank team's assessment is that the borrower is not able to demonstrate resettlement practices consistent with PforR core principles, regardless of the size or severity of resettlement impacts, the PforR operation should proceed only after a separate review of agreed resettlement systems and capacity-building actions by the SA or, in very sensitive cases, with senior management in GSURR and the Chief Environment and Social Standards Officer (CESSO).

subproject activities will require land acquisition and/or physical and/or economic displacement, the subproject will have to seek exemption from the Bank proceed at the screening stages, before commencement of subproject activities.

v. Large-scale changes in land use or access to land and/or natural resources.
vi. Adverse E&S impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions.
vii. Significant cumulative, induced, or indirect impacts.
viii. Activities that involve the use of forced or child labour.
ix. The marginalization of, or conflict within or among, social groups.
x. Activities with high risk of SEA/SH.
xi. Activities that would (a) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; (b) have significant impacts on cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected communities.

Key Findings on the Environmental and Social Systems Assessment

20. The key findings of ESSA on environmental and social systems are:

i. The national government has well developed and robust legislation, regulations, and systems to manage environmental, health, and safety risks. The national EIA system has well-defined guidelines covering project registration and screening, EIA process (scoping, alternative analysis, impact assessment, mitigation measures, management plan and consultation), monitoring and auditing, and decommissioning. However, there is no equivalent legislation or systems to manage distinctly social risks, at the national or regional levels. Zambia does not have a developed and defined Social Risk Management System. Social risk management functions are fragmented across various ministries and institutions without any coordination mechanisms in place.

ii. The assessment identified the weakness in supervision/monitoring and poor enforcement at both the national, regional and Local levels which should be strengthened to address the potential environmental challenges that might be encountered during the implementation of the ZDSP.

iii. The Program Management Unit (PMU) at MLGRD does not have Environment and Social specialists with experience in PforR. The implementing units will need to be strengthened to strengthen the management of potential environmental and social risks along with a framework for monitoring the same.

iv. The capacity to manage e-waste in Zambia remain weak, leading to poor management of e-waste, including poor enforcement by the authorities. The country has some few private sector players in e-waste management, with limited capacity to handle all the e-waste generated in the country.

v. The capacity (human and financial resources) within the regions and supporting institutions (ZEMA, National Council for Construction, Occupational Health and Safety Institute

(OSHI), etc.) responsible for managing environmental, health, and safety risks need strengthening and training.

vi. Officers at the regional and Local levels such as Community Development, Labour and Gender Officers pay limited attention to social risks. The regions have uneven levels of readiness to manage social risks. The program will develop an Environmental and Social Risk Management Manual that outlines this involvement to ensure social risks for the program are managed well.

vii. There is weak annual environment and social performance verification audit procedures for minimum conditions related to environmental and social safeguards under other PforR programs in East African region. The annual audit for the proposed Program needs to be well developed to ensure E&S risks are captured well in the audit process.

Program Action Plan Summary

21. Though the potential environmental and social risks and impacts of investments and activities under this Program are expected to have minor impacts, the Program provides an opportunity not only to strengthen the weaknesses in the procedures mentioned above to identify and mitigate these potential effects but also to strengthen the Implementing agencies in three areas: (i) strengthening of environmental and social management systems, (ii) ensuring implementation and monitoring of environmental and social management; and (iii) building capacity for environmental and social management.
22. To fill the gaps identified in the ESSA, the Program will support specific measures to enhance Zambia's environmental and social management system performance. These measures will be implemented through support of the institutions in charge of environmental and social management in Zambia- (ZEMA, OSHI, LAs, Gender and Social departments) to manage environmental and social issues, including the OHS risks.

23. These measures have been consolidated into the ESSA Action Plan that guides the overall formulation of the Program. Implementation of environmental and social procedures contained in the Program's Operational Manual and Environmental and Social Risk Management Manual will be part of the performance criteria in the Program Assessment System that will be implemented for the Program.

24. The implementation of some of these measures will be enhanced by their integration into the overall Program Action Plan and legally incorporated into the financing agreement of the Program. These action plans for the Program are grouped into three areas.
    i. actions to strengthen the environmental and social management systems.
    ii. actions to strengthen the implementation and monitoring of the environmental and social management of sub-projects; and
    iii. actions to build the capacity of relevant institutions for staff involved in the Program to enhance environmental and social management performance.

Table 0-1:Measures to Strengthen Systems Performance for the Program's Environment and Social System

Development and application of Environment and Social Risk Management System (ESMS)	(i)	Collaborate with ZEMA and OSHI to provide targeted capacity building to staff at PMU and LAs levels on environmental and Social risks, and OHS issues;
	(ii)	Develop Program Operation Manual (POM) incorporating the Environment and Social Risk Management Manual for the Program.
	(iii)	Incorporate E-Waste Management Plan as part of Environmental and Social Risk Management (ESRM) Manual.
	(iv)	Establish coordination mechanisms with other institutions/entities/departments including the directorates of Occupation, Health, and Safety, labour, gender, social development etc.
	(v)	Establishment of a Grievance Redress Mechanism for the program that is accessible to the project beneficiaries. The environment and social risk management manual will provide a full description of the GRM process.
	(vi)	Hiring (or seconding) safeguard specialists (Environment specialists and Social risk management specialists) at the Program Management Team and PMU.
	(vii)	Ensure that all the bidding documents for specific investment include the environment and social clauses and the related costs.
	(viii)	Establish community and stakeholder engagement process for the program that integrates the planning process of the proposed investments.
	(ix)	Prior approval of the environmental and social screening and review forms by PMU.
	(x)	Establish Social Risk Management (SRM) committees at the local level and enhance the capacity of these committees and regional and Local Labour and Social officers at various levels on SRM.
	(xi)	Use lessons learned and coordination of efforts of the actions under other PforRs in regional countries on development of Environmental and Social Management System (ESMS) for the LAs.
Strengthening of implementation and monitoring of the environmental and social management system	(i)	Incorporation of environmental and social management implementation and monitoring procedures documented in the Program Operation Manual and Environmental and Social Risk Management Manual by implementing units for: • Supervision or monitoring of the ESMPs • ES Reporting • GRM monitoring • Monitoring Contractor performance in terms of E&S issues
	(ii)	Develop procedures for assessing the performance of the Program on environment and social management that relies on environment and social performance protocol, this will be outlined on the environment and social risk management manual.
	(iii)	Public disclosure of the ESIA and ESMP and other documents.
	(iv)	Monitoring of complaints and issues related to land acquisition and involuntary resettlement.
	(v)	Reporting of environmental and social incidents and accidents by the subprojects.
	(vi)	Develop procedures for assessing the performance of the program on environment and social management that relies

		on environment and social performance protocol, this will be outlined on the environment and social risk management manual. (vii) Incorporating ESMP and OSH contractor/supplier clauses in the bidding and contract documents. (viii) The annual environment and social performance verification audit procedures will be strengthened under this Program to ensure a robust verification process, building on lessons learned from other PforR Programs in the regional countries.
Strengthening of environmental and social management capacities	(i) (ii) (iii) (iv)	Integration of environmental and social management into the Program's general capacity building plan, including ensuring a robust meaningful consultation process with stakeholders is achieved. Training in environmental and social management for technical staff and LA officials. Training in incorporating environmental and social risks, and the cost in the bidding documents and for the program management team, PMU, LA Officers, and Procurement officers. Where land acquisition will be required, integration of environmental and social management into the Program's general capacity building plan, including land acquisition, user agreements, voluntary land donations, and stakeholder engagement/consultation

Table 0-2 : Environmental and Social Action Plan

Issue/Risk Description	Action/Completion	Timeframe	Responsible Party	Instrument
Weak and poorly coordinated environmental and social management systems at national and regional levels	Program Environment and Social Risk Management Manual and POM to include: ❖ full description of environmental and social management processes and procedures for proposed investment projects (screening, appraisal, assessments, mitigation measures, monitoring and supervision etc.)	Before program commencement	PMU, LAs	POM (dated covenant) Environment and Social Risk Management Manual
	Program guidance notes, guidelines and technical standards on subproject activities to include environmental and social management issues	Continuous	PMU, LA	POM that includes an Environment and Social Risk Management Manual
	Coordination and review mechanisms for environmental and social management systems to be led by Regional LAs,	Continuous	ZEMA, LAs	Progress reports

Issue/Risk Description	Action/Completion	Timeframe	Responsible Party	Instrument
	departments of Social and Labour, OSHI, and ZEMA in charge of Environment and social dockets			
Inadequate implementation of environmental and social management system	Include in DLIs and Key Result areas, Minimum Conditions (MC)/Performance Standards (PS) system • Preparation - Incentives for inclusion of program's ESMS processes/procedures in investment project preparations (minimum conditions and key result areas on investment project preparation) • Performance - Incentives for application of ESMS processes/procedures in implementation of investments. (Performance standard on complete investment projects).	Continuous	MLGRD, LAs	Minimum Conditions (MCs)/Performance Standards and Annual Performance Annual (APA) process DLI and key result areas.
	Program subprojects and PMU reporting requirements to include reporting on ESMS performance, including social performance	By negotiations (POM)	PMU	POM that includes an Environment and Social Risk Management Manual
Non-compliance of Contractors to Program E & S requirements	PMU to develop induction and training program for all their contractors on ESMS, including OHS Ensure enough provisions are done for COVID-19 and WHO and Zambia protocols are adhered to.	Before commencement of projects Throughout the program	WB, PMU, LAs, ZEMA, OSHI	Training materials Develop COVID-19 Guidelines
Insufficient staffing, knowledge and skills for managing environmental and social issues	Qualified and experienced staff assigned to coordinate environmental and social management at MLGRD and LA Role and responsibilities of safeguards specialists defined POM and the Environmental and Social Manual	By effectiveness (recruitment or secondment)	MLGRD, LAs	POM (program management and ESMS sections and ToRs) that includes an Environment and Social Risk Management Manual.
	Training in environmental and social management systems for technical staff at	Year 1 Continuous	WB, PMU, LAs, ZEMA, OSHI	Technical Assistance component

Issue/Risk Description	Action/Completion	Timeframe	Responsible Party	Instrument
	the national and LA levels			
Lack of project specific grievance redress mechanisms	Establishment of a Grievance Redress Mechanism (will be part of the overall GRM for the program) Establish specific GRM at LA and subproject levels	Year 1 Before commencement of the subprojects	PMU and LAs	POM that includes an Environment and Social Risk Management Manual
Poor Program coordination	Develop safeguards reporting structures for the program in the environmental and social management manual Use lessons learned and Coordination of efforts of the actions under other regional countries and IPFs ESMS action plan and strategies	Continuous	PMU, LAs and World Bank	ESMS
E-Waste Management	Develop E-waste recycling and disposal management guidelines that applies for safe disposal of the E-waste stream to be generated during operation of the program for the Implementing Agencies. Program to work with Implementing agencies and other relevant agencies managing e-waste to strengthen and create awareness on e-waste management in Zambia	Continuous	PMU, LAs ZEMA	POM that includes an Environment and Social Risk Management Manual Information, education, and communication (IEC) materials on e-waste management

1 INTRODUCTION AND PROJECT DESCRIPTION

1. This section includes a description of the scope of the proposed Zambia Devolution Support Program (KUSP) and the institutional context, including: scope of the Program and activity, description of the expected physical works, policy actions, services, etc., provided under the Program.

1.1 Program Description

2. **The proposed ZDSP will have a duration of five years and six months (starting in July 2022 and upto June 2028) and is estimated to have a resource envelope of US$ 698 million**, **of which US$ 200 million will be funded from the IDA credit through the PforR and $10 million through the IPF elements.** Based on the existing fiscal framework for the Local Authorities (LAs), the expenditure framework for the Program will comprise of the following: (i) estimated allocations for the LAEF equalization grants to the Town Councils (TCs); (ii) estimated budget allocations for grant-in-lieu of rates; (iii) estimated allocations for matching grants to TCs; (iv) estimated budget allocations for the implementation of the Government program; and (v) the capital grants to the TCs. The first four areas will be funded from the Central Government budget and are part of the Medium-Term Expenditure Framework (MTEF). The financing provided by the World Bank will be used to finance the key result areas of the Program including the organization of the APA, the financing of the capital grant to eligible TCs, and capacity building and institutional reforms to strengthen devolution. The capital grants will be utilized by the TCs to meet their development and capital investment priorities in accordance with their integrated development plans (IDPs) and annual plans LA

3. **The proposed operation will be a hybrid PforR**. The proposed operation will use a combination of the PforR and Investment Project Financing (IPF) instruments. The PforR component will focus on the Key Result Areas, and the IPF component will focus input-based capacity building support as well as for specific project management related activities. The hybrid approach is needed due to the variance in the capacity of the TCs as well as the need to enable the weak TCs to achieve eligibility through the APA and receive the PBCG as early as possible. As such the IPF based capacity support will focus on targeted training support in the first two years of the Program with eventual transitioning of the capacity building support into a fully results based approach.

4. **The Government of Zambia seeks to strengthen the intergovernmental fiscal framework through the introduction of a of a Performance Based Capital Grant (PBCG).** The PforR Program intends to fill a critical gap in the existing intergovernmental fiscal framework through the introduction of a capital grant that will provide funds directly to eligible TCs to finance specific subprojects that are locally determined through the local government planning process. The PBCG will complement the existing equalization grant and is aimed at strengthening the intergovernmental fiscal transfer system by making it more transparent and predictable. The allocation of the PBCG will be based on the results of the Annual Performance Assessment (APA) that will include a set of performance criteria that will incentivize institutional performance and accountability by the TCs The PBCG will be combined with targeted capacity building support and mentoring support for TCs. The PBCG will be made available to TCs and will exclude the urban LAs based on the stated policy priority of the new Government to strengthen institutions and service delivery in the rural areas. Later on, after the PBCG system is established and based on demand and feasibility, a PBCG for urban local governments may be considered for introduction by the Government and the Bank.

5. **Strengthening the policy, institutional and system capacities is a key element of the PforR Program**. The proposed PforR Program intends to support the Government's agenda to put in place a robust policy, monitoring and institutional framework for fiscal decentralization and financial management at the local level. In line with the core objectives of the Government program, the PforR Program will incentivize key results in the areas of intergovernmental fiscal transfers, local debt management, and the collection of local revenues. With the increased flow of resources to the LAs, the PFM systems and practices need to be made more efficient and accountable, and the arrangements for monitoring and oversight also need to be made robust and timely. The Program also intends to support the use of ICT based PFM systems at the local government level as well as to strengthen the human resource capacities of TCs.

6. **PforR Component (US$ 200million).** The proposed PforR Program will provide funding through Disbursement Linked Indicators (DLIs) aligned with the three result areas as follows:

e) **Result Area One: Strengthened Fiscal Framework for Devolution**. The 2017 IFA had envisaged a fiscal framework comprised of fiscal transfers, own source revenues and borrowing to provide the LAs with sustainable sources of financing their service delivery mandates. However, the actual practice of the IFA has shown several gaps and weaknesses. The DIP observes that "intergovernmental transfers have lacked allocative equity and clarity to respond to the current demands of decentralization and that high indebtedness, unsustainable management of debt and dwindling local own source revenues have equally affected operations of local authorities". In line with the priorities of the Government program, this result area will incentivize the Government to achieve a set of results relating to the review and reforming of the existing fiscal framework such as the review of the equalization grant, and a review of the gaps in the existing policy and practice frameworks for local revenue collection and local debt management. The DLIs will be formulated and agreed with the Government during preparation.

f) **Result Area Two**: **Performance Based Capital Grants for Town Councils**. The Central Government through the MoFNP will introduce a new performance-based capital grant to fill a critical gap in the intergovernmental fiscal transfer system. A two-stage approach to the introduction of the performance grant system is envisaged, taking into consideration the wide variance in capacities of rural local governments. In the first two years, a basic capital grant will be introduced, and it will be accessible to all Town Councils that comply with a set of Minimum Conditions (MCs). These MCs will include indictors relating to the basics of good governance. In the second stage, which will start in the third year of the Program, an enhanced capital grant will be introduced as a top up to the basic grant. All Town Councils will be eligible, and access to the enhanced capital grant will be conditional on participation in the APA that will measure a set of performance indicators. The performance indicators will measure the performance of participating TCs against indicators spanning the core areas of local governance such as planning, budgeting, financial management, procurement, service delivery and citizen engagement. The two-stage approach will ensure that the capacity building support provided through the Program will allow the weak TCs to have a reasonable chance to achieve the performance indicators. The allocation of the performance-based capital grant will adopt a formula-based approach that will provide transparency and predictability in resource allocation. The performance grant can be used by the recipient LAs at their discretion to meet local

service delivery and capital investment requirements, following the local government PFM rules and practices.

g) **Result Area Three: Strengthened PFM and Accountability Framework for Local Governments**. This result area focuses on strengthening the budgeting, procurement and contract management, financial reporting, and auditing systems of the LAs. As such, it will ensure that these processes enhance the efficiency, transparency, and accountability of local governance. With the increased flow of resources to LAs and the increase in scope of their powers and responsibilities, it is necessary to ensure that LAs carry out their core PFM functions in an efficient, accountable, and transparent manner. This result area will support the Government's stated intention to enhance the use of Information and Communication Technologies (ICT) for PFM and Public Procurement. These include an increase in the coverage of the electronic government procurement (e-GP) system in TCs, use of ICT to strengthen the monitoring of local government finances and service delivery performance as well as the use of ICT to strengthen grievance redressal. These aspects of resource utilization and accountability will be incentivized through specific DLIs.

h) **Results Area Four: Capacity Building of Town Councils**: Capacity Building of staff is critical for the efficient implementation of Devolution and for strengthening local governance. The capacity building strategy for the program will involve a mix of input-based capacity support at the start of the Program and transitioning into a results-based approach after mid-term. The wide variance in LA capacities and the urgent necessity to enable the maximum number of Town Councils to achieve eligibility through the APA and receive the PBCG requires the provision of targeted capacity support in an intensive manner initially. Plans are being made to do this in the first two years of the Program through structured training programs focusing on the core functional areas of local governance. (Please see annex eight for details on the input-based capacity support provided as part of the Program). The input-based capacity support will taper towards the mid- term of the project, and the Government will take the lead in institutionalizing the capacity building support, as well as in achieving specific capacity building results. In accordance with the priorities of the Government program, annual capacity building support will be provided to TCs on the basis of annual capacity building plan that will bring together the various capacity building support activities provided by the Government as well as Cooperating Partners. Support will also be provided to strengthen both the institutional systems relating to these areas as well as to enhance staff skills and competencies. In addition to formal training courses delivered through the Local Government Training Institute, Chalimbana, the Program will support a "mentorship" program where hands-on technical assistance and capacity building support will be delivered to the weaker LAs. These capacity building results will be measured using the DLIs. The capacity building activities will draw synergies from the ongoing capacity building and technical assistance interventions provided by developing partners. This will be done in a complementary manner to avoid duplication of efforts.

7. **The specific DLIs and Program Action Plans (PAPs) will be determined based on the technical assessments of the activities included in the PforR boundary.** There are eight DLIs addressing the key result areas of the Program. The DLIs will draw upon the specific result indicators that are part of the Government program. The DLIs, their values and verification protocols will be determined based on the technical assessment.

8. **IPF Component (US$10 million).** This component will use the IPF modality as the lending instrument. It will have two sub-components: (i) Capacity building support; and (ii) program management.

Sub-component 2.1. Capacity Building Support (US$7 million)

9. **Targeted capacity building support is critical for the success of the PforR Program.** The capacity building strategy for the program will involve a mix of input-based capacity support at the start of the Program and transitioning into a results-based approach after mid-term. The wide variance in LA capacities and the urgent necessity to enable the maximum number of Town Councils to achieve eligibility through the APA and receive the PBCG requires the provision of targeted capacity support in an intensive manner initially. Plans are being made to do this in the first two years of the Program through structured training programs focusing on the core functional areas of local governance, such as planning, budgeting, procurement, financial management, and citizen engagement, all of which will be assessed through the APA. Support will also be provided to strengthen both the institutional systems relating to these areas as well as to enhance staff skills and competencies. In addition to formal training courses delivered through the Local Government Training Institute, Chalimbana, the project will introduce a "mentorship" program where hands-on technical assistance and capacity building support will be delivered to the weaker LAs. The input-based capacity support will taper towards the mid- term of the project, and the Government will take the lead in institutionalizing the capacity building support, as well as in achieving specific capacity building results. These capacity building results will be measured using the DLIs. The capacity building activities will draw synergies from the ongoing capacity building and technical assistance interventions provided by developing partners. This will be done in a complementary manner to avoid duplication of efforts.

Sub-component 2.2. Program Management (US$3 million)

10. **This sub-component will provide program management support to the MLGRD for implementation, as well as for regular program evaluations, including procurement and safeguards reviews, and financial reporting and auditing.** The component will also support the hiring of the Independent Verification Agent (IVA) as well as any results monitoring. Support will also be provided for the design and implementation of a set of information, education and communication (IEC) activities about the Program for all key stakeholders.

11. **The Government has designated the MLGRD as the implementing entity for the proposed Program.** The MLGRD will coordinate with the Decentralization Secretariat (DS), and the Ministry of Finance and National Planning (MoFNP) MLGRD and form a joint implementation team for the execution of the PforR Program.

1.2 Program Development Objective (PDO) and Key Results

12. **PDO statement:** To strengthen the financing, institutional performance and accountability of rural local authorities in Zambia.

13. **The PDO will be measured through the PDO-level indicators.** Strengthened financing will be reflected in the provision of Performance Based Capital Grants (PBCG) by the Central Government to the

TCs on a timely basis. Institutional performance and accountability will be monitored annually through (i) the Annual Performance Assessment of the TCs, assessing their performance against indicators covering key institutional, financial, accountability and service delivery performance aspects and (ii) the successful utilization of the PBCGs for meeting local development priorities in accordance with PBCG management and accountability requirements.

14. **The PDO level indicators for the proposed program are:**

a) Percentage of Town Councils that meet the Minimum Conditions (MCs).
b) Timely annual disbursement of the Performance Based Capital Grants to eligible TCs.
c) Number of TC preparing their annual plans in a participative manner

1.3 Program Implementation Arrangement

15. **The Government has designated the MLGRD as the implementing entity for the proposed Program.**. In accordance with the implementing model already in place for the DIP, the MoFNP will coordinate with the Decentralization Secretariat (DS), and the Ministry of Local Government and Rural Development (MLGRD) and form a joint implementation team for the execution of the PforR Program.

OBJECTIVE, SCOPE, AND METHODOLOGY FOR THE ENVIRONMENTAL AND SOCIAL SYSTEM ASSESSMENT

1.1 Objectives and Scope of the ESSA

1. An Environmental and Social Systems Assessment (ESSA) was undertaken by the Bank team for the Program as per the requirement set forth under Program for Results Financing. The ESSA aimed to review the capacity of existing Zambia government (national and provincial) systems to plan and implement effective measures for environmental and social risks and impact management for the program, including determining if any measures would be required to strengthen them. This included assessing the environmental and social systems in place, the human resources, the competencies, the gaps /weaknesses, extent, and nature of necessary improvements that would form the basis for a program action plan.

2. Specific Objectives of ESSA are to:

(a) identify the potential environmental and social impacts/risks applicable to the Program interventions,
(b) review the policy and legal frameworks related to the management of environmental and social impacts of the Program interventions,
(c) assess the institutional capacity for environmental and social impact management within the Program system,
(d) to prescribe institutional arrangements for the identification, planning, design, preparation and implementation of the sub-projects under the proposed program to adequately address environmental and social sustainability issues,
(e) specify appropriate roles and responsibilities and outline the necessary program management and reporting procedures for managing and monitoring environmental and social concerns related to the proposed program,
(f) assess the consistency of the Borrower's systems with six core principles and attributes defined in the Bank's Policy – Program for Results Financing, to include assessment of monitoring and evaluation systems for environmental and social issues,
(g) to describe actions to fill the gaps identified that will input into the Program Action Plan to strengthen the Program's performance concerning the core principles of the PforR instrument.

3. The ESSA is undertaken to ensure consistency with the six "core principles" outlined in paragraph 8 of the World Bank's policy on Program-for-Results Financing to effectively manage Program risks and promote sustainable development. The six core principles are:

1. **Core Principle 1:** Program E&S management systems are designed to (a) promote E&S Sustainability in the Program design; (b) avoid, minimize, or mitigate impacts; and (c) promote informed decision-making relating to a Program's E&S effects.
2. **Core Principle 2**: Program E&S management systems are designed to avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program. Program activities that involve the significant conversion or degradation of critical natural habitats or critical physical cultural heritage are not eligible for PforR financing.

3. **Core Principle 3**: Program E&S management systems are designed to protect public and worker safety against the potential risks associated with (a) the construction and/or operation of facilities or other operational practices under the Program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials under the Program; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

4. **Core Principle 4:** Program E&S systems manage the land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement and assists affected people in improving, or at the minimum restoring, their livelihoods and living standards.

5. **Core Principle 5:** Program E&S systems give due consideration to the cultural appropriateness or and equitable access to, Program benefits, giving special attention to the rights and interests of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and to the needs or concerns of vulnerable groups.

6. **Core Principle 6**: Program E&S systems avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

4. The ESSA provides a reference that is used to monitor environmental and social systems performance during the Program implementation, and identifies actions, as needed, to enhance the systems during the Program preparation and implementation (the latter are included in the Program's Action Plan). The environmental and social risks, and proposed mitigation measures, as appropriate, are inputs to the integrated risk assessment of the Program. The assessment includes a review of the arrangements by which the Program activities that affect communities will be disclosed, consulted upon, and subject to a grievance redress process and proposes actions and measures to address consultation, disclosure and grievance as appropriate to the activities to be supported under the Program.

1.2 Methodology of the ESSA

Methodology Overview

5. The assessment were carried out through a comprehensive review of relevant government (national and provincial) policies, legislation, institutional roles and capacities, program procedures, and assessment of the available capacity within the regions of the Republic of Zambia to implement the existing systems consistent with Bank Program for Results Financing. A structured questionnaire prepared by the ESSA team was used to guide discussions and data collection at the national and provincial level agencies, regulators, and respective environmental and social implementing units that will be involved in the Program implementation.

6. This information collected was used to understand the key institutions charged with the management of environmental and social risks at the National and District level of Government, stakeholder's perspectives about social and environmental aspects, and the available environmental and social management system in place to assess and manage the social and environmental risks and impacts. The gaps identified through the ESSA and subsequent actions recommended to fill those gaps will directly contribute to the Program's Action Plan to enhance the effectiveness and performance of institutional structures and related implementing agencies (IAs) for ZDSP.

Methodology

7. To assess the existing systems as well as analyze how these systems are applied in practice, the process of preparing the ESSA was drawn on a wide range of data. Inputs analyzed for this ESSA included the following.

i. ***Desk Review of Policies, Legal Framework, Regulations, and Program Documents****:* The review examined the set of policies and legal requirements related to environment and social management at the national and regional government level. The review also examined technical and implementation support documents and lessons learned from the implementation of PforR projects in East and Central Africa, eg Kenya Urban Support Program and Kenya Devolution Program, Uganda LG Management and Service. Delivery (LGMSD) program, among others. This included but not limited to;

Table 1-1 : National Policy and Legislative Framework

Environmental Management Framework	Social Management Framework
• Constitution of Zambia (1996) • Environmental Management Act No.12 of 2011 • The Environmental Impact Assessment Regulations, 1997 (Statutory Instrument No. 28 of 1997): • Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations, SI No. 28 of 1997. • Statutory Instrument No. 112 of 2013 – Environmental Management (Licensing) Regulations • The Forests Act No. 4 of 2015. • The Zambia Wildlife Act No. 14 of 2015 • The Water Resources Management Act of 2011 • The Water Supply and Sanitation Act No. 28 OF 1997 • The Occupational Health and Safety Act, 2010 • National Council for Construction Act No. 13,	• Constitution of Zambia (1996) • The National Resettlement Policy (NRP): • The Disaster Management Act (13 of 2010): • The Environmental Management Act of 12 of 2011: • The Lands Act Cap 184 • Gender Equity and Equality Act, 2015 • Anti-Gender Based Violence Act No.1 of 2011 • The Sexual Offences Act, No. 12 of 2009 • Employment Act No. 3 of 2019 • Industrial and Labour Relations Act, 2013 • National Heritage Conservation Commission Act, Cap 173 of 1989 • Protection of Traditional Knowledge, Genetic Resources and Expressions of Folklore Act of 2016: • The Land Regulations (Customary Tenure Convention Regulation, S.I. 89 of 1996): • The Valuation Surveyors Act Cap 207 • Public Health Act • Public Roads Act, 2002 • Urban and Regional Planning Act, 2015 • Workers Compensation Act, 1999

World Bank Related Documents

- Program Concept Note
- Program Appraisal Document
- Other ESMFs/ESIAs in Zambia under World Bank financing

ii. ***Institutional Analysis:*** An institutional analysis was carried out to identify the roles, responsibilities, and structure of the relevant institutions responsible for implementing the program, including coordination between different entities at the National and Regional levels. Sources included existing assessments of key institutions focusing on environmental and social assessment and management processes. These were.

Table 4.1: Institutional framework for environmental and social impacts and risks management

Environmental and Social Management Institutions	Institutions Relevant to Social Management
• Minister Responsible for Environment. (Ministry of Water Development and Sanitation • Local Governments • Zambia Environment Management Agency (ZEMA) • Occupational Safety and Health Institute (OSHI) • ZEMA Zonal Offices • National Council for Construction (NCC) • Water Resources Management Authority (WARMA)	• Ministry of Local Government • Ministry of Labour and social Security • Ministry of Gender • Municipal and District Councils • Ministry of Development and Social Services • Ministry of Labour and Social Security • Ministry of Health • Local Government Authorities • Ministry of Lands and Natural Resources • Ministry of Youth, Sports and Arts • Government Valuation Department • Ministry of Infrastructure, Housing and Urban development

iii. ***Stakeholders' Consultations:*** Stakeholder consultations were held virtually and in-person with selected Local Governments to assess the LAs Environmental and Social Management systems and capacities for implementing the program. The consultations were also held with the view of getting their views and perceptions of what they consider aspects of capacity concern regarding the project as an approach. A full list of those consulted is shown in the Appendix

Analysis

8. The ESSA analysis essentially follows the Strengths, Weaknesses, Opportunities and Risks approach. The study team used a Capacity Assessment Tool (CAT) in undertaking this assessment aimed at assessing in a participatory manner the following components of institutions namely:

- Management systems and structures - planning, personnel, risk management, information systems, program reporting, and ethics.

- Human resource /technical capacity - personnel policies and procedures, staffing, work organizations, performance management, volunteer management, occupational safety, diversity and gender considerations, human resource development.
- Monitoring and evaluation- capacity to monitor and supervise environmental and social risks
- External relations - stakeholder relations, inter-NGO collaborations, government/local authority collaborations, funding partner collaborations, public relations, local resources, media, regional inter-governmental relations.

9. The sections that follow in this document provides further information: details of Program activities, institutions involved and the implementing agency's experience in implementing similar projects, the potential environmental and social benefits, risks/impacts of the Program, the Country (and LAs) existing environmental and social management systems, assessment of the adequacy of the existing systems, and identification of gaps. Based on this analysis, actions to address the identified risks and gaps are identified and proposed.

Disclosure of ESSA

10. Disclosure of the draft ESSA was carried out on 13th April 2022 through virtual communication to National and Local Government levels participants, invitations were sent out to all the relevant Ministries and department representatives and other relevant stakeholders to give comments on the draft ESSA report. The World Bank will disclose the Final ESSA report on the World Bank external website.

2 NATIONAL ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS RELEVANT TO THE PROGRAM

2.1 Environmental Management System

2.1.1 Legal Framework, Policies and Guidelines Applicable for the Program

11. **Constitution of Zambia:** The Constitution is the supreme law of the Republic of Zambia and any other law and customary practice that is inconsistent with its provisions is considered void. Section 255 of the Constitution sets out the principles that underpin the management and development of Zambia's environment and natural resources. Section 257(g) commits the Zambian government to establish and implement mechanisms that address climate change. The Constitution is the supreme law of the land. The constitution provides for, inter alia, matters pertaining to land, natural resources (wetlands, swamps, rivers and lakes) and the environment. The constitution declares that the state shall promote sustainable development and public awareness of the need to manage natural resources and to ensure that the utilization of the natural resources of Zambia shall be managed in such a way as to meet the needs of present and future generations. The government holds in trust for the people and is required to protect natural lakes, rivers, wetlands, forest reserves, game reserves, national parks and any land to be reserved for ecological or tourism purposes for the common good of all citizens. In this regard, it is in the interest of the Government of Zambia that all socio-economic development activities protect and preserve the environment from abuse, pollution and degradation, thus sustainable development. The constitution also provides for a right to a clean environment for every citizen.

2.1.2 National Policy on Environment

12. The overall vision of the National Policy on Environment is to provide a framework management guide for the management of Zambia's environment and natural resources so as to ensure that they are managed on a sustainable basis and retain their integrity to support the needs of the current and future generation without compromising either of the two. The guiding principle on health are;-

- Urban, district and rural planning and development activities should incorporate human settlement and health concerns;
- Human settlements should incorporate environmental concerns as well as disaster preparedness;
- Temporary settlements for refugees and other displaced people are managed using the same guidelines for environmental, pollution and health concerns as for all other human settlements including environmental impact assessment and monitoring;
- Development and improvement of human settlements should incorporate the concept of community development with focus upon social services, particularly water supply, schools, health facilities, recreation facilities, communications, transport and security, in order to discourage random roadside ribbon development which is difficult to maintain and tend to be environmentally unfriendly.

13. **Environmental Management Act No.12 of 2011:** The principal legislation governing environmental management in Zambia is the Environmental Management Act (EMA) of 2011. The Act provides for the sustainable management of natural resources and protection of the environment, and the prevention and control of pollution. Of particular relevance is section 29 of the Act which states that

"A person shall not undertake any project that may have an effect on the environment without the written approval of the Agency, and except in accordance with any conditions imposed in that approval".

14. Provisions of the Environmental Management Act require that all new projects begin with an Environmental Impact Assessment (EIA) and thereafter, licensing, auditing and compliance inspections follow. The EMA outlines principles governing environmental management and provides for, among other things, Environmental Impact Assessment and regulations relating to environmental assessments. The Act has also spelt out offences relating to failure to prepare and submit an EIA report for projects that require such reports. The projects that require preparation of EIA reports must be approved by ZEMA prior to implementation. Section 29 of the Act specifically states that "a person shall not undertake any project that may have an effect on the environment without the written approval of the Agency, and except in accordance with any conditions imposed in that approval".

2.1.3 The Environmental Management (Licensing) Regulations, 2013

15. Part 2 Section 4 of the regulations state that a person who intends to emit or discharge a pollutant or contaminant into the environment shall apply to the Agency for an emission license in Form I set out in the First Schedule of the Environmental Management Act of 2011. The Agency shall, in accordance with the guidelines set out in the Second Schedule of the EMA, assess the quality of ambient air to protect human health, animal or plant life and the environment. A holder of an emission license relating to air shall, among other activities:

i. Install air measuring devices and pollution control equipment at the plant, undertaking or process that emits air pollutants; in accordance with the emission limits as prescribed in the Second Schedule of the Environmental Management Act.
ii. collect such samples and conduct such analysis of the emissions as the Agency may direct for the monitoring of emission levels
iii. limits prescribed in the Second Schedule; and
iv. Take reasonable steps to contain the discharge of emissions to prevent, mitigate or remedy their adverse effects on human health, animal or plant life and the environment.

16. Part III, Section 11 of the regulations state that a person shall not conduct open air burning of waste from industrial, commercial operations or domestic or community activities except with the written consent of the Agency.

17. Applicable Regulations under the Environmental Management Act No. 12 of 2011 are described below.

a) Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations, SI No. 28 of 1997.

These Regulations provides the main framework under which EIAs are conducted, submitted to ZEMA and considered for either approval or rejection. These regulations are relevant as a guide to the developer as to what is supposed to be done at every stage of the EIA process. The requirements of conducting an EIA are all stipulated under these regulations and the developer shall ensure compliance at every stage. The EIA regulations also give a guideline as to how much review fee will be paid to ZEMA for the purpose of reviewing the EIS for the proposed project and that development shall not be undertaken by a developer without an approval letter from ZEMA.

b) Statutory Instrument No. 112 of 2013 – Environmental Management (Licensing) Regulations: These Regulations provide standards and guidelines for mitigating air, wastewater, hazardous waste, pesticides and toxic substances and ozone depleting substances.

18. **The Forests Act No. 4 of 2015:** An Act to provide for the establishment and declaration of National Forests, Local Forests, joint forest management areas, botanical reserves, private forests and community forests; provide for the participation of local communities, local authorities, traditional institutions, nongovernmental organizations and other stakeholders in sustainable forest management; provide for the conservation and use of forests and trees for the sustainable management of forests ecosystems and biological diversity; establish the Forest Development Fund; provide for the implementation of the United Nations Framework Convention on Climate Change, Convention on International Trade in Endangered Species of Wild Flora and Fauna, the Convention on Wetlands of International Importance, especially as Water Fowl Habitat, the Convention on Biological Diversity, the Convention to Combat Desertification in those Countries experiencing Serious Drought and/or Desertification, particularly in Africa and any other relevant international agreement to which Zambia is a party; repeal and replace the Forests Act, 1999; and provide for matters connected with, or incidental to, the foregoing."

19. **The Zambia Wildlife Act No. 14 of 2015:** The Zambia Wildlife Act was promulgated among other functions to:

- Provide for the establishment, control and management of National Parks, bird and wildlife sanctuaries and for the conservation and enhancement of wildlife eco-systems, biological diversity and objects of aesthetic, pre-historic, historical, geological, archaeological and scientific interest in National Parks; and
- Provide for the sustainable use of wildlife and the effective management of the wildlife habitat in Game Management Areas.

20. Section 4 of the Act stipulates the principles which apply to wildlife conservation and management which include protection of biological diversity; sustainability of the ecosystem and biological diversity; integration; equity and effective participation of local communities and traditional leaders.

21. **The Water Resources Management Act of 2011:** The Act regulates the use of surface and ground water for any of the following purposes; environmental, training and research, municipal, agriculture, industrial, hydro-electric, mining, navigation and any other activity that may be specified by the water resources management board. Activities under these purposes may include but not limited to the following;

a) Use water for purposes specified under section sixty, other than for domestic purposes specified under section seventy of the Water Resource Management Act No. 21 of 2011;
b) Construct, acquire any water works, impound, supply or distribute water from any water or borehole to any other person;
c) De-water any mine, quarry or water works;
d) Drain any swamp, marsh, dambo, wetland, re-charge area or other land;
e) Construct or acquire any water works for the purpose of draining into, conserving or utilizing, in any manner whatsoever, water from a water resource;
f) Construct water works necessary to restore the course of a water resource that has changed its course;
g) Conduct any operation that would interfere with the bank or course of a watercourse;

h) Sink, deepen or alter any borehole for any purpose in a water shortage area; or
i) Carry any activity in relation to a water resource as may be prescribed.

22. **The Water Supply and Sanitation Act No. 28 of 1997:** provides for the regulation and standards applied in the provision of public water and sanitation services. It also provides for permitting of water supply and sanitation service provision.

23. **The Occupational Health and Safety Act, 2010:** This Act is promulgated to establish the Occupational Health and Safety Institute and provide for its functions; provides for the establishment of health and safety committees at workplaces and for the health, safety and welfare of persons at work; provide for the duties of manufacturers, importers and suppliers of articles, devices, items and substances for use at work; provide for the protection of persons, other than persons at work, against risks to health or safety arising from, or in connection with, the activities of persons at work.

Section 11 of Part III requires that an employer of ten or more persons at any workplace establishes a health and safety committee.

According to section 13 the functions of the health and safety committee are:

- promote cooperation between the employer and the employees in achieving and maintaining healthy and safe working conditions;
- share information about occupational health, safety and welfare with employees;
- investigate and resolve any matter that may be a risk to the health and safety of employees at a workplace;
- review the measures taken on the health and safety of employees at a workplace; and
- formulate, review and disseminate to the employees the standards, rules and procedures relating to health and safety to be carried out at the workplace.

Section 16 of Part IV provides the duties of employers at workplaces in respect of health and safety at workplaces. These duties include:

- ensure, so far as is reasonably practicable, the health, safety and welfare of the employees of the employer at a workplace; and
- place and maintain an employee in an occupational environment adapted to the employee's physical, physiological and psychological ability.

The duties of an employee at a workplace, according to section 17, with regard to health and safety are to:

- take reasonable care for the employee's own health and safety and that of other persons who may be affected by the employee's acts or omissions at the workplace;
- not operate any machine or engage in a process which is unsafe or is an imminent risk to the employee's own health or safety and that of others; and
- cooperate with the employer or any other person in relation to any duty imposed on the employer or that other person, so far as is necessary to enable that duty or requirement to be performed or complied with.

24. The employee is also expected to immediately inform the employer, the committee or health and safety representative if there are reasonable grounds to believe that any item, device, article, plant

or substance, condition or aspect of the workplace is, or may be, dangerous to the employees' occupational health or safety at or near the workplace.

25. **The Plant Pests and Diseases Act, Cap 231:** This Act provides for prevention of the introduction of pests and diseases into the country and the spread thereof. The Act further provides for designation of certain pests and disease vectors as requiring destruction. The Act is enforced by the Phyto-sanitary Services Department under the Ministry of Agriculture.

26. **National Council for Construction Act No. 13, 2003:** An Act to provide for the establishment of the National Council For Construction and to define its functions :to provide for the promotion and development of the construction Industry in Zambia; to provide for the registration of contractors; to provide for the affiliation to the Council of professional bodies or organizations whose members are engaged in activities related to the construction Industry; to provide for the establishment of the Construction school; to provide for the training of persons engaged in construction or in activities related to construction; and to provide for matters connected with or incidental to the fore-going.

2.2 Social Management Systems

2.2.1 Legal Framework, Policies and Guidelines Applicable for the Program

27. The Zambian resettlement policy framework consists of the National Resettlement Policy, and the legal framework for matters related to the compulsory acquisition of property, in particular land and the alienation of land, is provided for in the Zambian Constitution, Lands Act, and the Lands Acquisition Act. Whilst these three Acts provide the basis for land acquisition, various other national laws define the authority and responsibility of specific sectoral agencies.

28. **The Constitution of Zambia**: Chapter 1 of the Laws of Zambia, and Article 16 of the Constitution provides for the fundamental right to property and protects persons from the deprivation of their property. It states that a person cannot be deprived of property compulsorily except under the Authority of an Act of Parliament, which provides for adequate payment of compensation. The Article further provides that the Act of Parliament under reference shall provide that in default of agreement on the amount of compensation payable, a court of competent jurisdiction shall determine the amount of compensation.

29. **The National Resettlement Policy (NRP)**: Sets out the Government objectives, principles and measures for dealing with resettlement as a strategy for rural development and as a response to internal population displacements. In addition, it provides a mechanism for dealing with both voluntary and involuntary resettlements. The policy focuses on employment creation, access to public social services, increased food security, security of land tenure, stimulating economic growth in rural areas and compensation and resettlement assistance for internally displaced persons. The Department of Resettlement in the Vice President's Office is charged with implementation of the NRP. However, the policy is not legally binding.

30. **The Disaster Management Act (13 of 2010):** Related to the National Resettlement Policy (NRP) is the Disaster Management Act, No.13 of 2010. This is an Act that establish and provide for the maintenance and operation of a system for the anticipation, preparedness, prevention, coordination, mitigation and management of disaster situations and the organization of relief and recovery from

disasters; establish the National Disaster Management and Mitigation Unit and provide for its powers and functions; provide for the declaration of disasters; establish the National Disaster Relief Trust Fund; provide for the responsibilities and involvement of the members of the public in disaster management; and provide for matters connected with, or incidental to, the foregoing.

31. **The Environmental Management Act of 12 of 2011**: Under the provisions of this Act, a strategic Environmental and Social Impact Assessment (ESIA) report or Environmental Project Brief (EPB) is prepared by project developers including a Resettlement Action Plan (RAP) and submitted to the ZEMA for approval prior to project implementation. The ESIA/EPB report identifies potential environmental and social risks and impacts in its area of project influence, and outlines measures for preventing, minimizing, or mitigating any adverse environmental and social impacts identified. The ESIA/EPB and RAP are approved through issuance of a decision letter with attached conditions, prior to project activities being implemented.

32. **The Employment Act, Chapter 268:** This Act relates to the employment of persons and makes provision for the engagement of persons on contracts of service and also provides for the form of and enforcement of contracts of service. The Act further provides for the protection of wages of employees and the regulation of employment agencies. Some of the safety, health and welfare related issues addressed in this Act include: medical examination of a worker to determine his/her fitness to undertake the work which he/she has been contracted to do; provision of an adequate supply of wholesome drinking water; continuous payment of wages, for up to 26 days, to a worker who becomes temporarily incapacitated in consequence of sickness or accident not occasioned by his own default

33. **The Lands Act Cap 184:** Controls the alienation of land and the conversion of land from customary tenure to statutory. The Act empowers the President of the Republic to compulsorily acquire property. The principles of compensation are pivoted on the basis that the value of property for the purpose of compensation shall be the value of the amount which the property might be expected to realize if sold on the open market by a willing seller at the time of the publication of notice to yield possession of the property.

34. **Urban and Regional Planning Act of 2015:** An Act to provide for development, planning and administration principles, standards and requirements for urban and regional planning processes and systems; provide for a framework for administering and managing urban and regional planning; provide for a planning framework, guidelines, systems and processes for urban and regional planning; establish a democratic, accountable, transparent, participatory and inclusive process for urban and regional planning that allows for involvement of communities, private sector, interest groups and other stakeholders in the planning, implementation and operation of human settlement development; ensure functional efficiency and socio-economic integration by providing for integration of activities, uses and facilities.

35. The Act also establish procedures for integrated urban and regional planning in a devolved system of governance so as to ensure multi-sector cooperation, coordination and involvement of different levels of ministries, provincial administration, local authorities, traditional leaders and other stakeholders in urban and regional planning; ensure sustainable urban and rural development by promoting environmental, social and economic sustainability in development initiatives and controls at

all levels of urban and regional planning; ensure uniformity of law and policy with respect to urban and regional planning; repeal the Town and Country Planning Act, 1962, and the Housing (Statutory and Improvement Areas) Act, 1975; and provide for matters connected with, or incidental to, the foregoing.

36. **Land Tenure:** Two land tenure systems exit; statutory and customary. Statutory tenure involves administration of state land by the Commissioner of Lands through local authorities. Planning and sub-division of land parcels for development is guided by the provision of the Urban and Regional Planning Act of 2015. Customary tenure is applicable in rural areas and does not allow for exclusive individual rights as land is held in trust on behalf of the community by the traditional authorities. Access to land is at the discretion of traditional authorities and due to existing cultural tendencies, this usually results in exclusion of vulnerable groups which include women, youths and persons living with disabilities. There are no legally defined physical boundaries for customary land making it prone to encroachments that contribute to land disputes.

37. **Local Government Act, No. 2 (2019):** The Act provides for the establishment of Councils in districts, the functions of local authorities and the local government system of which some of the functions relate to pollution control and protection of the environment in general. It is likely that the proposed rehabilitation works shall be within the jurisdiction of various District and Municipal Councils and therefore all approvals required to be sourced from the local authorities such as planning permission will need to be sought.

38. **Gender Equity and Equality Act, 2015:** The Act provides measures for making strategic decisions in all spheres of life to ensure gender equity, equality and integration of both sexes in society. It promotes gender equity and equality as a cross cutting issue to stimulate productive resources and development opportunities for men and women through elimination of social and cultural practices that perpetuate discrimination.

39. **Anti-Gender Based Violence Act No.1 of 2011:** This Act offers a comprehensive framework for protection, but also a means of survival for victims and survivors of gender-based violence, and prosecution of perpetrators. The Act seeks to address all forms of gender-based violence. It goes on further to list the types of abuses arising from cultural practices to include forced virginity testing, forced marriages, “sexual cleansing” and child marriages. It also defines such abuse to include “abuse perpetrated on a person by virtue of the person’s age, physical or mental incapability, disability or illness.”

40. **The Sexual Offences Act, No. 12 of 2009:** This legislation prohibits sexual offences which include rape, grievous sexual act, marital rape, incest, sexual touching or interference, sexual grooming of child, sexual intercourse with person under sixteen, inducing or encouraging violation of child under the age of sixteen, custody or abduction of child under sixteen, indecent assault. Consent of a child is not deemed as defense in indecent assault. Other sexual offences are violation of person suffering from mental disorder or physical disability, unlawful detention with intent to have sexual intercourse, living on earnings of prostitution. Because construction workers are usually away from their families for a period of time, the likelihood of workers to be involved in sexual offences is high. The Act is clear that anyone involved in such an act liable for punishment as prescribed section 33 of the Act.

41. **Employment Act No. 3 of 2019:** An Act to regulate the employment of persons; section 5 prohibit discrimination at an undertaking; constitute the Skills and Labour Advisory Committees and provide for their functions; provide for the engagement of persons on contracts of employment and

provide for the form and enforcement of the contracts of employment. It also provides for the protection of wages of employees, registration of employment agencies, regulation of employment of children and young persons and the right of workers to be heard through approved grievance procedures and codes of conduct in an undertaking.

42. **National Heritage Conservation Commission Act, Cap 173 of 1989:** Under the Act, any project being implemented is required to disclose any new archaeological, paleontological, or cultural sites it encounters to the National Heritage Conservation Commission (NHCC) and to follow their procedures for the investigation and/or removal of material from them prior to continuing construction activities. Any Project-supported activities that could impact sites of social, sacred, religious, or heritage value will have to be reported to the Commission prior to the activities being carried out.

43. **Protection of Traditional Knowledge, Genetic Resources and Expressions of Folklore Act of 2016:** The Act provides a transparent legal framework for the protection of, access to, and use of, by guaranteeing equitable sharing of benefits and effective participation of holders. The Act:

- recognises the spiritual, cultural, social, political, and economic value of the holders of traditional knowledge
- promotes the preservation, wider application and development of traditional knowledge, genetic resources, and expressions of folklores
- recognises, protects, and supports the inalienable rights of traditional communities, individuals and groups over their traditional knowledge, genetic resources, and expressions of folklore
- confers rights on traditional communities, individuals, and groups
- promotes the conservation and sustainable utilization of the country's biodiversity resources.
- promotes fair and equitable distribution of the benefits derived from the exploitation of traditional knowledge, genetic resources, and expressions of folklore
- promotes the use of traditional knowledge, genetic resources, and expressions of folklore for the benefit of traditional communities, the country and mankind in general
- ensures that exploitation of traditional knowledge, genetic resources and expressions of folklore take place with the prior informed consent of a traditional community, individual or group
- prevents the granting of patents based on traditional knowledge, genetic resources, and expressions of folklore without the prior informed consent of a traditional community, individual or group.

44. **The Land Regulations (Customary Tenure Convention Regulation, S.I. 89 of 1996):** It describes processes for the Conversion of customary tenure into leasehold tenure, consideration of application to convert the customary tenure into the leasehold tenure and also the conversion of customary tenure into the leasehold tenure The proposed project area could either be under customary or state land tenure system. The regulation is applicable to the project as it may involve land acquisition and resettlement.

45. **The Valuation Surveyors Act Cap 207:** Act provides guidance for the land valuation practices in Zambia by the land valuator, who is supposed to be registered by the Valuation Registration Board under the provisions of this Act. In case the project impacts the existing sources of people's sources of

livelihood or results in the restriction of access to resources and or impacts their various assets, compensation would be based on the value of their properties in using this Act.

3 POTENTIAL ENVIRONMENTAL AND SOCIAL EFFECTS OF THE PROGRAM

3.1 Introduction

99. This section presents the anticipated environmental and social impacts, benefits, risks, and opportunities specific to the ZDSP PforR subproject activities. The risks have been identified by looking at existing and possible impacts on the environmental and social context, the Program strategy and sustainability, the institutional complexity and capacity. The risks associated with the program can be mitigated through proposed measures, which include capacity building of implementing entities and partners to enhance inclusion, participation, and strengthening mechanisms on accountability and grievance redress mechanisms. These measures are included in the Program's integrated risk management.

3.2 Scope of projects under the Program

100. As described in Chapter 2, the Program under Results Area 2 (KRA) will support "*local service delivery* Local service delivery will include but is not limited to the funding of standard local services such as providing local infrastructure, street cleaning, maintenance of water resources and sanitation, solid waste management, maintenance of road infrastructure and local community facilities. The infrastructure subprojects expected to be financed using the performance grants are small scale infrastructure within the mandates of Town Councils. No land acquisition or large infrastructure will be covered by the PforR activities.

101. The Program will not support any large-scale civil works. Environmental and social risks of the Program activities shall be confined to small works and rehabilitation initiatives, and small works for installing and or upgrading data servers and possibly supply of electronic equipment at LA offices for improving service delivery to citizens. The risk and impacts are site specific in nature and well known to be mitigable by enforcement of good environmental and social systems.

102. Based on the scope and scale of sub-projects to be financed under the program, environmental and social impacts are expected to be low to moderate in scale, with the most adverse impacts limited to the construction phase and being site-specific and temporary. All investments will undergo an environmental and social impact screening and assessment process as per the national environmental and social management systems requirements. These procedures will be outlined in the Environment and Social Risk Management Manual and Program Operation Manual (POM), which has been prepared for the Program, with technical guidance from the World Bank, and consultations with relevant technical staff at Ministry of Finance and National Planning (MFNP), Ministry of Local Government and Rural Development (MLGRD), and other Program stakeholders at the national and regional levels.

3.3 Environment and Social Risk Rating

103. The purpose of the screening and risk rating for the program was to: (i) identify activities likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; those activities are not eligible for the Financing, and should not be included under the Program; (ii) to determine the priority areas for further attention during the environmental and social system assessment, and (iii) determine the risk rating of the program.

104. The scope of subprojects to be undertaken by the LAs will be very small in scale, and will mainly be limited to small construction of infrastructure projects, street lighting, maintenance of infrastructure, among others. Because of the significant geographic dispersion of the participating LAs, different scales of proposed investments, the potential cumulative environmental and social impacts associated with many sub-projects in the Program, and the capacity of the PMU and other institutions to manage environmental and social risks, the ESSA has determined that the overall risk of the program is rated as ***Moderate***.

3.4 Exclusion Criteria

105. The exclusion principle applies to Program activities that meet these criteria, regardless of the borrower's capacity to manage such effects. In the PforR context, the concept of exclusion means that an activity *is not* included in the identified program of expenditures. Also, an activity is not included if it requires the completion of a non-eligible activity to achieve its contribution to the Project Development Objective (PDO) or any specific Disbursement Linked Indicators (DLI). The six principles under the PforR will apply to all investments as a mechanism for mitigating adverse environmental and social impacts.

106. The program shall exclude projects that are likely to:

i. Significant conversion or degradation of critical natural habitats or cultural heritage sites.
ii. Air, water, or soil contamination leading to significant adverse impacts on the health or safety of individuals, communities, or ecosystems.
iii. Workplace conditions that expose workers to significant health and personal safety risks.
iv. Land acquisition and/or resettlement of a scale or nature that will have significant adverse impacts on affected people or the use of forced evictions.[4]
v. Large-scale changes in land use or access to land and/or natural resources.
vi. Adverse E&S impacts covering large geographical areas, including transboundary impacts, or global impacts such as greenhouse gas (GHG) emissions.
vii. Significant cumulative, induced, or indirect impacts.
viii. Activities that involve the use of forced or child labour.
ix. The marginalization of, or conflict within or among, social groups; or
x. Activities with high risk of GBV and SEA.

[4] As per the PforR financing Environment and Social Systems Assessment Guidance (Ju;y 2019), Resettlement includes physical relocation of individuals and communities as well as the acquisition of land for program purposes. Because of the extreme sensitivity of land acquisition and resettlement, the Bank exercises caution when proceeding with any resettlement when the borrower cannot demonstrate that its systems meet the core principles and attributes or cannot ensure consistently satisfactory resettlement outcomes.

It is not necessarily helpful to define fixed numerical thresholds for "large scale" because the significance of impacts depends very much on local contextual factors. The definition of significant resettlement impacts is closely related to the extent to which the borrower's systems align with the core principles and to the borrower's capacity to carry out land acquisition and resettlement in accordance with policy principles and requirements.
The emphasis should be on the potential for significant impacts on affected people regardless of scale, as significant adverse impacts are not acceptable to the Bank even if they affect only a small number of people. When the Bank team's assessment is that the borrower is not able to demonstrate resettlement practices consistent with PforR core principles, regardless of the size or severity of resettlement impacts, the PforR operation should proceed only after a separate review of agreed resettlement systems and capacity-building actions by the SA or, in very sensitive cases, with senior management in GSURR and the Chief Environment and Social Standards Officer (CESSO).

xi. Activities that would (a) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation; (b) have significant impacts on cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected communities.

107. The program has proposed measures as part of the Program Action Plan to strengthen the country's environmental and social management systems for the implementation and monitoring of the program activities to close the gaps in areas of weak capacity and other risks associated with project implementation, especially during implementation and operation phases.

3.5 Potential Environmental Risks and Impacts of the Program

3.5.1 Main Risks and Impacts

108. The investments under ZDSP are intended to have positive environmental impacts through improved service delivery to citizens at the local level. The benefits will vary by the urban area depending on the context and investment choices, but potential benefits are likely to include but not limited to;

- Increase local revenue for the LAs
- Provide better living conditions for the local communities
- better and improved waste collection systems.
- Fewer road accidents and reduced traffic congestion as a result of improved road conditions;
- better and improved waste collection systems;
- improved health through reduction of dust and waterborne diseases;
- improved air quality through reduction of dust;
- improved access to public transport services;
- reduced risk of flooding, and
- reduced soil erosion as a result of drainage improvements.

109. The potential adverse environmental impacts from the program include, but not limited to.

- disturbance of existing vegetation;
- air pollution from dust and exhaust;
- nuisances such as noise and vibrations;
- water, and soil pollution from the accidental spillage of fuels or other materials associated with construction works;
- solid and liquid wastes from construction sites;
- Improper and indiscriminate disposal of E-waste by the organizations may result to soil and water contamination through the release of heavy metals (lead, arsenic, and cadmium).
- the spread of sexually transmitted diseases (including HIV/AIDS) and other communicable diseases such as COVID-19, tuberculosis due to interaction of migrant workers and local communities;
- occupational health and safety incidents through injuries or accidents to the workers at construction sites;
- waste generated at construction sites;

3.5.2 Environment Risks Management Measures

110. All project investments under the ZDSP will be subjected to screening, and preparation of the relevant instruments as per the EMA requirements. The subprojects are expected to be site specific and well-defined mitigation and monitoring measures will be developed for each subproject. Other than requiring that all sub-project investments to be subjected to screening and further environmental analysis, the program has developed a set of principles that will act as measures to minimize sub-project risks at the concept level.

111. In order to manage the identified environmental risks and impacts, the following measures are proposed:

i) Screening of all PforR activities for each sub-project site will be done, detailed assessment of environmental risks and impacts will be conducted and mitigation measures will be put in place to manage environmental risks/impacts- requiring updating of already prepared instruments.
ii) Mitigation hierarchy will be considered in addressing and management of environmental risks and impacts during preparation of instruments and implementation of the proposed PforR activities
iii) The project will make use of environmental management policy and legal framework and good international industry practices, where necessary, in management of environmental risks/impacts.
iv) Ensure adequate capacity at all levels in implementing institutions to manage environmental risks and adequate capacity at mandated institutions to monitor compliance with national legislation
v) Prepare a manual specifically for the PforR to guide process and implementation of environmental risk management activities.

112. While no high-risk projects are expected under the Program, the screening process will include criteria to exclude certain categories of projects as well as projects that are high risks and significant negative impacts that are sensitive, diverse, irreversible, or unprecedented on the environment and/or affected people. The screening procedure will be done during the sub-project appraisal and will be guided by ZEMA Guidelines which will be outlined in detail in the Environment and Social Risk Management Manual and highlighted in the Project Operations Manual (POM). This exercise will be carried out by the LAs in coordination with MLGRD PMU environment and social specialists, and ZEMA.

113. The Project Operation Manual and Environmental and Social Risk Management Manual will incorporate contractual responsibilities and obligations with appropriate mechanisms for addressing non-compliance of environmental, health, and safety issues of the sub-projects (by the contractor/subcontractors and the client). The Environment and Social Risk Management Manual will operationalize the Program Action Plan. Further, the World Bank team will undertake a post-screening audit to ensure that all the selected sub-projects meet the outlined criteria.

3.6 Potential Social Benefits and Risks of the Program

3.6.1 Main Social Risks and Impacts

114. Depending on the type, scope, and extent of eligible work under the ZDSP, the potential negative social impacts are likely those that are typically related and limited to the construction phase

and are generally work site-specific. Potential negative impacts of the program include but not limited to:

- Lack of transparency and trust by local communities due to poor consultations and stakeholder engagement with project beneficiaries and vulnerable groups;
- Elite capture in the identification process of investment projects during the community consultation process, which might lead to poor investments equity between regions (rural and urban), gender and vulnerable groups/low income households;
- Social conflict may arise due to lack of inclusion as beneficiaries of minority groups, marginalized groups such as women, youth, and persons living with disability (PLWD;
- Disruption of access, traffic deviations, noise, vibration, dust, etc., that could generate disturbances in normal activities in neighborhoods;
- Disruption and/or damage to public utilities such as water facilities;
- Improvement of services at urban areas may increase the rate of crimes and/or perception of insecurity by the local community;
- Women who seek employment may also face sexual harassment including demands for sexual favors before being employed;
- Construction workers could increase or create demand for casual sex leading to the emergence or increase in sex work near the construction sites;
- Interaction of workers with local women and girls can lead to domestic conflicts, GBV and domestic violence at a household level;
- Potential increase in communicable diseases, including COVID 19 at workplaces
- Poor labour management practices for the contractor and his workers;

3.6.2 Social Risk Management Measures

115. In addition to screening, the Program has developed a set of principles and minimum standards that will act as measures to minimize project risks at the concept level. The principles that will apply to all investments as a mechanism for mitigating adverse social impacts and risks shall include but not limited to:

a) Conduct social screening of sites during identification
b) Participatory project monitoring by the LAs and local communities during the investment project construction phase.
c) The projects will evaluate risks to community health and safety associated with potential electronic waste management.
d) To avoid elite capture for the investment project, the project selection process should involve a robust locally-led LAs and community engagement process to be outlined in the Program Environment and Social Risk Management Manual.
e) The stakeholder engagement plan will ensure stakeholder mapping, analysis, and consultation processes that ensure that all members of the community are involved in the consultation process, including the vulnerable groups such as women, youth and PLWD.
f) Establish an effective and adequately financed project-specific grievance redress mechanism that is accessible to all project beneficiaries.
g) Projects likely to create or exacerbate social conflict within communities or regions/authorities will not be eligible.
h) Put in measures to prevent and respond to incidents of gender-based violence within the context of the program's investment projects, involving LA gender officers.

i) The Program Environment and Social Risk Management Manual will incorporate contractual responsibilities and obligations with appropriate mechanisms for addressing non-compliance of social issues of the sub-projects by the contractor and the respective project area.
j) Key result areas under the program to include citizen participation and gender equity under the project.
k) ***Codes of conduct:*** Contractors should also prepare worker CoCs which are to be understood and signed by their employees.

116. To screen out for potential risks, the Program will rely on the guidelines in the Environment and Social Risk Management Manual and Program Operation Manual (POM), which will include a rigorous sub-project screening process to be done by the PMU Safeguards team.

117. The responsibility of the Contractor should be clearly defined in the contract clauses to ensure any damage to people and property during the performance of the execution of the civil works is borne by him.

3.7 COVID-19 Risks and Impacts

118. Projects involving construction/civil works frequently involve sometimes a large work force, together with suppliers and supporting functions and services. The work force may comprise workers from national, regional, and local labor markets. They may need to live in on-site accommodation, lodge within communities close to work sites or return to their homes after work.

119. There may be different contractors permanently present on site, carrying out different activities, each with their own dedicated workers. Supply chains may involve international, regional and national suppliers facilitating the regular flow of goods and services to the project (including supplies essential to the project such as fuel, food, and water). As such there will also be regular flow of parties entering and exiting the site; support services, such as catering, cleaning services, equipment, material and supply deliveries, and specialist sub-contractors, brought in to deliver specific elements of the works.

120. Considering COVID-19 restrictions, the Program will consider innovative ways to ensure consultations are fit for purpose, effective and meaningful in order to meet Program and stakeholder needs in line with national regulations as well as WHO guidelines. Strategies to be employed include smaller meetings, to be conducted as appropriate taking full precautions with all stakeholders. Where face to face meetings are not permitted/ desirable, other strategies will be employed which include but are not limited to; one on one interviews through phones and online meetings platforms with stakeholders. The approaches taken will thereby ensure that information is meaningful, timely, and accessible to all affected stakeholders.

3.7.1 COVID-19 Risk Management Measures

121. The Program will develop a set of principles and minimum standards that will act as measures to minimize project risks against spread of COVID-19. This will include but not limited to;

- Adhere to the rules and regulation guidelines set up by the Government of Zambia and WHO Guidelines;
- Where face to face meetings are not permitted/ desirable, other strategies will be employed which include but are not limited to; one on one interviews through phones and online meetings platforms with stakeholders.
- Consider innovative ways to ensure consultations are fit for purpose, effective and meaningful in order to meet Program and stakeholder needs in line with national regulations as well as

WHO guidelines. Strategies to be employed include smaller meetings, to be conducted as appropriate taking full precautions with all stakeholders.

- Take all necessary precautions to maintain the health and safety of the Personnel involved in the Program, eg provisions of PPEs, handwashing points, monitoring of temperatures for workers, etc.
- Ensure suitable arrangements are made for all necessary welfare and hygiene requirements and for the prevention of epidemics at all sub-projects sites;
- Personnel should be encouraged to use the existing project grievance mechanism to report concerns relating to COVID-19, preparations being made by the program/sub-projects to address COVID-19 related issues, how procedures are being implemented, and concerns about the health of their co-workers and other staff.; and
- All Government protocols of health and safety are met at all Program intervention areas.
- Follow the guidelines set out in the WB's ESF/Safeguards Interim Note: COVID-19 Considerations in Construction/Civil Works Projects, issued on April 7, 2020.

3.8 Grievance Redress Mechanisms

122. Given the various environment and social risks and mitigation measures outlined above, the program will put measures in place to mitigate possible risks, conflicts or tensions that might occur at all stages of the design and implementation of the program. The Program will respond to concerns and grievances of project-affected parties related to the environmental and social performance in a timely manner. For this purpose, a GRM will be established, specific to the sub-projects, to receive and facilitate resolution of grievances and complaints related to its activities. The Program will learn from previous or ongoing PforR programs of EPforR and SEQUIP in developing an effective GRM. A well-designed and implemented GRM will considerably enhance efficiency and effectiveness of the aspects supported by the PForR component.

123. The GRM for the Program will the following objectives:

i. Provide the stakeholders with an effective platform to seek redress or resolve any dispute that may arise during implementation of the Program sub-projects;
ii. Ensure that appropriate and mutually acceptable redress mechanisms are identified and implemented to the satisfaction of complainants; and
iii. Reduce the need for using judicial proceedings.

124. Communities and individuals who believe that they are adversely affected as a result of the Program will be given mechanisms to submit complaints to the grievance redress mechanisms (GRM) at the national and/or local levels as described below.

125. Each LA shall set up their own GRM for registering complaints. The existence of this mechanism needs to be widely disseminated. In addition, the LAs shall need to have a person identified for responding to the complainant (with given time lines) or forward the complaint to the relevant person for redressal.

126. The table below summarizes the potential risks related to the environmental and social impacts of the Program and suggests risk management measures for each risk.

Table 3-1 : Key Risk and Impacts Rating

Risk/Impact Description	Phase	Risk/Impact Management	Risk Rating
Identification of Impacts: Potential environmental and social risks and impacts of the investment projects are not properly identified, mitigated, and monitored.	Planning	• Environmental and Social Management System prepared by the program that is consistent with Zambia's national environmental and social framework and bridge gaps with the Program for Results Financing principles. Technical staff at PMU and other implementing institutions will be required to have training on the system. • Adequate identification of social impacts for the projects and consultations of all relevant stakeholders. • Ensure that the appropriate social development officers at the regions and national levels review the project ESIAs or Project Reports. • ESMPs measures are incorporated into the bidding and contract documents on time. • Program ensure that adequate resources are allocated for monitoring and supervision of the ESMPs or ongoing works • Due diligence measures related to environmental and social issues will be part of the capacity building component of the program	Moderate
Environment and Social Risk Management Systems at National and Regional Levels Weak environment and social risk management systems at the National and Regional levels, including e-waste management	Construction and Operation	• Establish ESMS coordination mechanisms with other institutions/entities/departments including the directorates of Occupation, Health, and Safety, labour, gender, social development etc. • Develop and implement E-Waste Management Plan as part of the ESMPs • Proper disposal of e-waste in accordance to Zambia laws and regulations.	Moderate
Lack of capacity and technical skills for environmental and social management: Capacity gaps (staffing and skills mix) at Regulatory authorities (ZEMA)	Planning and Implementation	• The Program to have Environmental and Social Safeguard specialists at National Level (MLGRD) and regional (at LA) to support the E&S risk management - either appointed or seconded at the PMU level.	Moderate

Risk/Impact Description	Phase	Risk/Impact Management	Risk Rating
and PMU may lead to weak planning, implementation, and monitoring of environmental and social management plans		• The Program will be incentivized to provide adequate resources for environmental and social management. • Training on implementation and monitoring of environmental and social actions, e-waste management, and the Grievance Redress Mechanisms will be included in capacity building Program. • The PMU will ensure that ToRs and contracts for contractors if applicable under the Program incorporate environmental and social management clauses as needed.	
Consultation and Public Consultation: Inadequate or no consultations are held for specific subprojects and Elite capture during subproject selection process.	Planning and Implementation	• The Program will undertake inclusive, and on-going consultations with all stakeholders. • Development and implementation of a stakeholder engagement plan that ensures that all the marginalized groups are consulted fully. • Consultations process between PMU and communities shall observe WHO and National guidelines on COVID-19 protocols	Moderate
Occupational Health and Safety: Occupational health and safety measures are poorly implemented and monitored.	Construction and Operation	• Program should incorporate in the sub-project bidding and contracts strict clauses for OHS for implementation by the contractor and possible enforcement. • The program will be required to collaborate with the Occupational Safety and Health Department (OSH) to improve the implementation of occupational health and safety issues of the sub-projects. • Incorporation of best international practices and guidelines on EHS such as WBG EHS Guidelines	Moderate
Consultation and Public Consultation: Inadequate or no consultations are held for specific subprojects.	Planning and Operation	• The program will undertake inclusive, culturally-appropriate on-going consultations with stakeholders and a training program will be developed for implementers. • Consultations process between MoE and communities shall be aligned with Regional and Ward development plans and processes	Significant

Risk/Impact Description	Phase	Risk/Impact Management	Risk Rating
Labour Influx: Social conflict and/or increased risk of GBV due to labour influx	Construction	• The program will undertake a risk profile of the labour influx and GBV risk assessment, which will govern the requirements for mitigation measures, and to be part of the contractual obligations during program implementation.	Moderate
***Grievance Redress Mechanisms*:** There are some formalized complaint mechanisms at the local Wards and Regional levels, but their effectiveness is hampered by lack of awareness	Planning and Operation	• The program will carry out dissemination and awareness-raising activities amongst the implementing agency/ies and the Ward/Regions on the grievance redress mechanisms for the subprojects. • All sub-projects will develop and implement a GRM • As necessary, funds Results Area 1 (iii) will be used for this process.	Moderate
Budget Allocation: Inadequate budget allocated to environmental and social management, including compensation payments and supervision of activities.	Planning	• The LAs will be incentivized to provide adequate resources for environmental and social management as a performance is a minimum condition to achieve the program objectives and access the ZDSP grants. • Budget for training and capacity building on ESIA/ESMP/E-waste management to be allocated as part of the program.	Significant
Audit: Annual Performance Audit does not include technical expertise to assess environmental and social management performance	Operation	• Terms of Reference for annual capacity and performance assessment will ensure adequate and appropriate skills are present to assess environmental and social management systems and performance	Low
Approval Process: Approvals processes of ESIAs/ESMPs may delay project implementation.		• Bottlenecks in the approvals process of EIA/ESIA will be further defined during program preparation. Consultations with relevant authorities (ZEMA) to streamline approvals processes while maintaining oversight. • Preparation of the Project Reports (PR) or ESIA to be conducted early	Low

4 CHAPTER FIVE: INSTITUTIONAL FRAMEWORK FOR ENVIRONMENTAL AND SOCIAL SYSTEMS IN ZAMBIA

127. This chapter presents the institutional framework for management of environmental and social systems as relevant to the project. On the overall, management responsibilities for these systems rest upon different functionaries, located in a semi-hierarchical structure but which has considerable decentralized mandates and responsibilities, from the national level to grassroots structures at the LA levels. These responsibilities are provided by the Environmental Management Act (EMA) (2011), which also guides the implementation of the environmental management activities in Zambia.

4.1.1 Institutional Framework for Environmental Management Systems

The Ministry of Water Development, Sanitation and Environmental Protection (MWDSEP)

128. The ministry is designated as the focal point for all Environment Management issues in the country. The Ministry performs such functions through the Environment Management Department. The Ministry is responsible for the environment at the policy level.

129. The mandate of the ministry is to monitor, protect, conserve and manage the environment and natural resources through sustainable exploitation for socio-economic development aimed at eradication of poverty, improving living standards and ensuring that a clean environment is sustained now and in the future. The ministry comprises of various directorates at the headquarters, and the Department of Environment Management is in charge of all issues regarding environmental in the country.

Environment Management Department:

46. The Department of Environmental Management is responsible for facilitating and coordinating the development and implementation of policies, programmes and projects on the environment in order to ensure sustainable management and conservation of the environment.

- Facilitate the development of policies and legislation on the environment in order to provide an appropriate framework for the effective management and implementation of programmes;
- Coordinate the development and implementation of national, bilateral and multilateral environmental programmes and projects in order to ensure systematic and harmonized approach to programme implementation;
- Conduct research and development on environment in order to facilitate informed decision making;
- Provide technical guidance and support to stakeholder institutions on matters relating to environmental management in order to enhance institutional capacity;
- Collaborate with Stakeholders in planning and implementation of environmental programmes in order to ensure a harmonized approach to programme execution;
- Develop and implement advocacy and public awareness programmes in order to disseminate information and foster community participation in environmental management;

- Facilitate the domestication and implementation of international conventions, treaties and agreements on environmental matters in order to conform to international best practices and promote Zambia's interests;
- Monitor and evaluate the implementation of programmes and projects in order to recommend appropriate interventions and ensure attainment of set goals;
- Document Zambia's current natural capital assets in order to facilitate effective decision making;
- Develop and enforce laws and regulations on environmental protection and pollution control in order to ensure compliance to set standards.

The Zambia Environmental Management Agency

47. The Environmental Management Act establishes the Zambia Environmental Management Agency (ZEMA). ZEMA is a statutory body and the following are its main functions:

- Integrated environmental management and the protection and conservation of the environment and sustainable management and use of natural resources;
- The prevention and control of environmental pollution and environmental degradation;
- Provide for public participation in environmental decision making and access to environmental information
- Undertaking environmental auditing and monitoring; and
- Facilitating the implementation of international environmental agreements and conventions to which Zambia is a party.

48. In relation to this development, some of the functions of ZEMA are to review and approve environmental impact assessment reports and undertake environmental auditing and monitoring. The act also provides for public participation in decision-making and access to environmental information.

Occupational Health and Safety Institute (OHSI)

49. The Occupational Health and Safety Institute is a semi-autonomous institution under the Ministry of Labour. It serves as an adviser to the Minister of Labour on occupational health and safety matters. Its overall mandate is to provide comprehensive, specialized occupational health care of optimal quality, responsive to the needs of industry and workplaces in Zambia. The functions of the Institute are to:

- develop and implement programs to provide incentives for employers to implement measures to eliminate or reduce risks to health or safety or to improve occupational hygiene, occupational health and safety;
- investigate and detect occupational diseases and injuries at workplaces;
- conduct medical examinations for occupational health and safety purposes catering for all industries including agriculture and construction;
- provide an occupational laboratory service;
- promote studies and carry out investigations and research on occupational health and safety;
- prepare and maintain statistics on employees morbidity and mortality;
- conduct and encourage awareness educational programmes relating to the promotion of occupational health and safety; and
- carry out such other functions as are necessary or incidental to the performance of its functions under this Act.

50. The institute was initially mandated to look at OHS in mining and industry sectors but now expanded mandate to all sectors including Agriculture. However, their involvement is limited due to lack of regulations to guide their operations in Agriculture. They conduct inspections, medical surveillances and risk assessments and have so far worked with a few commercial farmers on demand. They do not implement OHS but support clients with orientations, trainings to different groups of workers. The institute is available in 3 provinces only but its adequate based on the current regulations. They reach out to other provinces using outreach programs however, mobility is a challenge to carry out their operations. They institute is self-financed mostly through medical surveillance fees.

National Council for Construction (NCC)

51. National Council for Construction (NCC) is a statutory body governed by the National Council for Construction Act No. 10 of 2020 under the Laws of Zambia. NCC is charged with the responsibility of providing for the promotion, development, training and regulation of the construction Industry in Zambia including to regulate, promote and build capacity of the construction industry for sustainable infrastructure development.

The Local Authorities

52. The Local Government Act provides for the establishment of Councils in districts, the functions of local authorities and the local government system. Some of these functions relate to district planning, pollution control and protection of the environment. Town and municipal councils are recognized under the Urban and Regional Planning Act, in consultation with the Provincial Planning Authority as a planning authority whose main responsibilities are the preparation, approval and revocation of development plans.

53. Other tasks include;

- Advice the environmental management committee to which he/she belongs on all matters related to the environment.
- Promote environmental awareness in the area he/she belongs on the protection of the environment and the conservation of natural resources.
- Monitor the preparation, review and approval of Environmental Impact Assessment for local investments.

Water Resources Management Authority (WARMA)

54. An autonomous body established by the Water Resources Management Act No. 21 of 2011, exercises control over all water resources in Zambia. The mandate is to preserve, protect Zambia's ground and surface water resources and regulate their abstraction, allocation, use, development and management in a sustainable manner. Some of the functions of the Water Resources Management Authority as enshrined in the Water Resources Management Act of 2011, is to ensure the management, development, conservation, protection and preservation of the water resource and its ecosystems; provide for the equitable, reasonable and sustainable utilization of the water resource; ensure the right to draw or take water for domestic and non- commercial purposes, and that the poor and vulnerable members of the society have an adequate and sustainable source of water free from any charges.

55. WARMA also provide for the equitable, reasonable and sustainable utilization of the water resource; ensure the right to draw or take water for domestic and non- commercial purposes, and that the poor and vulnerable members of the society have an adequate and sustainable source of water free

from any charges; create an enabling environment for adaptation to climate change; provide for the constitution, functions and composition of catchment councils, sub-catchment councils and water users associations; provide for international and regional co- operation in, and equitable and sustainable utilization of, shared water resources; provide for the domestication and implementation of the basic principles and rules of international law relating to the environment and shared water resources as specified in the treaties, conventions and agreements to which Zambia is a State Party.

4.2 INSTITUTIONAL FRAMEWORK FOR SOCIAL MANAGEMENT SYSTEMS

4.2.1 Institutional Responsibilities for Social Risk Management

56. This section reviews the roles of the different governmental and non-governmental institutions which include municipal institutions, NGOs, and the media. It also reviews the political context in Zambia within which such projects are inevitably implemented. The implementation of the proposed ZDSP project will have to mitigate the social risks by paying careful attention to the institutional context

The Ministry of Gender

57. Responsible for protecting and promoting women's rights, curbing gender-based violence and reducing gender inequalities by making progressive changes to legislation to strengthen the protective environment. It aims to prioritize the advancement of women and strengthen their capacity to influence decision-making at the highest level on matters pertaining to gender equity and equality

58. The portfolio functions of the Ministry are coordinating and monitoring the implementation of:

- The National Gender policy;
- The Matrimonial Causes Act; and
- The Anti-Gender Based Violence Act No. 1 of 2011

Gender Development Department

59. The Gender Development Department under the Ministry of Gender is responsible for coordinating, monitoring and evaluating the implementation of the National Gender Policy in order to facilitate gender responsive development. In addition, the Directorate is responsible for mainstreaming gender in all line ministries, Service Commissions, the Judiciary, State House, the National Assembly, Cabinet Office, Office of the President (SD), Public Service Management Division; Office of the Auditor General and Local Authorities.

60. The core functions of the department are outlined below;

- Formulate and review existing policies and National Action Plans from a gender perspective;
- Facilitate the formulation and review existing national legislation in order to ensure gender responsiveness;
- Coordinate the implementation of the National Gender Policy;
- Ensure domestication of regional and international legal instruments and provide periodic report;
- Mainstreaming gender issues in all sectors;
- Facilitate capacity building for gender for mainstreaming in the country;

- Coordinate and mobilize resources for implementation of gender equity and empowerment programmes;
- Undertake advocacy programmes to mainstream gender into social-cultural issues; an
- Promote and Monitor adherence to increasing women's participation in decision making.

Gender Rights and Protection Department

61. The Gender Rights and Protection Department under the Ministry of Gender is responsible for promoting the rights of women in the nation. The Department is also responsible for ensuring compliance with national, regional and international instruments on women's rights such as CEDAW, CRC and the African Charter on the people and the rights of Women. In addition, the Department is responsible for coordinating the implementation of the Anti-Gender Based Violence (Anti-GBV) programmes.

62. The Department is responsible for performing the following specific functions:

- Facilitate the development and implementation of affirmative action policies for the enhancement of the status of women and girls;
- Coordinate the implementation of the National Action Plan on Gender-Based Violence;
- Provide secretarial services to the Anti-GBV National Committee;
- Develop and disseminate standards for the establishment and management of shelters for survivors of GBV;
- Establish shelters for survivors of GBV;
- Manage the Anti- GBV Fund;
- Promote social/cultural research that underpins gender inequality to enhance appreciation of gender and development;
- Develop and Review appropriate legislation to promote women's rights;
- Monitor the compliance to regional and international instruments on women's rights into national laws and policies;
- Promote the realization and protection of the rights of women; and
- Strengthen institutional capacities for dealing with women's rights.

Ministry of Community Development and Social Services

63. The ministry in its vision if to facilitate the provision of equitable Basic Social Protection services for inclusive sustainable human and community development, The Ministry implements Basic Social Protection Services that seek to provide social assistance and promotional services (livelihood and empowerment) to the poor and vulnerable of our society. The services provided are aimed at enhancing human development and accelerating national development. The Zambia Agency for Persons with Disabilities falls under this ministry.

Department of Community Development

64. The Department under the Ministry of Community Development and Social Services is mandated to enhance the livelihoods of the poor and vulnerable but viable people through the collective efforts to improve the social, economic and cultural conditions of the communities for sustainability, poverty reduction and national development.

65. The Department of Community Development is responsible for the socio-economic empowerment of the poor and vulnerable but viable households with various Social Protection

interventions to enhance their livelihoods for self-sustainability and poverty reduction. This is done through the implementation of the various livelihoods and empowerment enhancing programmes in all the 116 Districts across the Country. The approach to Community Development is one that is community driven and people centred to enhance the human development and ultimately the socio-economic development of the targeted beneficiary households.

Ministry of Labour and Social Security

66. In accordance with Government Gazette Notice No. 1123 of 2021, the Ministry implements Basic Social Protection Services that seek to provide social assistance and promotional services and is responsible for the following portfolio functions:

- Employment Policy
- Social Security Policy
- Labour Policy
- Educational and Occupational Assessment Services
- Occupational Safety and Health Services
- Industrial and Labour Relations
- Monitoring Productivity

Labour Department

67. The Labour Department through the Ministry of Labour and Social Security (MLSS) has been given the mandate to provide the policy and legal framework on administration and management of labour. This Department administers and enforces Labour laws, mitigates in promotion and maintenance of Industrial peace and harmony; settlement of disputes pertaining to Industrial and Labour relations matters, as well as ensuring that there is full protection of workers and employers' rights, in a safe working environment through inter alia Labour Inspections. The Department comprises three units namely Industrial Relations, Labour Inspection and Employment Units.

Municipal and District Councils

68. Any Municipal or Town Council is a body corporate established by the Ministry of Local Government under the Local Government Act to discharge local government functions of ensuring that people are provided with the necessary municipal services. Some of the related social and environmental functions of the local authorities include:

- To prepare and administer agricultural schemes for the encouragement of and participation in, community development,
- to exercise general control, care and maintenance of all public roads, streets, avenues, lanes, sanitary lanes and foot walks forming part thereof, bridges, squares, ferries and water courses and to remove all obstacles therefrom,
- to establish and maintain cemeteries, crematoria and mortuaries and otherwise to provide for and control the burial of the dead, and destitute persons who die in the area of the council,
- to maintain, protect and control local forests and woodlands,
- to establish and maintain grazing grounds and
- to establish and maintain sanitary services for the removal and destruction of, or otherwise dealing with, all kinds of refuse and effluent, and compel the use of such services.

69. As land administrators with political and social responsibility of the entire district, have some degree of authority over the resettlement process within the district boundaries. With its environmental

management and community development function, the Councils can enlist full participation of communities to ensure smooth implementation of the project.

Community-Level Political Structures

70. Zambia has a tiered structure of development committees which include Zone Development Committees (ZDC), Ward Development Committees (WDC), and District Development Coordinating Committees (DDC). The ZDCs operate at the neighborhood level and each ZDC is represented by the ZDC Chairperson plus another member of the ZDC (must be 1 male and 1 female) in the next administrative level which is the WDC. Each WDC also has an elected Area Councilor (also commonly referred to as the Ward Councilor) who operates as an ex-officio member of the WDC and who endorses decisions made at the WDC level.

71. Decisions for programs/projects made at the WDC level are submitted to the District Development Coordinating Committee (DDCC) level which comprises all Government Heads of Departments at the District level, and all Heads of Department at LCC, and is chaired by the District Commissioner. The next and highest level in the tiered structure is the District Development Committee which is composed of the same membership of the DDCC, plus the Town Clerk who acts as the secretariat. The role of these representatives is to prioritize and address the various issues consolidated through the lower tiers and to administrate the matching program or project priorities with funds from the Ministry of Local Government.

72. This 3-tier elective structure (Councilors, WDC and Zonal leaders) is significant for the proposed Project for its potential to assist in communications and information dissemination and stakeholder engagement, grievance resolution, announcement and the implementation of cut-off notices.
The populist nature of the new government's victory and strong support from across the country has provided an added measure of stakeholder interest in ensuring the proposed project is carried out with full and meaningful consultation and that compensation for loss of any asset or income is done according to expectations of equity and efficiency with a well-functioning grievance system.

Ministry of Works and Supply- Government Valuation Department

73. The Government Valuation Department (GVD) is under the Ministry of Works and Supply and is responsible for the preparation of Valuation Reports upon request from government ministries or institutions such as the MoA. The Valuation reports form a basis for the fair compensation of project affected persons that may have their structures affected by the proposed project. Further GVD will play a big role in the resolution of disputes relating to the valuation amounts as part of the grievance redress mechanism. Some of the functions of GVD are indicated below:

- Design the national rating programme;
- Monitor the performance and implementation of valuation rolls in local authorities and assess the impact on revenue enhancement;
- Analyze and review the property rates system and evaluate appropriate reform strategies to improve revenue mobilization in local authorities;
- Formulate and facilitate the implementation of Government Policy on real estate and ensure that set standards are maintained; and
- Collect and maintain technical data related to valuation of properties maintain the property database management systems in the department.

74. For valuation of property requiring compensation, the project may decide to choose GVD or a government registered valuation expert.

Ministry of Infrastructure, Housing and Urban Development

75. The Ministry of Housing and Infrastructure Development is responsible for overall policy formulation and monitoring of government infrastructure developments. The goal of the Ministry is to have essential Public Infrastructure and Affordable Housing across the Country in order to accelerate Socio-Economic Development.

Ministry of Lands and Natural Resources

76. The ministry has the responsibility of administering land on behalf of the Zambian people. Specifically, the ministry is charged with the following functions:

- Implementation of the land policy;
- Land administration;
- Conducting land surveys and mapping;
- Land and deeds registry and
- Provision of land for all purposes.

77. In addition to the above the ministry is also responsible for two statutory bodies namely the Lands Tribunal and the Survey Control Board.

Traditional System of Governance

78. In addition to the formal structure of governance, traditional systems are an important element of governance at the local level. chiefs have overall authority in chiefdoms. Chiefs administer their chiefdoms using group tribal leaders, called village headmen. They address issues relating to land. A legal structure is also present in traditional communities. These are local courts with Court Assessors who are appointed on the recommendation of the chief and local government. Chiefs through village headmen provide pieces of land to families and clansmen without title. Chiefs communally hold land entrust on behalf of their subjects. In a case where conversion of traditional land into lease is needed, the applicant seeks the consent of the chief through the headmen and in consultation with subjects within the area. A no objection grants councils the authority to process application of land title by the Commissioner of Lands.

Zambia Environmental Management Agency (ZEMA)

79. No project that may have an effect on the environment and communities may be undertaken without the written approval of the ZEMA, and except in accordance with any conditions imposed in that approval. ZEMA is empowered to request information on projects proposed, planned or in progress and advise stakeholders on projects, programs, plans, and policies for which environmental and social assessments are necessary. Stakeholder engagement is done through public hearings to provide an opportunity for interested and affected stakeholders to participate and to allow the public to provide feedback on the process of risk identification and adequacy of mitigation measures. Public concerns are incorporated in the final ESIAs and RAPs prior to ZEMA approval.

80. The Environmental Management Act however, does not explicitly state that ZEMA is the agency responsible for monitoring the preparation or implementation of resettlement activities or associated matters of social protection. The Statutory Instrument (SI) intended to give effect to this responsibility has not yet been conceived. However, in line with its overall environmental and social responsibilities, ZEMA also does in practice approve RAPs and gives conditions to help govern implementation. Whilst ZEMA conducts site inspections on ESMP implementation, it is not clear whether the same level of scrutiny is applied when monitoring implementation of RAPs. What can be confirmed from the

institutional capacity assessment conducted is that the statutory roles and responsibilities of ZEMA are to a certain degree consistent with the World Bank environmental and social requirements.

Media Institutions

81. Both private and public media houses play a very pivotal role in the promotion of sustainable socio-economic development which goes hand in hand with good governance, freedom and respect for human rights. The increase in the number of newspaper publications has provided the general populace with a source of information on social and economic programs being implemented by the Government.

82. Those in rural and peri-urban areas with limited access to print media maximize access to community radio stations (which usually broadcast in local languages) for updates on developmental projects in their areas and as a platform for raising any grievances and concerns regarding project implementation for enhanced accountability and project performance. Media institutions will therefore play an important role in the implementation of the program as channels for disseminating information on measures in place for mitigating environmental and social risks associated with the program.

5 PROGRAM INSTITUTIONAL CAPACITY AND PERFORMANCE ASSESSMENT IN MANAGING ENVIRONMENTAL AND SOCIAL RISKS

130. This section analyses the implementation related to the performance of key implementing institutions/agencies associated with the environmental and social legal/regulatory framework for the ZDSP. The section also highlights the challenges of the institutional framework along with an assessment of their current capacities. The section then goes on to analyze the processes of planning, monitoring, and decision making in the program, the strategy adopted by the country, and the current grievance redress systems in place; all from an environmental and social perspective.

131. The ESSA team assessed the quality and efficacy of the environment and social management system, particularly focusing on institutional capacity, structure, practices, procedures, mechanisms, and effectiveness of implementation at the National and Local Authority (LA) level. Consultations with Environmental Management Officers at LAs visited were done to understand their program administration, planning, and design, implementation, and monitoring functions within the LAs. The team also consulted with the PMU and stakeholders, including, ZEMA, to understand their role in the implementation of this Program. The assessment was reviewed based on previous similar engagements of the systems with these institutions, and their performance records on IPF projects funded by WB in Zambia. The program will be one of the first PforR projects in Zambia, and therefore there was no baseline in assessing past E&S performance of the institutions in performance-based financing.

132. This assessment indicates that there is a robust environmental management system, as it exists and designed at the national level, but weak at the LA level. The assessment noted the overall social risk management systems are scattered and weak at both the national and LA/local levels. However, there is unevenness in the implementation of environmental and social risk mitigation measures, which can be traced to either lack of capacity and technical knowledge, especially on social issues, for effective implementation at the national and LA/local levels. Therefore, implementation of the environmental and social systems for ZDSP will largely rely on capacity building at the national and LA levels for personnel that will be involved in program implementation.

5.1 National Environment Management Agency (ZEMA)

5.1.1 Policy and Legislative Framework Support

133. In Zambia, the Environmental Management Act (EMA) (2011) is a framework Act in that it is the legislation governing environmental aspects in Zambia. Institutionally, it empowers the National Environmental Management Agency (ZEMA) to oversee environmental management issues and to take the lead in environmental compliance aspects as an independent agency. ZEMA is mandated to screen and to review projects and undertakings to decide whether they need to undertake Environmental Impact Assessments (EIAs) and prepare Environmental Impact Statements (EISs).

134. Several regulations and guidelines have also been prepared by the ZEMA; including EIA/EIS regulations, which are aimed at ensuring that projects are subjected to environmental analysis to

determine likely adverse impacts before commencement. ZEMA is mandated by the EMA Cap. 191 (2004) to commit resources and implement actions necessary for effective environmental and social management.

135. ZEMA is charged with enforcing EMA's provisions which include providing for a legal and institutional framework for sustainable management of the environment, prevention and control pollution, waste management, environmental quality standards and public participation. Furthermore, it gives ZEMA mandates to undertake environmental enforcement and compliance; review and monitoring of environmental impacts assessments; research, facilitate public participation in environmental decision-making, raise environmental awareness and collect and disseminate environmental information. Thus, ZEMA's main task is to review and recommend for approval of environment impact statements; identify projects and programmes or types of projects and programmes, for which environmental audit or environmental monitoring must be conducted under this Act; enforce and ensure compliance of the national environmental quality standards; and initiate and evolve procedures and safeguards for the prevention of accidents which may cause environmental degradation and evolve remedial measures where accidents occur.

136. ZEMA has extensive experience in environmental assessment and management capacity (including monitoring and enforcement) as provided for by the EMA. ZEMA and Department of Environment under the MWDSEP have coordinated the development of several regulations and guidelines that are relevant for this program including;

- Strategic Environmental Assessment
- Environmental Impact Assessment and Audit
- Registration of Environmental Experts
- National sand harvesting guidelines
- Hazardous Waste Control and Management
- Noise quality
- Water quality standards
- Air quality standards
- Soil quality standards
- Solid waste management

Organization and Program Structure

137. To fulfill its functions ZEMA works through linkages to institutions established by the EMA at different levels including environment units and departments in all ministries, environmental management offices and environmental committees at the regional and district levels. Within each ministry, it is the Environmental Section's responsibility to ensure that environmental concerns are integrated into the ministry's social economic developmental planning and project implementation to ensure attainment of environmental sustainability.

5.1.2 Human Resources

138. The ZMA officers at the head office and zonal offices are well qualified and possess the requisite skills necessary for ensuring environmental assessments (i.e. ESIA, Audit) are compliant with regulatory requirements. However, certain areas are large in terms of landmass and this limits the capacity of

ZEMA to supervise all on-going projects and enforce compliance through on-site monitoring. ZEMA officers, therefore, focus mostly on the review and monitoring of high-risk projects at the expense of other projects. Yet, low to moderate projects could have sizeable adverse impacts, e.g. a small waste disposal site. Moreover, the combination of a number of small developments in one area can lead to potential cumulative impacts, each contributing to a part of the overall harm to the environment.

139. ZEMA's lack of sufficient resources creates a situation where projects with possibly huge impacts on the environment are not regularly supervised or monitored to ensure that they are complying with license obligations and regulations, or implementing mitigation measures. In the end, monitoring is often left to self-monitoring by the proponent of a project with little oversight from ZEMA independent view particularly at LAs and other lower levels.

140. Where established, Environmental Units at Regional level and offices at district level are the collaborating partners in the EIA process. The linkages between ZEMA and the Regional environmental units and district offices are legally binding to ensure clear lines of command to facilitate effective implementation. However, not all Regional units are operational and therefore some of the Regional units are stretched in the their areas of jurisdictions.

5.1.3 Budget Resources/Financial Capacity

141. For many years ZEMA's budget was dependent on the government treasury, but in 2015, the government directed ZEMA to focus on raising and utilising income from its own sources to cover its expenses, except costs for Personal Emoluments (PE). Therefore, the council has taken several measures to expand opportunities of revenue collection. However, the inadequate funding has remained to be a challenge to ZEMA. With the minimal annual budget, ZEMA fails to fully carry out its auditing and monitoring mandate.

5.1.4 Capacity Building Recommendations

142. The assessment has established a limited awareness of the sector ministries, LAs, and the public of their role and responsibility in implementing EMA. Accordingly, a comprehensive capacity-building and awareness-raising campaign targeting sector ministries, LAs, and government institutions on their roles and responsibilities under the EMA in environmental management, enforcement, and compliance is highly recommended.

5.2 Occupational Safety and Health Institute (OSHI)

5.2.1 Policy and Legislative Framework Support

143. OSHI was set up in 2010 under the Ministry of Labor and Social Security to administer occupational health and safety at workplaces in the country. The role of OSHA is to improve health and safety (wellbeing) of workers and workplaces by promoting occupational health and safe practices in order to eliminate occupational accidents and diseases, hence achieve better productivity in the workplaces.

144. The Ministry of Labor and Security is the main actor with the oversight role of ensuring that decent work is practiced and maintained in Zambia. It provides directives, technical advice, enforces legislations, proposes amendments, allocates resources, oversees all activities carried out by OSHI and ensures that occupational safety and health rules and regulations are adhered to and maintained at workplaces.

145. In fulfillment of its responsibility of identifying hazards at workplaces and assessment of risks with a view of preventing accidents, diseases and damage to property, the Authority will play a key role in the ZDSP by inspecting and auditing of workplaces to promote best practices and ensure compliance with safety and health standards as set out in Occupational Health and Safety Act and Factories Act of and other subsidiary legislations.

5.2.2 Institutional Capacity and Resources

146. The department has offices in 5 major industrial cities and towns in the country and these include Lusaka (Headquarters), Kabwe, Kitwe, Livingstone and Ndola. The officers at these zones are qualified and possess the requisite skills necessary for managing health and safety risks. However, the offices are understaffed, with the capacity assessment findings revealing that most officers are not able to cover their regions within the zones as required. The officers are also not given enough resources (including budget) to cover the wide regions assigned. This has made it difficult for the staff to enforce and monitor the health and safety requirements as per the OSHA and WB requirements, especially for infrastructure projects.

5.2.3 Capacity Building Recommendations

147. The assessment has recommended close collaboration with social partners and the Program to support LAs on OHS risk management and national OSH requirements. Also, the Program will work and sensitize workers, employers and general public at large to enhance their understanding and role in the Program.

- High turnover of professional staff in OSH institutions
- Critical shortage of trained personnel
- Lack of national OSH policy
- Lack of coordination among OSH institutions
- Limited coverage of workplaces by OSH laws
- Inadequate human resource and logistical capacity
- Lack of research in OSH
- Inadequate OSH information management
- Some legislative overlaps and subsequent institutional overlaps in the execution of some functions

5.3 Local Authorities (LAs)

5.3.1 Organization and Program Structure on Environmental Management

148. LA's role under the ZDSP will be to develop the environmental and social management process, required, prior to funding any construction or civil works subprojects. LAs have established multi-sectoral Environmental Management Committees, and the District environmental Officer is in charge of environmental aspects within the LA.

149. LAs maintain departments with membership which typically consists of heads of departments responsible for planning, public health, natural resources, agricultural and livestock and water, among others. The departments of Public Health and Planning works hand in hand in managing of

environmental issues on day to day basis, including coordinating the developmental projects in the LA and the mainstreaming of cross-cutting issues such HIV/AIDS, gender and the environment.

150. The departments are supported by a designated or appointed Environmental Management Officer, employed by the LA Councils

5.3.2 LA Institutional Capacity

151. The key challenges of environmental management at LAs and ward and village levels are (i) weak and insufficient *institutional and technical capacity*; (ii) inadequate resources, including human resources*, technology and equipment;* (iii) inadequate *training, monitoring and enforcement*; and (iv) weak *inter-institutional and coordination* between the various related agencies. This has made environmental management activities to be weak in some areas, such as systematic inspection, monitoring and enforcement.

152. There is need to build capacity of the LA Councils to acquire requisite skills and competencies to manage, supervise and monitor the environmental and social risks on a project implemented by the LAs, including handling tasks such as the EIA process. However, the personnel are still not enough to support the management of environmental issues, ensure compliance of environmental regulations, and provide the required support to new and on-going projects being implemented by the LAs.

5.3.3 LAs Budget Resources/Financial Capacity

153. The average annual budget allocation for the environment department in the LAs is quite minimal. The environmental and social management units at the LAs level are not adequately supported through budgetary allocations and provision of necessary facilities, equipment, and supplies and there is a need for supplementary support for the same.

154. At LA levels, funds allocated to the environmental activities are limited given the inefficiencies in levy collections and low prioritization of environmental issues.

5.3.4 Environmental Capacity and Performance Assessment

Preparation and Implementation of the Environmental Social Impact Assessment (ESIA)

155. Since the commencement of the devolved units, some infrastructure-related projects have been or are being executed by the LAs. Most of these projects have not prepared the necessary instruments such as the ESIA to comply with relevant environmental requirements and procedures due to poor planning, ignorance, and sometimes lack awareness. The LAs also indicated that the implementation of environmental aspects of projects is weak due to poor coordination and transparency between different agencies/ministries within the LAs that are responsible for the role of enforcement and compliance. It was also noted that the bidding/contract documents do not include ESHS clauses thus it is impossible to enforce compliance during implementation.

156. Although the LAs are aware of the national environment framework requirements, the main environmental risk to the program is related to non-compliance by LAs not preparing the environmental

and social instruments for the proposed subprojects, and commencing civil works without the relevant assessments and approval licenses as required by the national environmental framework.

157. The program is expected to have capacity building component that might require procurement of Information Technology (eg desktop computers, laptops, printers, phones, etc) which may have environmental implications going forward, entailing risks and potentially inducing adverse impacts through disposal of old or used electronic equipment. Given that this risk is site-specific and well manageable through proper enforcement of an electronic waste management policy and plan, the environment risk rating is assessed to be minimal. However, to facilitate management of e-wastes, LAs should be trained on e-waste management by experts in the field as part of the program. The PMU and LAs should also engage a ZEMA-licensed waste handler to support collection, handling and disposal of the e-wastes. In addition, the LAs will be required to hire qualified and experienced environmental and social specialist (or get second personnel from other departments) as part of the team to oversee safeguards implementation.

158. The other risk has been political interference on the execution of the projects, where the administration put development first, with compliance on environmental issues lagging. Based on experience from other PforR projects in the region (Tanzania, Kenya and Uganda), the major risk is the seriousness and commitment by the LAs to supervise and monitor the actual implementation of the environmental safeguards.

Public and Worker Safety

159. There are no systems – in terms of procedures and documentation in place for the management of the Occupational Health and Safety (OHS), with no specific department charged with the supervision and compliance on OHS issues at the LA level. The LAs depend on the National Council for Construction (NCC) to oversee the training of contractors and quality assurance on specific project sites. Also, due to capacity challenges, ZEMA may not support the LAs in ensuring compliance of the contractors as per the ESMP at the project sites.

160. Experience from IPF projects in Zambia has widely shown non-compliance in the areas of occupational health and safety for the workers on many sites. The workers are found to have inadequate and proper PPEs, and site safety was a concern due to poor protection, especially against falls for those working on heights. Poor compliance in this area is a big risk to the program.

161. Due to capacity problems, monitoring and enforcement by OSHI is a challenge throughout the LAs, with many active construction sites not being registered or visited by an officer as required by the national framework on safety.

5.3.5 Social Capacity and Assessment

162. Analysis of the Zambia regulatory system indicates that the social management systems are not as well developed as those for environmental management except in the context of land acquisition. Most of the LAs do not have dedicated Social Welfare Departments dealing with social issues. The social management is usually handled by individual ministries/departments executing the projects, depending on the nature of the problem/issue at hand. The understanding of social aspects and management is therefore weak, and not well understood in comparison to the needs of the PforR principles.

Land Acquisition and Involuntary Resettlement

163. In this program it is not anticipated that there will be any land acquisition because the main focus will be on rehabilitation and operationalization of existing infrastructures within the LA.

Public Participation Citizen Engagement, and Grievance Redress Mechanisms

164. As part of the devolution process, the LAs have a formalized mechanism for public participation in the budget-making and policy preparation process. Through other donor funded projects, the LAs have started formalizing and documentation of public participation, citizen feedback mechanism, and grievance redress mechanism that enable the citizens or project-affected persons to channel their grievances. However, more capacity building is needed in these areas to strengthen these systems. This will allow such a participatory approach to take root right from planning, through monitoring the expected results and decision making for improvements, and needs to be deliberately encouraged as opposed to passive ordinary community involvement.

165. Implementing Agency – Ministry of Local Government and Rural Development (MLGRD) The MLGRD will be the overall implementing agency for the program. However, most of the activities will be undertaken by the Local Authority Councils.

5.3.6 MLGRD institutional capacity and staffing

166. The MLGRD will be the implementing agency and in collaboration and partnership with the Devolution Secretariat (DS) and the MoFNP will serve as coordinating agencies to implement both the IPF and PforR components of the operation.

5.3.7 Environment and Social Capacity and Performance Assessment

Preparation and Implementation of the Environmental and Social Instruments

167. Both the MoFNP and MLGRD have experience coordinating World Bank-financed projects and programs but lack the expertise necessary to manage the environmental and social risks and impact. Nevertheless, the MLGRD will strengthen their capacity by recruiting qualified environmental and social staff and by allocating adequate resources to support management of environmental and social risks and impacts for both components. However, continuous capacity development will be needed for the PMU to effectively implement environmental and social safeguards.

5.3.8 E-waste management by Private Sector in Zambia

168. E-waste in Zambia has not been given the same attention as other waste types. The knowledge base of electrical and electronic equipment users is very shallow as in that most Electrical and Electronic Equipment (EEE) consumers have little or no knowledge of the toxic components of electronic waste. Further, available environmental institutions do not currently have the capacity to quantify e-waste that is generated in the country.

169. Moreover, the e-waste that is appropriately disposed of is exported to neighboring countries recycling. Zambia lacks the needed expertise and facilities to adequately handle e-waste. EEE users and e-waste generators clearly indicated that inasmuch as there could be efforts by environmental

institutions to manage e-waste, there hasn't been local authority effort to specifically handle e-waste or rather sensitize the users of EEEs on e-waste issues.

170. TCH Zambia has established e-waste facilities in Zambia, which was set-up by South African E-waste recycler (AST) and is currently the only company licensed by ZEMA; TCH is looking at how to improve and expand their operations to handle e-waste, as well as obtain international certification.

6 SECTION SEVEN: ASSESSMENT OF PROGRAM SYSTEM WITH PROGRAM FOR RESULTS FINANCING CORE PRINCIPLES

171. This section summarizes the assessment of the capacity of Program institutions to effectively implement the Program environmental and social management system as defined in various rules, procedures, and implementing guidelines consistent with the core principles of *Program for Results Financing.* The section assesses the applicability of the core principles, Strengths, Weaknesses, Opportunities and Risks with respect to the policy and legal framework, the institutional context, and existing environment and social management procedures against these core principles.

172. Based on the screening of environmental and social effects of the Program, review of the existing national environmental and social management systems, and the potential environmental and social risks to the achievement of the Program PDO, the assessment of environmental and social management systems relevant to the activities supported under the Program for each PforR Bank Policy and respective Bank PforR Directive is presented in the table below, using the Strengths-Weaknesses-Actions approach as adapted and applied to the Program context in the following way:

a) Strengths of the system ("System Assessment"), or where it functions effectively and efficiently and is consistent with the Bank Policy;
b) Inconsistencies and gaps ("weaknesses") between the principles espoused in the Bank policy and Directive and the country's environmental and social systems and capacity constraints
c) Actions ("opportunities") to strengthen the existing system, especially being integrated into the relevant DLRs/DLIs and PAP for the Program.

Table 6-1 : Environmental and Social Management System Assessment

<table>
<tr><td colspan="2">Core Principle 1: Program E&S management systems are designed to (a) promote E&S Sustainability in the Program design; (b) avoid, minimize, or mitigate impacts; and (c) promote informed decision-making relating to a Program's E&S effects.</td></tr>
<tr><td colspan="2">Bank PforR Directive: Program Systems will:
• Operate within an adequate legal and regulatory framework to guide environmental and social impact assessments at the Program level.
• Incorporate recognized elements of environmental and social assessment good practice, including (i) early screening of potential effects; (ii) consideration of strategic, technical, and site alternatives (including the "no action" alternative); (iii) explicit assessment of potential induced, cumulative, and trans-boundary impacts; (iv) identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized; (v) clear articulation of institutional responsibilities and resources to support implementation of plans; and (vi) responsiveness and accountability through stakeholder consultation, timely dissemination of Program information, and responsive grievance redress measures.</td></tr>
<tr><td colspan="2">Applicability – FULLY APPLICABLE
• Core Principle 1 is considered in terms of environmental and social management (ESM) for the sector during implementation the proposed Program, as a key instrument to establish and strengthen the existing environment and social management systems under the executing agencies (LAs) and related implementing units. The principle becomes more relevant because the Program will include some investments in civil works related to construction, rehabilitation, and extension of new infrastructure services, including procurement of IT equipment, among others.
• These investments are likely to have physical footprint with a varying degree of environmental and social impacts, though expected to be localized, manageable and temporary, requiring mitigation.
• Civil works could potentially generate environmental and social impacts due to raw materials extraction; disposal of e-waste, solid and liquid waste; land acquisition, involuntary displacement and resettlement; GBV/SEA; Child labour; social conflict; communicable diseases (HIV, COVID-19, etc), occupational health and safety for workers, as well as air and water pollution due to construction activities.
• Program-related activities will, therefore, be required to undertake environmental and social screening, assessment and implementing measures stated in the Environmental and Social Management Plan/Environmental Reports to mitigate adverse environmental and social impacts.</td></tr>
<tr><td>STRENGTHS (Systems Assessment)
• The Government has a solid environmental legal and policy framework in place to protect, conserve, and mitigate adverse impacts.
• The national system provides a comprehensive framework for environmental screening, impact assessment, and management consistent with the core principles outlined in Program for Results Financing. However, it is weak in social screening and assessment.
• Existing legislation also helps minimize or mitigate possible adverse impacts on the natural habitats, archaeological sites, and cultural resources.
• The country has developed policies and legislation on public participation and social development.
• There is also a well-defined policy framework to</td><td>WEAKNESSES (Implementation Gaps)
• The implementing agencies (MoFNP and LCs) do not have Environmental and Social Management Systems (ESMS) in place within the institutions to manage environmental and social risks.
• The implementing Agencies lack enough and qualified human capacity to support Environmental and Social Management Systems (ESMS) of the Program.
• The social risk management (SRM) systems are not well defined, developed, and coordinated. Relevant SRM laws are fragmented across different ministries and departments which makes implementation of social risks management difficult to coordinate.
• Insufficient capacity building activities on implementing agency, regional organizational structures, and regional environmental and social officers to ensure compliance to required environmental and social standards during project implementation</td></tr>
</table>

enhance transparency on the development projects.	• Poor coordination among the various implementers and inadequate attention to environmental and social concerns, particularly at the national, regional and local levels. • Low budget allocation and other resources for oversight authorities such as ZEMA, OSHA, Social, Gender, Children, Labour Officers (etc), and LAs for Environmental and Social management. • The implementation of ESMP is inconsistent due to the weak capacity of the regi staff. This is as a result of poor or no budgetary allocation for the mitigation measures in the bidding/contract documents. • Lack of integrating ESHS clauses as part of the bidding/contract documents which makes it difficult to enhance compliance during project implementation. • Poor compliance with national environmental regulations and good practices in waste management, including e-waste management • Implementing agencies do not have previous experience in Implementing PforR projects
OPPORTUNITIES (Action Plan) • The implementing partners have been sensitized on the need to have ESMS in place and are familiar with requirements in implementing WB funded projects. • The program will assist the LAs in development of appropriate guidelines, screening checklists, technical options, and manuals to ensure compliance with the national environment and social legislation for the Program. • The LAs have an opportunity to build and strengthen their local ESMS to manage environmental and social risks for proposed Program and future Programs. • Development of E-wastes recycling and disposal management guideline that applies for the E-waste stream to be generated during operations of the Program. • The LAs have an opportunity to build and strengthen their systems to manage environmental and social risks	**RISKS (during implementation)** • During projects execution, there is a risk of poor implementation or mainstreaming of existing environmental and social management regulations in Program guidelines • No mechanism will be in place for safe and environmentally sound disposal of used IT equipment and related hazardous wastes. • Addressing the environmental and social management needs and challenges depend on capacity building of the key sector organizations both in terms of human and financial resources, training, and strong monitoring. • Inadequate or no budget allocation for environmental, social and safety management • Staffing and skills mix at the National and regional levels are inadequate to handle environmental, social and safety risks and management. **LEVEL OF RISK - MODERATE**

Core Principle 2: Program E&S management systems are designed to avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources (PCR) resulting from the Program. Program activities that involve the significant conversion or degradation of critical natural habitats or critical physical cultural heritage are not eligible for PforR financing.

***Bank PforR Directive**:* As relevant, the program to be supported:

- Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas.
- Supports and promotes the conservation, maintenance, and rehabilitation of natural habitats; avoids the significant conversion or degradation of critical natural habitats, and if avoiding the significant conversion of natural habitats is not technically feasible, includes measures to mitigate or offset impacts or program activities.
- Takes into account potential adverse effects on physical cultural property and, as warranted, provides adequate measures to avoid, minimize, or mitigate such effects.

Applicability – APPLICABLE

- The provisions in Core Principle 2 are considered as part of the environmental and social management assessment process analyzed under Core Principle 1. The Program will not support investments that would either affect or convert critical natural habitats and will avoid the conversion of natural habitat.
- The proposed sites under the Program will be situated in built-up areas, with unknown physical cultural resources.
- Activities funded under the program will not likely generate adverse impact on natural habitats, physical and cultural resources since civil works will only be limited to urban areas and confined to a small geographical location.
- In addition, the subprojects are expected to have a smaller physical footprint, and therefore preventive approach will be used in siting the proposed infrastructures to avoid adverse impacts on natural habitats and physical resources
- Disposal of e-waste could pose some risk to natural habitats and if not properly disposed properly.

STRENGTHS (System Assessment)

- The EIA regulations incorporates the program design and implementation of appropriate measures to minimize or mitigate possible adverse impacts on the natural habitats, archaeological sites, and cultural resources, with involvement from strong institutions such as ZEMA and National Museums Board of Zambia.

Biodiversity

- Article 4 (i) of the EIA regulations require that EIAs take into account biodiversity and natural lands

Cultural Resources

- Schedule 2 of the EIA regulations require that EIAs be prepared for projects located in or near areas of cultural or religious significance.
- The existing legislation for Zambia ESIA process considers physical cultural resources, includes screening for archaeological, historical, and cultural sites to ensure environmental and social sustainability.

WEAKNESSES (Gaps)

The weaknesses identified for Core Principle # 1 apply to Core Principle # 2.

Others include;

- There is no specific guidance on how to address biodiversity or natural habitats in EIAs or Project briefs
- Weak enforcement of civil contracts and laxity in monitoring during construction.
- Weak capacity to assess the potential impacts on natural habitats and physical cultural resources.

• Part V of the National Heritage Conservation Commission Act (1989) defines national monuments, provides a list of the main monuments, and defines measures for their protection. • Listed sites are under the control of the National Heritage Conservation Commission (NHCC). Program will exclude subprojects that have adverse impacts on natural habitats and physical cultural resources	
OPPORTUNITIES (Action Plan) The opportunities and actions identified for strengthening the system for Core Principle # 1 apply to Core Principle # 2. Others include; • Improve the level of awareness on safeguarding threatened habitats and PCRs • Strengthen the screening procedures to include a checklist to assess whether a subproject has the potential for disturbing and affecting a known cultural or religious site.	**RISKS (during implementation)** The risks identified for Core Principle # 1 apply to Core Principle # 2. • Inability to screen subprojects and impacts on natural habitats and PCRs. • Specific measures to manage impacts on PCRs and natural habitats are not included in the subproject cost. • During civil works, known or unknown physical cultural resources, tangible and intangible resources like antiquities, relics of cultural and religious valued resources might not be properly identified and might be affected. • Lack of commitment and resources to implement E & S actions on PCRs as part of the Program Action Plan. **LEVEL OF RISK - MODERATE**

Core Principle # 3: Program E&S management systems are designed to protect public and worker safety against the potential risks associated with (a) the construction and/or operation of facilities or other operational practices under the Program; (b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials under the Program; and (c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.

Bank PforR Directive:

- Promotes community, individual, and worker safety through the safe design, construction, operation, and maintenance of physical infrastructure, or in carrying out activities that may be dependent on such infrastructure with safety measures, inspections, or remedial works incorporated as needed.
- Promotes use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated through program construction or operations; and promotes use of integrated pest management practices to manage or reduce pests or disease vectors; and provides training for workers involved in the production, procurement, storage, transport, use, and disposal of hazardous chemicals in accordance with international guidelines and conventions.
- Includes measures to avoid, minimize, or mitigate community, individual, and worker risks when program activities are located within areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events.

Applicability – FULLY APPLICABLE

- The provisions in Core Principle # 3 are considered as part of the ESIA process analyzed under Core Principle # 1.
- Rehabilitation, construction, and operation of various physical infrastructures under the Program will expose the general public, as well as construction workers to risks such as dust, air pollution, noise, water pollution, solid waste, and toxic or hazardous materials at sites during civil works, which directly or indirectly resulted in occupational safety impacts. Therefore, Core Principle 3 *is fully applicable* to the Program.

STRENGTHS (System Assessment)	**WEAKNESSES (Gaps)**
• The EIA regulation contains robust procedures and requirement for worker health and safety, requiring plans for accident prevention as well for health and safety of workers and communities, which are also part of contracts for civil works. • The Government's standard contract conditions for contractors include provisions for public and worker safety (for example, regulations on the use of explosives, provision of barricades at the construction site, use of personal protection gear by workers, disposal of construction debris and wastewater, preventing the creation of conditions conducive to disease vectors, etc.). • The country systems have guidelines/regulations through agencies such as OSH and Contractor Council on aspects concerning the management of construction sites, including public and worker safety risks from construction/operation of facilities. • Zambia has Hazardous Waste Control and Management Regulations and the Guidelines for Management of Hazardous Waste which provide detailed requirements on hazardous waste management, under EIA regulations 2013.	• The EIA regulations (1997) are silent regarding worker health and safety. Worker health and safety are instead addressed in the Occupational Health and Safety Act, which is under the authority of OSHI, Ministry of Labor and Social Security, rather than ZEMA • Limited capacity and poor supervision to ensure compliance to required national standards within relevant agencies responsible for OHS. • Limited capacity in technical personnel, safety equipment provision, and budget by contractors to comply with national requirements and international good practices. • Poor coordination among the various implementing agencies, and inadequate attention to OHS concerns, particularly at the regional level. • There is a general lack of awareness on health and safety issues, particularly concerning exposure to workplace safety hazards aspects. • There is poor maintenance of infrastructures by implementing agencies after completion, e.g. stormwater drainage systems. • There are weak structures of disposal of hazardous wastes, especially Asbestos, and e-waste, and capacity in the private sector is limited to dispose such waste

OPPORTUNITIES (Action Plan) • Strengthening of Country and LA systems to manage e-waste, other hazardous waste, and OHS risks • Improve awareness and implementation/ enforcement capacity of implementing partners and contractors on OHS through training and orientations. • Creation of development of good practices and procedures for (i) construction site management, (ii) post-construction site rehabilitation, and (iii) proper disposal of waste and waste management. • Include worker's Code of Conduct in contract documents. • Enforcement of health and safety provisions in the contract. • Update the standard bid documents and contracts to spell out specific OHS measures, where required, preparation, and implementation of Contractor ESMP. • Inclusion of appropriate requirements in civil works contracts and preparation of the required instruments of management plans such as Waste Management Plan, Traffic Management Plan, Air, and Noise Pollution, among others.	**RISKS (During implementation)** • Systematic implementation of OHS provisions requires enhanced awareness in the key sector organizations and strengthened monitoring. • Inability to ensure public and worker safety can result in physical injuries, including loss of life to the workers and public at and near construction sites. • Lack of enforcement of contracts resulting in non-compliance, accidents, and fatalities at the construction sites. • Non-reporting of project-related accidents and fatalities, and inaction on implementing agencies and contractor. • Lack of accountability on disposal of e-waste after project completion. **LEVEL OF RISK – MODERATE**

Core Principle # 4: Program E&S systems manage the land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement and assists affected people in improving, or at the minimum restoring, their livelihoods and living standards

Bank PforR Directive: As relevant, the program to be supported:

- Avoids or minimizes land acquisition and related adverse impacts;
- Identifies and addresses economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who may lack full legal rights to assets or resources they use or occupy;
- Provides compensation sufficient to purchase replacement assets of equivalent value and to meet any necessary transitional expenses, paid prior to taking of land or restricting access;
- Provides supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment); and
- Restores or replaces public infrastructure and community services that may be adversely affected.

Applicability – NOT APPLICABLE

The Program will involve some physical works, although works will be confined to existing land owned by Local government. However limited, the risk of land acquisition and displacement of people cannot be ruled out in some cases which may result to minimal relocation and loss of livelihoods. The loss of access to natural resources is highly unlikely since the program will mainly focus on built up areas, or rehabilitation of existing infrastructures.

Screening of projects will be done during project planning to determine if there will be any land acquisition or physical or economic displacement. In case land acquisition will be required, or there will be any economic/physical displacement, the respective subprojects will have to seek exemption from the WB to proceed at the screening stages, before commencement of subproject activities. If there will be any need for land acquisition, country regulations will be followed, including ensuring that compensation of land and affected PAPs is done before commencement of any civil works.

In addition, the following principles will be followed for the ZDSP.

- Investments financed by the program will exclude high risks projects (projects that have significant negative environmental and social impacts that are sensitive, diverse, or unprecedented).
- Willing buyer-willing seller will be the preferred means of land acquisition in all cases. The government's right to acquire land compulsorily will only be used where it is unavoidable.
- Where the compulsory acquisition is to be employed, the evidence must be obtained (as detailed in the POM) that attempts were made to acquire land via the marketplace. Moreover, a compelling reason why alternative land, available in the market, could not be found must be documented. Instances where compulsory acquisition may be unavoidable include but are not limited to, road rehabilitation, construction of new roads, water and sewerage systems.
- Where households are physically displaced, the Local government will provide options to the PAPs guidance provided in the POM.
- Economic displacement can and will involve the physical relocation of PAPs.
- Small parcels of private residential land that do not excessively affect land use may still be subject to compulsory acquisition as they are considered economic displacement.
- Voluntary land donation and use permit processes will be used for land under customary rights, according to land tenure and, ownership and transfer of rights arrangement.

STRENGTHS (System Assessment)	**WEAKNESSES (Gaps)**
• Program will exclude subprojects that involve large land acquisition and resettlement. • Compulsory land acquisition processes are well defined in the Zambian Law. This process has put in	• Weak capacities to ensure compliance to required national standards within the implementing agency and entities • There is no clear definition on the rights of those

place measures to protect the affected persons, defines affected persons consultation process and avenues for grievance redress.	occupying public land and their entitlement, especially on livelihood restoration. • Zambia Law does not recognize tenants, squatters or encroachers as being entitled to assistance or any allowances for transportation or disturbances to this particular group • Zambia Law use depreciated replacement cost approach, which does not result in full replacement costs of the lost assets • The Law does not stipulate that resettlement should be avoided wherever possible; on the contrary, as long as a project is for the public interest, involuntary resettlement is considered to be inevitable • Lack of policy and legislation guidance on resettlement and livelihood restoration • While the Land Act does entitle compensation for business losses, there are no legal provisions requiring the government to restore livelihoods or to provide assistance towards the restoration of such livelihoods. Land users such as tenant farmers are only entitled to compensation for crops (the valuation method is outlined in the 2001 Regulations). • Lack of budgetary allocation for land acquisition and resettlement processes.
OPPORTUNITIES (Action Plan) • Strengthening of country and LA systems to manage and implement the land acquisition process and associated risks to acceptable standards • Strengthening capacities to enforce Land acquisition implementation measures	**RISKS (During implementation)** • Systematic implementation of land acquisition procedures as required by the WB policies due to weaknesses of the local policies • Potential involuntary resettlement without compensation to informal settlers occupying public land illegally • Delay of land acquisition due to lack of funds allocation for the program **LEVEL OF RISK – LOW**

Core Principle # 5: Program E&S systems give due consideration to the cultural appropriateness or and equitable access to, Program benefits, giving special attention to the rights and interests of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and to the needs or concerns of vulnerable groups.

Bank PforR Directive:

- Undertakes free, prior, and informed consultations if vulnerable and marginalized communities are potentially affected (positively or negatively) to determine whether there is broad community support for the program.
- Ensures that vulnerable and marginalized communities can participate in devising opportunities to benefit from exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge) to include the consent of the vulnerable and marginalized communities.
- Gives attention to groups vulnerable to hardship or disadvantage, including as relevant the poor, the disabled, women and children, the elderly, or vulnerable and marginalized communities. If necessary, special measures are taken to promote equitable access to program benefits.

Applicability –NOT APPLICABLE

The project will not be implemented in areas where indigenous people or historically underserved communities exist. This principle is not applicable to Zambia.

However, there is potential to discrimination to the poor, the disabled, women and children, the elderly, ethnic minorities on participation of the proposed program due to elite capture, poor consultations among others. It will therefore be important to take special measures to promote equitable access to the PforR Program benefits

RISK – MODERATE

STRENGTHS	**GAPS**
• The countries have existing or Draft regulations on data protection, to protect misuse of data on its citizens. • The policies, strategies and constitution clearly emphasis the rights of vulnerable individuals and groups to have access to services.	• Processes for ESIA and RAP preparation do not explicitly refer to inclusive participation and there are no clear guidelines for promoting equitable access to program benefits. • Weak capacity to disseminate information to promote social accountability and grievance redress mechanisms to vulnerable groups. • No guidelines for inclusive community participation, safeguarding welfare of vulnerable groups and unclear selection criteria for communities to participate in government programs.
OPPORTUNITIES	**RISKS**
• Capacity building on management and training to encourage participation by the public. • Development of robust stakeholder management strategies within the systems as part of the public consultations Programs to strengthen and systematize projects consultation processes and grievance redress mechanisms.	• Poor engagement and consultations of vulnerable groups • Lack of program benefits reaching out to the most vulnerable LEVEL OF RISK – MODERATE

Core Principle # 6: Program E&S systems avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes.

Bank PforR Directive: Considers conflict risks, including distributional equity and cultural sensitivities.

BP 9.00:
Considers conflict risks, including distributional equity and cultural sensitivities.

Applicability –APPLICABLE

- The program is designed to yield significant social benefits to all LAs and to improve distributional equity across the country.
- On the other hand, the principle is applicable due to social conflicts that may arise due to migrant workers in the project areas such as gender-based violence, increased risk of illicit behaviour and crime, increased burden and competition on public resources, increased risk of communicable diseases, among others, as the service delivery improves.
- In addition, conflict may arise due to elite capture of projects during the selection of investments
- The program will not undertake projects that will cause or exacerbate social conflict in fragile states, post-conflict areas or areas subject to territorial disputes, or cause social conflict or impact distributional equity or associated cultural sensitivities

STRENGTHS	**WEAKNESSES**
• Existence of procedures guiding public participation and consultation from the onset of project development will minimize social conflict. • The Government of Zambia also has adopted policies that advance gender equality and youth inclusion in a supportive enabling environment.	• The legal and regulatory framework and the sector-specific policies of government ministries and independent departments, however, have yet to be aligned with government policies on public participation • There are no grievance mechanisms to manage social conflicts at the National and regional levels • Weak capacities to ensure compliance at the implementing agencies and the law enforcement
OPPORTUNITIES	**RISKS**
• There is a commitment at the LA levels to encourage utilization of local labour to empower the local communities during program implementation • Training on the applicability of these principles to the program • Development of robust stakeholder management strategies within the systems as part of the current to strengthen and systematize projects consultation processes and grievance redress mechanisms • Integrate contractual obligations in the legal agreements and contracts for contractors to take responsibilities of the social risks, with appropriate mechanisms for addressing complains	• Lack of identification of social risks brought about by social conflict, including the prevalence of gender-based violence • The hiring of contractors with weak E&S capacity to manage social risks **LEVEL OF RISK – LOW**

7 INPUTS TO THE PROGRAM ACTION AND IMPLEMENTATION PLANS

173. Based on the above assessment and findings, this section outlines key findings and recommended actions for improving the social and environmental management systems required for mitigating/minimizing those risks and gaps/challenges, where appropriate during the planning and implementation stages. These options for improvement of the environmental and social management system (ESMS) will be discussed during the ESSA validation workshop with the stakeholders who will include select LAs, regional governments, and institutions and agencies responsible for environmental and social monitoring participating in the Program.

7.1 Key Findings on the Environmental and Social Systems Assessment

174. The key findings of ESSA on environmental and social systems are:

(i) The national government has well developed and robust legislation, regulations, and systems to manage environmental, health, and safety risks. The national EIA system has well-defined guidelines covering project registration and screening, EIA process (scoping, alternative analysis, impact assessment, mitigation measures, management plan and consultation), monitoring and auditing, and decommissioning. However, there is no equivalent legislation or systems to manage distinctly social risks, at the national or regional levels. Zambia does not have a developed and defined Social Risk Management System. Social risk management functions are fragmented across various ministries and institutions without any coordination mechanisms in place.

(ii) The assessment identified the weakness in supervision/monitoring and poor enforcement at both the national, regional and Local levels which should be strengthened to address the potential environmental challenges that might be encountered during the implementation of the ZDSP.

(iii) The Program's implementing unit at MFNP do not have Environment and Social specialists with experience in PfoR. The implementing units will need to be strengthened to strengthen the management of potential environmental and social risks along with a framework for monitoring the same.

(iv) The capacity to manage e-waste in Zambia remain weak, leading to poor management of e-waste, including poor enforcement by the authorities. The country has some few private sector players in e-waste management, with limited capacity to handle all the e-waste generated in the country.

(v) The capacity (human and financial resources) within the regions and supporting institutions (ZEMA, National Council for Construction, Occupational Health and Safety Institute (OSHI), etc.) responsible for managing environmental, health, and safety risks need strengthening and training.

(vi) Officers at the regional and Local levels such as Community Development, Labour and Gender Officers pay limited attention to social risks. The regions have uneven levels of readiness to manage social risks. The program will develop an Environmental and Social Risk Management Manual that outlines this involvement to ensure social risks for the program are managed well.

(vii) There is weak annual environment and social performance verification audit procedures for minimum conditions related to environmental and social safeguards under other PforR programs in East African region. The annual audit for the proposed Program needs to be well developed to ensure E&S risks are captured well in the audit process.

7.2 Program Action Plan Summary

175. Though the potential environmental and social risks and impacts of investments and activities under this Program are expected to have minor impacts, the Program provides an opportunity not only to strengthen the weaknesses in the procedures mentioned above to identify and mitigate these potential effects but also to strengthen the Country and Local Government Councils systems in three areas: (i) strengthening of environmental and social management systems, (ii) ensuring implementation and monitoring of environmental and social management; and (iii) building capacity for environmental and social management.

176. To fill the gaps identified in the ESSA, the Program will support specific measures to enhance Zambia's environmental and social management system performance. These measures will be implemented through support of the institutions in charge of environmental and social management in Zambia- (ZEMA, OSHI, LAs, Gender and Social departments) to manage environmental and social issues, including the OHS risks.

177. These measures have been consolidated into the ESSA Action Plan that guides the overall formulation of the Program. Implementation of environmental and social procedures contained in the Program's Operational Manual and Environmental and Social Risk Management Manual will be performance criteria in the Program Assessment System that will be implemented for the Program.

178. The implementation of some of these measures will be enhanced by their integration into the overall Program Action Plan and legally incorporated into the financing agreement of the Program. These action plans for the Program are grouped into three areas.

i. actions to strengthen the environmental and social management systems.
ii. actions to strengthen the implementation and monitoring of the environmental and social management of sub-projects; and
iii. actions to build the capacity of relevant institutions for staff involved in the Program to enhance environmental and social management performance.

7.2.1 Strengthening of the Environmental and Social Management System

179. The recommended actions under this theme are:

(i) Collaborate with ZEMA and OSHI to provide targeted capacity building to staff at PMU and LAs levels on environmental and Social risks, and OHS issues;
(ii) Develop Program Operation Manual (POM) incorporating the Environment and Social Risk

Management Manual for the Program.

(iii) Incorporate E-Waste Management Plan as part of Environmental and Social Risk Management (ESRM) Manual.

(iv) Establish coordination mechanisms with other institutions/entities/departments including the directorates of Occupation, Health, and Safety, labour, gender, social development etc.

(v) Establishment of a Grievance Redress Mechanism for the program that is accessible to the project beneficiaries. The environment and social risk management manual will provide a full description of the GRM process.

(vi) Hiring (or seconding) safeguard specialists (Environment specialists and Social risk management specialists) at the Program Management Team and PMU.

(vii) Ensure that all the bidding documents for specific investment include the environment and social clauses and the related costs.

(viii) Establish community and stakeholder engagement process for the program that integrates the planning process of the proposed investments.

(ix) Prior approval of the environmental and social screening and review forms by PMU.

(x) Establish Social Risk Management (SRM) committees at the local level and enhance the capacity of these committees and regional and Local Labour and Social officers at various levels on SRM.

(xi) Use lessons learned and coordination of efforts of the actions under other PforRs in regional countries on development of Environmental and Social Management System (ESMS) for the LAs.

7.2.2 Strengthening of implementation and monitoring of the environmental and social management system

180. The recommended actions under this theme are:

(ix) Incorporation of environmental and social management implementation and monitoring procedures documented in the Program Operation Manual and Environmental and Social Risk Management Manual by implementing units for:

- Supervision or monitoring of the ESMPs
- ES Reporting
- GRM monitoring
- Monitoring Contractor performance in terms of E&S issues

(x) Develop procedures for assessing the performance of the Program on environment and social management that relies on environment and social performance protocol, this will be outlined on the environment and social risk management manual.

(xi) Public disclosure of the ESIA and ESMP and other documents.

(xii) Monitoring of complaints and issues related to land acquisition and involuntary resettlement.

(xiii) Reporting of environmental and social incidents and accidents by the subprojects.

(xiv) Develop procedures for assessing the performance of the program on environment and social management that relies on environment and social performance protocol, this will be outlined on the environment and social risk management manual.

(xv) Incorporating ESMP and OSH contractor/supplier clauses in the bidding and contract documents.

(xvi) The annual environment and social performance verification audit procedures will be strengthened under this Program to ensure a robust verification process, building on lessons

learned from other PforR Programs in the regional countries.

7.2.3 Strengthening of environmental and social management capacities

181. The recommended actions under this theme are:

(i) Integration of environmental and social management into the Program's general capacity building plan, including ensuring a robust meaningful consultation process with stakeholders is achieved.
(ii) Training in environmental and social management for technical staff and LAs official.
(iii) Training in incorporating environmental and social risks, and the cost in the bidding documents and for the program management team, PMU, LA Officers, and Procurement officers.
(iv) Where land acquisition will be required, integration of environmental and social management into the Program's general capacity building plan, including land acquisition, user agreements, voluntary land donations, and stakeholder engagement/consultation

7.2.4 COVID-19 Pandemic Management

182. The government of Zambia has issued directives, policies and laws that touch on public health on COVID-19 Pandemic. The Program will therefore adhere to the Laws and Regulations that have been issued by the Government, and WHO Guidelines to ensure the risks associated with COVID-19 pandemic are mitigated during the Program Implementation.

Table 7-1 : Environmental and Social Action Plan

Issue/Risk Description	Action/Completion	Timeframe	Responsible Party	Instrument
Weak and poorly coordinated environmental and social management systems at national and regional levels	Program Environment and Social Risk Management Manual and POM to include: ❖ full description of environmental and social management processes and procedures for proposed investment projects (screening, appraisal, assessments, mitigation measures, monitoring and supervision etc.)	Project effectiveness	PMU, LAs	POM (dated covenant) Environment and Social Risk Management Manual
	Program guidance notes, guidelines and technical standards on subproject activities to include environmental and social management issues	Program effectiveness	PMU, LAs	POM that includes an Environment and Social Risk Management Manual
	Coordination and review mechanisms for environmental and social management systems to be led by Regional LAAs, departments of Social and Labour, OSHI, and ZEMA in charge of Environment and social dockets	Continuous	ZEMA, LAs	Progress reports
Inadequate implementation of environmental and social management system	Include in DLIs and Key Result areas, Minimum Conditions (MC)/Performance Standards (PS) system ❖ Preparation - Incentives for inclusion of program's ESMS processes/procedures in investment project preparations (minimum conditions and key result areas on investment project preparation) ❖ Performance - Incentives for application of ESMS processes/procedures in implementation of investments. (Performance standard on complete	Program effectiveness	PMU, MLGRD , LAs	Minimum Conditions (MCs)/Performance Standards and Annual Performance Annual (APA) process DLI and key result areas.

Issue/Risk Description	Action/Completion	Timeframe	Responsible Party	Instrument
	investment projects).			
	Program subprojects and PMU reporting requirements to include reporting on ESMS performance, including social performance	Program effectiveness	PMU	POM that includes an Environment and Social Risk Management Manual
Non-compliance of Contractors to Program E & S requirements	PMU to develop induction and training program for all their contractors on ESMS, including OHS Ensure enough provisions are done for COVID-19 and WHO and Zambia public health protocols are adhered to.	Before commencement of projects Throughout the program	WB, PMU, LAs, ZEMA, OSHI	Training materials Develop COVID-19 Guidelines
Insufficient staffing, knowledge and skills for managing environmental and social issues	Qualified and experienced staff assigned to coordinate environmental and social management at MFNP and LAC Role and responsibilities of safeguards specialists defined POM and the Environmental and Social Manual	By effectiveness (recruitment or secondment)	PMU, MLGRD, LAs	POM (program management and ESMS sections and ToRs) that includes an Environment and Social Risk Management Manual.
	Training in environmental and social management systems for technical staff at the national and LA levels	Year 1 Continuous	WB, MLGRD, LAs, ZEMA, OSHI	Technical Assistance component
Lack of project specific grievance redress mechanisms	Establishment of a Grievance Redress Mechanism (will be part of the overall GRM for the program) Establish specific GRM at LA and subproject levels	Year 1 Before commencement of the subprojects	PMU and LAs	POM that includes an Environment and Social Risk Management Manual
Poor Program coordination	Develop safeguards reporting structures for the program in the environmental and social management manual Use lessons learned and Coordination of efforts of the actions under other regional countries and IPFs ESMS action plan and strategies	Continuous	PMU, LAs and World Bank	ESMS
E-Waste Management	• Develop E-waste recycling and disposal	Program	• MLGRD, LAs	POM that includes an

Issue/Risk Description	Action/Completion	Timeframe	Responsible Party	Instrument
	management guidelines that applies for safe disposal of the E-waste stream to be generated during operation of the program for the Implementing Agencies. ❖ Program to work with Implementing agencies and other relevant agencies managing e-waste to strengthen and create awareness on e-waste management in Zambia	effectiveness	ZEMA	Environment and Social Risk Management Manual Information, education, and communication (IEC) materials on e-waste management

STAKEHOLDER CONSULTATIONS

The fol

The following people were consulted during the ESSA preparation.

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