



**NATIONAL ENERGY ACCESS AND TRANSFORMATION PROGRAM (NEAT) (P179380)**

**ENVIRONMENTAL AND SOCIAL SYSTEM ASSESSMENT - ESSA**

**October 2023**

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## List of Acronyms

ADR	Alternative Dispute Resolution
AMI	Advanced Metering Infrastructure
DCD	Department of Community Development
DoR	Department of Resettlement
DOSHS	Directorate of Occupational Health and Safety
E&S	Environmental and Social
EHSRIM	Environmental, Social, Health and Safety Risk and Impact Management
EIA	Environmental Impact Assessment
ERB	Energy Regulatory Board
ESAP	Energy Supply and Access Project
ESF	Environmental and Social Framework
ESHS	Environmental Social, Health and Safety
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMMP	Environmental and Social Management and Monitoring Plan
ESSA	Environmental and Social System Assessment
GBV	Gender Based Violence
GHG	Greenhouse Gas
GoZ	Government of Zambia
GRM	Grievance Redress Mechanism
IP	Indigenous Peoples
IPF	Investment Project Financing
LMC	Last Mile Connectivity
MLSS	Ministry of Labour and Social Security
TNA	Training Needs assessment
MoE	Ministry of Energy
MoLPP	Ministry of Land and Physical Planning
MPA	Multi-phase Programmatic Approach
NEAT	National Energy Access and Transformation Program
NT	National Treasury
OVI	Objectively Verifiable Indicator
OSHI	Occupational Safety and Health Institute
PAP	Program Action Plan
PDO	Project Development Objective
PforR	Program for Results
POM	Program Operational Manual
RAP	Resettlement Action Plan
REA	Rural Electrification Authority
RPF	Resettlement Policy Framework
SEA-H	Sexual Exploitation and Abuse, and Harassment
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
T&D	Transmission and Distribution
TA	Technical Assistance
ToR	Terms of Reference
VMGs	Vulnerable and Marginalized Groups
VRE	Variable Renewable Energy
WB	World Bank
ZEMA	Zambia Environment Management Authority
ZESCO	Zambia Electricity Company

## Executive Summary

### Introduction

**The proposed Program is aligned with the Zambia Country Partnership Framework (CPF) FY2019-2023 that is in the process of being extended to FY2024.** The overarching goal of the CPF is the diversification of Zambia's economy so that it is more resilient and inclusive. The two revised focus areas for the CPF extension are: (i) increased resilience of rural households; and (ii) better job prospects especially for under-employed groups (including youth as well as women and girls).

**The proposed National Energy Access and Transformation (NEAT) Multiphase Programmatic Approach (MPA) is a Zambia-specific program that will return the sector to structural integrity so that it is able to engage in, support, and reap the benefits of other investment.** With a focus on achieving financial sustainability and mainstreaming sustainable electricity access expansion mechanisms, the NEAT MPA aims to systematically tackle the underlying impediments to sector viability, change the paradigm for sector investment, and provide the framing around which other investments can be anchored. This is expected to include a series of Program-for-Results and IPF or Guarantee operations to ensure that reforms are implemented and institutionalized over the long term and, as the sector becomes viable once again, that private sector is mobilized on value-adding investments from debt refinancing to renewable energy generation.

### Multiphase Programmatic Approach (MPA) Program

The Program Framework for the MPA seeks to implement the government strategic vision of increasing reliable electricity supply and expanding access to energy to spur inclusive economic growth. The MPA program framework creates the pathway for achievement of the vision. The MPA framework aligns with the government program for energy sector transformation in Zambia, built on four pillars namely, (i) Improved sector planning and optimized system expansion; (ii) Improved operation and financial performance of ZESCO and Rural Electrification Authority (REA); (iii) Increased access to electricity, and (iv) enabling environment for private sector participation.

### Proposed MPA Program Development Objectives (PDO)

The Program Development Objective (PrDO) is to expand access to energy and improve financial sustainability of the sector with enhanced supply reliability by increasing private sector participation in renewable energy solutions.

The Program Outcome indicators (PrDO indicators)

- People provided with new or improved electricity services (number)
- ZESCO cost recovery (percentage);
- Reliability of electricity supply (SAIFI/CAIDI); and
- Non-hydropower renewable energy capacity procured (MW).

### The PforR Program

The PforR (Phase 1) focuses on the 2023-26 time-slice of the government program, with disbursement linked indicators associated with the short-term foundational priorities for sector transformation. Figure 4 below presents the program boundary for Phase 1 of the PforR within the MPA framework and the government program. The Program supports 2023-26 priority actions identified in the government program, aligned with the four MPA pillars namely, optimized system planning and expansion; (ii) Improved operation and financial performance of ZESCO; (iii) Increased access to electricity, and (iv) enable private sector participation.

### Institutional Arrangements

The Program will be implemented by ZESCO and REA under the oversight of the Ministry of Energy (MoE). The Program will use the Government and REA and ZESCO systems for Program implementation, oversight, financial management, procurement, ESHS management, monitoring and evaluation and reporting arrangements. A

Program Operations Manual (POM) will be developed setting out detailed institutional, administrative, financial, technical, operational, and environmental and social procedures for the implementation of the Program and Program Action Plan (PAP).

In line with the PforR policy, the Bank has undertaken an Environmental and Social Systems Assessment (ESSA) to confirm the robustness of the Country system for management of the ESHS effects and evaluate the extent to which the system is consistent with the PforR Six Core Principles and the corresponding Key Planning Elements. Specifically, the ESSA seeks to: (i) identify the Program's potential ESHS effects, (ii) assess the current system for Environmental, Social, Health and Safety (ESHS) management applicable to the Program, including a review of institutional responsibilities; (iii) evaluate the capacity of the relevant institutions to implement requirements under the system; and (iv) recommend specific actions to address gaps if any, in the system, by providing material measures for improving program design and implementation. Measures for addressing the identified gaps are organized into a Program Action Plan (PAP).

### **ESSA Scope and Methodology**

The Environmental and Social System Assessment (ESSA) for the Program was undertaken to review the extent to which the borrower systems for ESHS risk management are consistent with the six core principles and key planning elements of the Bank Policy and Directive for PforR financing. The six core principles and planning elements are used to ensure that PforR operations are designed and implemented in a manner that maximizes potential environmental and social benefits while avoiding, minimizing or mitigating adverse ESHS risks and promote environmental and social sustainability of the Program.

In this regard, the WB team conducted a consultative ESSA with national and LA level stakeholders, to evaluate the adequacy of the Borrower's system for management of ESHS risks associated with the Program intervention.

Specifically, the ESSA seeks to: (i) identify the Program's potential ESHS effects, (ii) assess the current system for ESHS management applicable to the Program, including a review of institutional responsibilities; (iii) evaluate the capacity of the relevant institutions to implement requirements under the system; and (iv) recommend specific actions to address gaps if any, in the system, by providing material measures for improving program design and implementation. Measures for addressing the identified gaps are organized into a Program Action Plan (PAP).

The Bank applied several approaches during the development of the ESSA, including:

- a. **Screening** Program activities were undertaken during the concept stage to identify potential ESHS effects of the program and to confirm that no activities that meet the defined exclusion criteria are included in the PforR;
- b. **Comprehensive desk review of relevant country policies, legal, regulatory and institutional frameworks, and program documents** that address ESHS aspects relevant to the Program; and
- c. **System, Institutional and Capacity Assessments** conducted through consultations with stakeholders between August 21<sup>st</sup> and 24<sup>th</sup> to consider the applicability 'as written' versus 'as practised' for ESHS effects management and consistency with the six 'core PforR principles'. The ESSA team held consultations that brought together multiple stakeholders in Lusaka which included but not limited to the following key stakeholders; MoE, REA, ZESCO, Ministry of Community Development and Social Services, Occupational Safety and Health Institute (OSHI), Zambia Environmental Management Authority (ZEMA), NGOs, Gender Division, Resettlement Department, among others

### **ESSA validation and disclosure workshop**

In line with the World Bank Policy for PforR financing and the World Bank's Access to Information Policy, the draft ESSA findings will be disclosed, and its findings presented to stakeholders through a workshop in November 2023. Based on the input and feedback from the participants, the draft ESSA report will be revised, approved, and the final report publicly disclosed in-country on the client's website and the World Bank's external website prior to Board approval.

## **Program Environmental, Social, Health and Safety (ESHS) Effects**

### **ESHS Benefits**

The potential ESHS benefits from the program will be derived from; i) increased access to electricity services for households in Zambia, ii) inclusion of vulnerable households in line with the last mile program pro-poor focus objectives that makes connection affordable; iii) reduced dependency on kerosene and firewood as sources of energy for cooking and lighting thus reducing the cutting of trees and reduction of carbon emissions; iv) reduced energy losses; v) improved ZESCO and REA financial sustainability thus helping to provide affordable supply of electricity; v) improvements in quality of public service delivery such as schools and health care facilities v) adoption of climate resilient infrastructure therefore reducing the overall operation and maintenance costs of REA and ZESCO infrastructure; and vi) promotion of clean energy transition hence reducing the national GHG emissions.

### **Potential Environment, Social, Health and Safety risks and impacts**

The main EHS risks and impacts will include: (i) potential destruction of crops, vegetation and or/trees, following the acquisition of wayleaves to construct medium-voltage (MV) and low-voltage (LV) lines to extend the distribution network and to connect new households and businesses; (ii) potential solid and liquid waste generation from project activities; (iii) potential increased surface runoff during rainy season that could lead to erosion in areas with unprotected soil in neighbouring facilities; (iv) civil and electrical works are likely to expose workers and the proximal community members to occupational safety and health related hazards and risks; (v) potential inability of last mile customers to access technicians accredited by the sector regulator (ERB) to wire premises; (vi) equipment and machinery used could be a source of hazardous and noxious waste such as running engines, oil from wet transformers, electronic waste, used engine oil and oil filters; and vii) community health and safety risks including spread of diseases such as Covid and HIV and AIDs.

Social risks and impacts will include: i) the potential acquisition of MV and LV wayleave without compensation, and loss of land value along the wayleave trace due to usage restrictions; ii) potential exclusion of Vulnerable and Marginalized Groups (VMGs) and vulnerable households and individuals<sup>1</sup> from Program benefits including consultations and electricity access due to their inability to pay for wiring and connection costs; iii) potential disproportionate impact of potential tariff increases on the poor households; iv) potential increase in Sexual Exploitation and Abuse, and Sexual Harassment (SEA-SH) cases due to influx of workers into sub-project areas; v) potential failure to institute differentiated treatment of VMGs and other vulnerable households, leading to the recovery of idle meters and vending machines from persons unable to pay for the connection and/or service and the token system is likely to further exclude the IPs and vulnerable households from accessing project benefits, vi) risk of undifferentiated targeting of VMGs and other vulnerable households under the last-mile connectivity and elite capture (e.g. of ready Boards) by the 'knowledgeable' VMGs and non VMG individuals, limiting the participation of VMGs and other vulnerable households in the project's activities; vii) risk of illegal and unsafe extensions of LV lines and connections, resulting in increased exposure to electrical accidents; viii) limited stakeholder engagements and disclosure of program information presenting risks of increased grievances;

### **Program E&S Risk Rating**

Because of the significant geographic dispersion of the participating districts, different scales of proposed investments by REA and ZESCO, the potential direct, indirect and cumulative environmental and social impacts associated with many sub-projects in the Program, the capacity of the National Program Coordination Team (NPCT) (at MoE, ZESCO, and REA), and gaps identified in the institutions responsible for managing ESHS risks in the country, the overall risk of the Program is rated as **Substantial**.

## **ESSA Findings**

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<sup>1</sup> Vulnerable individuals, households and groups who need to be included and specifically targeted by the Program include, People Living with Disabilities, the Poor Older Members of Society, Poor Youth, Poor Female/Male/Orphans headed Households, and Minority Groups/Clans

The ESSA identified gaps that would potentially undermine the application of the country systems for effective management of ESHS risks and impacts under the Program. Despite the robustness of the country's ESHS system, the ESSA identified some gaps including: (i) low commitment to E&S sustainability leading to inadequate resourcing and accountability for ESHS risk management; (ii) fragmented legislative and institutional frameworks for managing social risks and impacts; (iii) ineffective GRM systems; (iv) inadequate targeting and inclusion of VMGs and other disadvantaged individuals and groups in participation and accessing Program benefits; (v) inadequate public participation; (vi) limited monitoring and reporting on ESHS risks and impacts management, (viii) inadequate collaboration and coordination of ESHS activities between lead agencies i.e. Occupational Safety and Health Institute (OSHI), Zambia Environment Management Authority (ZEMA), Ministry of Labour and Social Services (MLSS), Gender Division, etc to manage ESHS risks; (ix) inadequate ESHS staffing at the implementing agencies; (x) lack of inclusion and/or implementation of ESHS clauses the contract and bidding documents; (xi) inadequate contract management and supervision of Environmental and Social Management Plans (ESMPs).

### **ESSA Recommendations**

To mitigate against ESHS risks and impacts, all sub-projects under the Program will undergo screening, which will include a set criterion for excluding certain categories of sub-projects which would result into high and substantial risks and significant negative E&S impacts which are irreversible or unprecedented on the environment and/or affected people, regardless of the government's capacity to mitigate the risks. All the sub-projects will be required to follow the guidelines of the Environmental, Social, Health and Safety risks and management (ESHSRIM) Manual which will be developed by the Program, and included in the Program Operations Manual (POM). The POM forms part of the Financing Agreement of the Program. In addition, the ESSA has recommended ESHS mitigation and enhancement measures in the Program Action Plan presented in **Table 0-1**. The PAP shall be legally binding and incorporated into the Financing Agreement of the Program.



Table 0-1: Proposed Environmental, Social, Health and Safety (ESHS) Program Action Plan

No.	Action Description	DLI/IPF	Responsibility	Timing	Expected Output
<b>Actions to strengthen Environmental, Health and Social Management Systems (EHSRMS)</b>					
1.	ZESCO and REA to develop an Environmental, Social, Health, and Safety Risk and Impacts Management (ESHSRIM) Manual, including guidelines on land acquisition, grievance management, stakeholder engagement and social inclusion, GBV-SEA/SH, management of personal data, OHS among other ESHS aspects The ESHSRM manual to be adopted by the organization and trained to company staff on implementation	DLI XXX  DLI xxx	ZESCO / REA  REA and ZESCO Safeguard specialists	Condition of Program effectiveness  Within 1 yr of program effectiveness	<ul style="list-style-type: none"> <li>• ESHSRM Manual for ZESCO and REA.</li> <li>• Document introduced, and adopted by the organisations as part of improved ESHS management practices</li> <li>• All staff trained on ESHRM manual</li> <li>• Operationalization of the manual on company operations</li> </ul>
<b>Actions to build the capacity for staff of implementing agencies, involved in the Program to enhance environmental and social management risk performance</b>					
2.	Enhance the ESHS risk management capabilities by staffing the PIU with adequate, qualified, experienced, and a <b>full-time environmental specialist, Health and Safety specialist, and social specialist</b> at ZESCO and REA Project Implementation Unit (PIU).	DLI XXXX	ZESCO / REA MoE	before disbursement of grants to ZESCO and REA	<ul style="list-style-type: none"> <li>• Qualified and experienced staff assigned to REA and ZESCO</li> <li>• 1 environmentalist, 1 Health and Safety Officer, and 1 social specialist and confirmed annually during APA.</li> </ul>
<b>Actions to strengthen the implementation and monitoring of the environmental and social risk management</b>					
3.	<ul style="list-style-type: none"> <li>• Include a robust ESHS risks and impacts management verification protocol in Annual Performance Assessment (APA).</li> <li>• NPCU to conduct an independent annual ESHS audit for all infrastructure investments, and reports shared with the WB</li> </ul>	DLI xxx	NPCU WB	Before APA  Annually	<ul style="list-style-type: none"> <li>• Inclusion of APA verification indicators in the ToRs for APA.</li> <li>• Inclusion of a chapter on EHSS in the main APA reports.</li> <li>• Independent Annual ESHS Audit report</li> </ul>
4.	Include all the applicable ESHS clauses and budgets in the bidding and contract documents for civil works.	DLI xxx	ZESCO and REA	Prior to procurement of any civil works	<ul style="list-style-type: none"> <li>• Bidding and Contract document templates with ESHS aspects.</li> <li>• Inclusion of ESHS in bills of quantities for all subprojects</li> <li>• Supervision and monitoring reports and confirmed through APA.</li> </ul>

ESSA for Zambia NEAT Program

No.	Action Description	DLI/IPF	Responsibility	Timing	Expected Output
5.	Collaborate and partner the lead ESHS agencies, including OSHS, ZEMA, NCC, Community Development, Gender Division etc to train implementing agencies and contractors on ESHS risks and impacts management.	DLI xx	NPCT ZESCO, REA Lead ESHS agencies	Continuous	<ul style="list-style-type: none"> <li>Number of trainings and technical assistance provided in collaboration with relevant agencies, and confirmed through progress reports.</li> <li>Training reports.</li> </ul>
6.	ZESCO and REA to develop and manage functional and digitized GRM systems  Implementing agencies to develop and manage functional GRM structures at all subproject levels	DLI xxxx  DLI xxx	ZESCO & REA  ZESCO / REA	Within 1 year after program effectiveness  Before commencement of sub-projects	<ul style="list-style-type: none"> <li>Digitized GRM systems rolled out at ZESCO and REA.</li> <li>GRM constituted and grievances being logged, responded, and resolved for sub-project levels</li> <li>Confirmed annually through APA.</li> </ul>

# 1 Program Description

## 1.1 Background

- 1. Access to electricity is central to Zambia's future both because of the economic development it enables and because of its importance to social welfare.** Despite progress in recent years, especially off-grid, the country's electrification rate remains just 42%<sup>2</sup>, below the Sub-Saharan Africa average of 47%. This overall rate does not capture the full story however: while over 75% of urban households have access to electricity – almost exclusively through the grid – less than 12% of rural households have access to any kind of electricity source. Off-grid electrification plays an increasingly important role in this regard as it provides 85% of the access in rural areas, predominantly through solar lanterns but also through rechargeable batteries, solar homes systems, and diesel generators.
- 2. Where households and businesses do have access to electricity, reliability remains a significant barrier to productivity and economic growth. In particular, the country suffers from frequent power outages, primarily the result of insufficient generation capacity and underinvestment in the grid.** According to the Bank's 2019 enterprise survey<sup>3</sup>, electricity is the second most frequently reported constraint to the business environment, with 21% of firms reporting electrical outages as a major constraint to their operations. On average, firms and households reported experiencing 21 hours of power outages per week, with some reaching over 30 hours. According to a 2015 Bank study, power outages lead to an average annual loss of 2.3% of GDP<sup>4</sup>.
- 3. Despite considerable hydropower, coal, solar, and wind resources in the country, ZESCO has struggled to meet the Zambia's growing demand for electricity in recent years due to insufficient investment in new power projects and the country's historical reliance on hydroelectric power.** Zambia has an estimated 6,000 MW of economically exploitable hydropower potential, along with abundant solar resources that are well-suited to solar photo voltaic development with an average of 5-6kWh/m<sup>2</sup>/day of solar irradiation<sup>5</sup>, and wind potential particularly in the South and East of the country. In 2022, installed capacity reached 3,777 MW, of which 84% is hydropower, 9% is coal, 3% is HFO, and 2% each is solar and diesel<sup>6</sup>. Nevertheless, effective generation capacity is significantly below that installed and reportedly only marginally above peak demand of approximately 2,300 MW.
- 4. The proposed Program is aligned with the Zambia Country Partnership Framework (CPF) FY2019-2023 that is in the process of being extended to FY2024.** The overarching goal of the CPF is the diversification of Zambia's economy so that it is more resilient and inclusive. The two revised focus areas for the CPF extension are: (i) increased resilience of rural households; and (ii) better job prospects especially for under-employed groups (including youth as well as women and girls).
- 5. Under focus area (i), the proposed Program will contribute to objective 2, namely improving access to and quality of resilient infrastructure services increased in selected rural areas and small towns.** Activities to be financed include the provision of affordable, sustainable electricity services to the last mile both on-grid through ZESCO grid extensions and grid connection subsidies but also off-grid through financial and smart subsidies to off-grid energy service providers. The proposed Program will also the procurement of new

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<sup>2</sup> World Bank Group. (2018). Zambia – Beyond Connections: Energy Access Diagnostic Report Based on the Multi-Tier Framework. Washington, D.C. : World Bank Group.

<sup>3</sup> World Bank (2020). Zambia Enterprise Survey 2019. Washington, D.C. : World Bank Group.

<sup>4</sup> World Bank (2015). "Zambia: Investment Climate Assessment." Retrieved from <https://openknowledge.worldbank.org/handle/10986/22596>

<sup>5</sup> Energy Sector Management Assistance Program (ESMAP) (2019). Zambia Power Sector Resilience Study. Available at: <https://openknowledge.worldbank.org/handle/10986/31801>

<sup>6</sup> Energy Regulation Board 2022 Statistical Bulletin. Retrieved from <https://www.erb.org.zm/download/2022-Statistical-Bulletin.pdf>

generation capacity and improvements of ZESCO's operational performance for improved reliability and quality of service.

6. **Under focus area (ii), the proposed Program will contribute objectives 3, 4, and 5 of the CPS, namely access to secondary education, health services, nutrition, and social protection, strengthened economic management for sustainable growth and regional integration, and improved livelihood opportunities for rural communities.** Increased access to electricity supports the delivery of the social services outlined above and improves the business environment in turn leading to greater economic development and employment opportunities. Improvement in the management and financial performance of ZESCO supports strengthened economic management and regional integration by lessening its reliance on Government and making it a trusted counterparty in regional power trade and infrastructure projects.

## 1.2 Government's Program

7. **The proposed National Energy Access and Transformation (NEAT) Multiphase Programmatic Approach (MPA) is a Zambia-specific program that will return the sector to structural integrity so that it is able to engage in, support, and reap the benefits of other investment.** While the Regional Energy Transmission, Trade and Decarbonization (RETRADE) and Accelerating Sustainable & Clean Energy Access Transformation (ASCENT) programs focus on increasing supply through cross-border trade, and accelerating access to energy, they are unable to achieve turnaround of the power sector in isolation. With a focus on achieving financial sustainability and mainstreaming sustainable electricity access expansion mechanisms, the NEAT MPA aims to systematically tackle the underlying impediments to sector viability, change the paradigm for sector investment, and provide the framing around which other investments can be anchored. This is expected to include a series of Program-for-Results and IPF or Guarantee operations to ensure that reforms are implemented and institutionalized over the long term and, as the sector becomes viable once again, that private sector is mobilized on value-adding investments from debt refinancing to renewable energy generation. In doing so, the proposed program combines a signalling effect of long-term support to Government and sector stakeholders, an incentive and accountability mechanism for Government adherence to its own strategy for reform, and the flexibility of tailoring each phase to the context at the time of preparation to achieve the desired outcomes.

8. The Program framework for the MPA seeks to implement the government strategic vision of increasing reliable electricity supply and expanding access to energy to spur inclusive economic growth. The MPA program framework creates the pathway for achievement of the vision. The MPA framework aligns with the government program for energy sector transformation in Zambia, built on four pillars namely, (i) Improved sector planning and optimized system expansion; (ii) Improved operation and financial performance of ZESCO; (iii) Increased access to electricity, and (iv) enabling environment for private sector participation.

## 1.3 Proposed MPA Program Development Objectives (PDO)

9. The Program Development Objective (PrDO) is to expand access to energy and improve financial sustainability of the sector with enhanced supply reliability by increasing private sector participation in renewable energy solutions.

10. The Program Outcome indicators (PrDO indicators)

- People provided with new or improved electricity services (number)
- ZESCO cost recovery (percentage);
- Reliability of electricity supply (SAIFI/CAIDI); and
- Non-hydro power renewable energy capacity procured (MW).

11. The proposed four phases of the MPA are designed to ensure progress across the electricity value chain for achieving the complementary goals of providing more reliable energy supply to more people in Zambia.

- Phase 1: Further elaborated in next section, seeks to establish the foundations for sustainable sector growth and includes activities under all pillars of the MPA framework. Using the PforR instrument ensures support and incentive for implementation of the ambitious and comprehensive government program for utility sustainability (ZESCO strategy) and scale-up of energy access (REA strategy).
- Phase 2: Continues implementation of the government programs under Phase 1 towards expanding energy access and improving ZESCO creditworthiness, with continuously improving operational and financial performance. Signal WB commitment to the private sector participation agenda while supporting the fundamental requirements to build sector creditworthiness.
- Phase 3 and Phase 4 will be defined based on progress under Phase 1. As the electricity sector demonstrates concrete progress towards ZESCO transformation, Phase 3 would be designed to support implementation of the debt management plan, specifically through a guarantee or liquidity support to reprofile ZESCO's remaining debt. Further, assuming effective implementation of the government program during 2023-25, progress on key ZESCO creditworthiness indicators and use of a competitive procurement process, phase 4 can provide IDA guarantee or other credit enhancement support for generation PPP projects. The scope of the phases will be determined based on lessons learned and insights from Phase 1.

#### 1.4 Proposed Program Development Objective

12. The Program Development Objective for Phase 1 is to expand access to electricity and improve financial sustainability of the sector. This is a subset of the PrDO of the MPA.

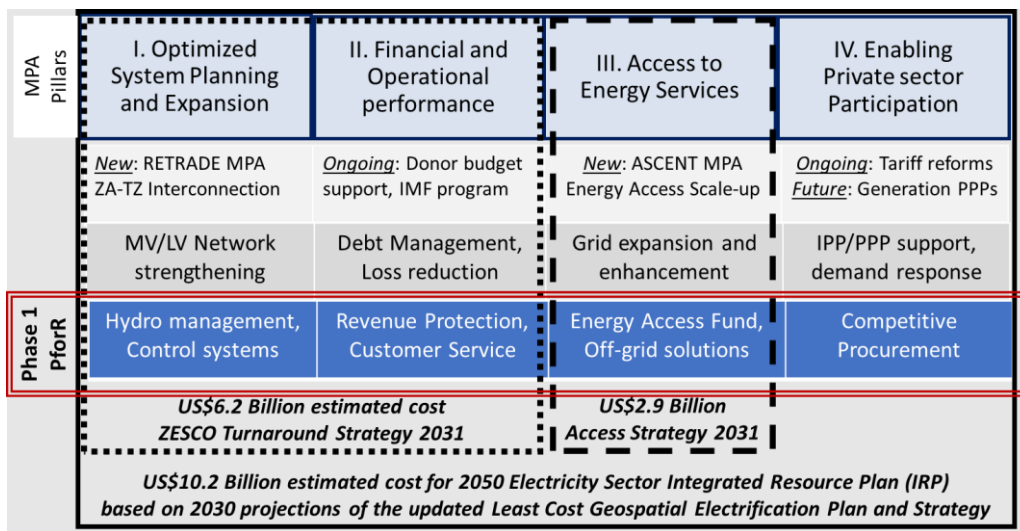
#### 1.5 PDO Level Results Indicators

13. The Phase 1 Program Results indicators (PDO indicators) include,
  - People provided with new or improved electricity services (number);
  - ZESCO cost recovery (percentage);
  - Reliability of electricity supply (CAIDI).

#### 1.6 Program for Results (PforR) Description

14. **The Government program encompasses three intertwined plans covering the electricity sector value chain namely, the Integrated Resource Plan 2050 ('IRP'), ZESCO Turnaround Strategy 2031 ('ZESCO plan') and Universal Energy Access strategy ('REA plan'). These also form the basis of the overall MPA framework. The PforR (Phase 1) focuses on the 2023-26 time-slice of the government program, with disbursement linked indicators associated with the short-term foundational priorities for sector transformation.** Figure 1 below presents the program boundary for Phase 1 of the PforR within the MPA framework and the government program.

Figure 1 . Boundary of Government Program ('p') for Energy Sector Transformation and Phase 1 PforR ('P')



15. The Phase 1 PforR program will focus on a time-slice of the government program. The program support 2023-26 priority actions identified in the government program, aligned with the MPA pillars namely, optimized system planning and expansion; (ii) Improved operation and financial performance of ZESCO; (iii) Increased access to electricity, and (iv) enable private sector participation. The proposed disbursement linked indicators and results are provided in **Table 1-1** below, and are subject to further discussion during preparation.

Table 1-1 – Disbursement Link Indicators (DLIs) and Results for the Program

	Prior Results (June – Dec 2023)	CY 2024	CY 2025	Proposed Allocation (USD M)
<b>DLI 1: Improved sector planning and optimized system Management</b>	<b>DLR 2.1:</b> Adoption of the Integrated Resource Plan (IRP)	<b>DLR 2.2:</b> Operationalization of hydrological monitoring systems (% of hydro generation stations connected)	<b>DLR 2.2:</b> Operationalization of hydrological monitoring systems (100% of hydro generation stations connected)	<b>15</b> <b>(10 IDA 5 CTF*)</b>
<b>DLI 2: Improved operational and financial performance of ZESCO</b>	<b>DLR 3.1:</b> Adoption of Debt Management Plan by ZESCO Board  <b>DLR 3.2:</b> Adoption of Working Capital Management Framework by ZESCO Board  <b>DLR 3.3:</b> Adoption of Customer Satisfaction Improvement Plan by ZESCO Board	<b>DLR 3.4:</b> On-lent loans are converted into equity, prioritizing loans for rural electrification (US\$)  <b>DLR 3.5:</b> GRZ arrears and ZESCO outstanding debt settled through a one-time swap (% arrears)  <b>DLR 3.6:</b> Increase the number of contract customers by reducing the Maximum Demand capping to 5MVA.	<b>DLR3.7:</b> GRZ adopts timebound plan for a one-time tri-partite settlement of outstanding payments between mining sector, ZESCO and GRZ  <b>DLR 3.8:</b> Increased use of digital channels by customers (50% by 2025)  <b>DLR 3.9:</b> Implement customer service charter and customer management system (100% coverage) <u>OR</u> CAIDI at XX%  <b>DLR 3.10:</b> Complete Smart-metering of all high-value customers (100% coverage)	<b>45</b> <b>(40 IDA 5 Donor#)</b>

	Prior Results (June – Dec 2023)	CY 2024	CY 2025	Proposed Allocation (USD M)
<b>DLI 3: Increased Access to Electricity</b>	<p><b>DLR 4.1:</b> Adopt Operations manual for Rural Electrification Fund (REF), as per the Rural Electrification Act (May 2023, and operationalize the REF</p> <p><b>DLR 4.2:</b> Regulatory Framework for Standard Connection Charges approved/adopted</p>	<p><b>DLR 4.3:</b> New connections through implementation of the Grid Expansion program (number)</p> <p><b>DLR 4.4:</b> New connections through implementation of the Off-grid Smart Subsidy scheme (number)</p>	<p><b>DLR 4.3:</b> New connections through implementation of the Grid Expansion program (number)</p> <p><b>DLR 4.4:</b> New connections through implementation of the Off-grid Smart Subsidy scheme (number)</p>	<p>25</p> <p>(10 IDA 15 Donor#)</p>
<b>DLI 4: Strengthened governance for private sector participation</b>		<p><b>DLR 5.1</b> Approval of ZESCO Tariff Adjustment per the Multi-Year Tariff Proposal (MYTP)</p> <p><b>DLR 5.2:</b> Adopt competitive procurement process under the IRP, establishing national procurement platform</p> <p><b>DLR 5.3</b> Recruit Transaction Advisory services</p>	<p><b>DLR 5.1</b> Approval of ZESCO Tariff Adjustment per the Multi-Year Tariff Proposal (MYTP)</p> <p><b>DLR 5.4</b> Pilot national procurement platform for priority generation projects (XX number of projects or XX RE capacity)</p>	<p>5</p> <p>(5 CTF*)</p>
<b>Total</b>				<b>90</b>
*CTF funding is not secured.				
# Donor funding is confirmed, subject to appraisal and final agreement on project activities				<b>60 IDA</b>

**1.7 Institutional and Implementation Arrangements**

16. The Program will be implemented by ZESCO and REA under the oversight of the Ministry of Energy (MoE). The Program will use the Government, REA and ZESCO systems for Program implementation, oversight, financial management, procurement, ESHS management, monitoring and evaluation and reporting arrangements. A Program Operations Manual (POM) will be developed setting out detailed institutional, administrative, financial, technical, operational, and environmental and social procedures for the implementation of the Program and Program Action Plan (PAP).

**1.8 Results Monitoring, Evaluation, and Verification Agencies**

17. ZESCO will be responsible for results monitoring and reporting of the PforR component. xxxxxxx.

18. The MoE will recruit an Independent Verification Agency (IVA) to verify the achievement of the DLIs using terms of reference satisfactory to the World Bank. The DLIs will be verified based on review of official data and reports supplementing evidence-based methods. The periodic IVA reports will serve as the basis for assessing progress toward achievement of the DLI targets and for disbursement authorization by the World Bank.

**1.9 Disbursement Arrangements**

19. The Program disbursements will be based on achieved results. The supporting documents for accountability of Bank funds will be the certificate of completion issued by the IVA for the achievement (or partial achievement) of DLIs. **Xxxxxxx**.

20. **Program Operational Manual (POM):** A Program Operational Manual that will be prepared as an effectiveness condition will include: (a) the activities and timetable of actions to be carried out under the

Program; (b) excluded activities; (c) the respective roles and responsibilities of entities participating in the Program; (d) the composition and responsibilities of the Program Implementation Team; (e) the fiduciary, technical and operational aspects and procedures for implementation of the Program, including the financial management procedures; (f) the procedures for distribution of IDA credit proceeds; (g) the verification protocols for the DLIs and DLRs; (h) the Anti-Corruption Guidelines; and (i) the Program Action Plan. The POM will also include guidelines for implementation of ESHS aspects under the Program.



## 2 Environmental and Social Systems Assessment Scope and Methodology

### 2.1 Purpose and Objectives

21. The PforR instrument requires technical, fiduciary, environment and social assessments. Therefore, the ESSA has been prepared by the WB for the PforR component of the Program to determine the capacity of the borrower's systems to plan and implement effective measures for the management of ESHS risks associated with the Program, and to promote E&S sustainability and requirement to avoid, minimize, or mitigate adverse ESHS impacts. In accordance with the WB PforR policy requirements, the borrower will apply national systems for the management of ESHS risks associated with the PforR interventions, provided these are consistent with the WB's PforR policy requirements, including the six PforR Core Principles and key planning elements.
- 22.
23. The specific objectives of the ESSA are to:
- i. identify the Program's potential ESHS effects;
  - ii. review the existing policy, legal, regulatory, and institutional frameworks relevant to ESHS management of effects related to Program's interventions;
  - iii. assess the capacity of implementing institutions in managing potential adverse ESHS risks and impacts associated with the Program;
  - iv. assess the Program's system performance with respect to the Six core PforR principles and identify strengths, weaknesses, opportunities, and threats in Program performance; and
  - v. recommend specific actions to address gaps in the Program's ESHS systems that will be embedded into the PAP and Program design, to strengthen the Program's performance.

### 2.2 The ESSA Approach

24. The Program's ESSA has been prepared to establish the extent to which the borrower system is consistent with the Six Core Principles of the World Bank's PforR policy for purposes of enhancing effectiveness in the management of the Program Environmental, Social Health and Safety (ESHS) effects while promoting sustainable development. These six Core Principles include:
- i. **Environment and Social Management:** To promote E&S sustainability in the Program design; avoid, minimize, or mitigate adverse impacts; and promote informed decision-making relating to the Program's E&S effects.
  - ii. **Natural Habitats and Physical and Cultural Resources:** To avoid, minimize, or mitigate adverse impacts and promote informed decision-making relating to a Program's E&S effects in relation to physical and cultural Resources.
  - iii. **Public and Worker Safety:** To protect public and worker safety against the potential risks associated with construction and/or operations of facilities or other operational practices under the Program; exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.
  - iv. **Land Acquisition:** To manage land acquisition and loss of access to natural resources in a way that avoids or minimizes displacement, and assists the affected people in improving, or at the minimum restoring, their livelihoods and living standards.
  - v. **Indigenous Peoples and Vulnerable Groups:** To give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups.
  - vi. **Social Conflict:** To avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial dispute.

25. The relevance and applicability of the Six Core PforR Principles to the proposed Program are discussed under Chapter 7 where a comparative analysis of the borrower ESHS system and the Six Core PforR principles including the key planning elements is presented.

### 2.3 The ESSA Methodology

26. In conducting the ESSA, the WB team applied various techniques, including the following:

- i. **Assessment of the ESHS effects of the Program:** an ESHS risk screening of the proposed Program activities was undertaken during the concept stage to identify potential ESHS effects and to confirm that there are no Program activities that meet the defined exclusion criteria are included in the Program, in line with the World Bank guidelines for PforR.
  - ii. **Comprehensive desk review** of the existing national system consisting of policies, legal, regulatory and institutional frameworks, Program documents, and similar ESSAs carried out in the recent past. The review examined the set of applicable national level policy, legal, regulatory and institutional frameworks that are relevant for the management of ESHS effects in the Energy sector. In addition, the assessment examined technical documents from previous and ongoing WB PforR Programs such as the Zambia Growth Opportunities Program (ZGOP), and Zambia Devolution Support Program (ZDSP), both approved in FY 22 and currently under implementation.
  - iii. **Stakeholder consultations:** During the period, August 22<sup>nd</sup> to August 25<sup>th</sup> various key Stakeholders were engaged to enable the World Bank to understand the existing systems and institutional experiences with regard to the application of the ESHS systems for the management of ESHS effects. To this end, the ESSA process involved institutional analysis to assess the capacity of key institutions to effectively implement the required ESHS actions. The assessment of these key institutions focused on their capacity for E&S risk management, public and worker safety, labour related issues and inclusion of vulnerable groups including the women, youth, and persons with disability. Some of the key relevant stakeholders consulted included Ministry of Energy, Energy Regulatory Board (ERB), MoE, REA, ZESCO, Ministry of Community Development and Social Services (MCDSS), Ministry of Labour and Social Security (MLSSS), Occupational Safety and Health Institute (OSHI), Zambia Environmental Management Authority (ZEMA), NGOs, Gender Division, Resettlement Department, among others. The comprehensive list of all stakeholders consulted is presented in Annex 2 of this report.
- V **ESSA validation and disclosure workshop.** In line with the World Bank Policy for PforR financing and the World Bank's Access to Information Policy, the draft ESSA will be disclosed and its findings presented to stakeholders in October 2023. Based on their input and feedback, the draft ESSA report will be revised, approved, and the final ESSA report publicly disclosed in-country on the MoE, REA, and ZESCO websites and on the World Bank external website prior to the Program's WB Board approval.

## 3 Environmental and Social Benefits, Risks, And Impacts of the Program

### 3.1 Purpose of the Program and Exclusions

27. **Scope of the Program and projects.** The NEAT Program will support ZESCO and REA in the first phase of the 4-phase MPA towards achieving financial and operational sustainability and realising the vision of universal access to electricity. The Program propose
28. The scope of subprojects to be undertaken under the program will range from small to large scale infrastructures, such as rehabilitation and construction of transmission lines, rehabilitation of sub-stations, and last mile connections to households (under Key Results Area 3). This will support the expansion, maintenance, upgrade and modernization of the distribution network, and the mainstreaming of climate resilient standards in ZESCO's and REA's infrastructure projects.
29. Based on the scope and scale of sub-projects to be financed under the Program, the Environmental, Social and Health and Safety (ESHS) risks and impacts are expected to be low to moderate in scale per sub-project, with the most adverse impacts being site-specific, temporary and limited during the construction phase. All investments will undergo an ESHS risks and impact screening and assessment process as per the national environmental and social management systems requirements. Consistent with the requirements of the Bank PforR Policy, the proposed Program operation will not finance activities that pose high ESHS risks.

### 3.2 Environment & Social Risk Rating

30. Because of the significant geographic dispersion of the participating districts, different scales of proposed investments by REA and ZESCO, the potential direct, indirect and cumulative environmental and social impacts associated with many sub-projects in the Program, the capacity of the NPCT (at MoE), ZESCO, and REA, and gaps identified in the institutions responsible for managing environmental, social and health risks in the country, the overall ESHS risk of the program is rated as **Substantial**.

### 3.3 Exclusion Principle

31. The principle applies to Program activities that meet the exclusion criteria regardless of the borrower's capacity to manage such ESHS effects. In the PforR context, exclusion mean that an excluded activity is not included in the identified investment menu. The exclusion principle also applies to any activity that requires completion of non-eligible activity to achieve its contribution to the PDO and/or DLI. The Program is designed to exclude investments that are likely to have significant adverse ESHS risks and impacts or are categorised as high-risk sub-projects under the World Bank ESF and Zambia EIA Regulations (EMA 2011). The sub-project activities will be screened against the six core principles under the PforR and the relevant country systems which will apply to all investments as a mechanism for avoiding, minimising, or mitigating adverse ESHS risks/impacts. All this will be captured in the Program Operation Manual that will specify the suitable criteria through which the program components will be screened.
32. The Program shall exclude projects likely result in:
- Any investments that trigger **high or substantial risk** rating under the World Bank Environmental and Social Framework (ESF).
  - Air, water, or soil contamination leading to significant adverse impacts on health and safety of individuals, communities, and ecosystems.
  - Significant conversion or degradation of critical natural habitats or cultural heritage sites.
  - Workplace conditions that expose workers or adjacent community members to significant health and personal safety risks.
  - Large-scale changes to land-use or restriction of access to land and/or natural resources.
  - Adverse E&S impacts covering large geographical areas, including transboundary impacts or global impacts such as greenhouse gas (GHG) emissions.
  - Significant, cumulative, induced, or indirect ESHS risks and impacts.

- h) Activities that may involve physical and/or economic displacement of more than 200 PAPs. Any such resettlement will require evidence of ownership or a RAP in accordance with the resettlement guidelines to be included in the POM/ESHS guidelines/manual.
- i) Activities that involve the use of forced or child labour.
- j) Activities likely to cause marginalisation of, or conflict within or among social groups.
- k) Activities with high risks of Gender Based Violence (GBV), and Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH).
- l) Activities that would:
  - i. adversely affect lands or rights of Traditional Local Communities or other VMGs;
  - ii. have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation;
  - iii. cause the relocation of VMGs from land and natural resources that are subject to traditional ownership or under customary use or occupation; or
  - iv. have significant impacts on cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected communities.
  - v. Investment on land for which ownership cannot be ascertained, land with any encumbrances, including boundary conflicts, family disputes, court cases, absentee landlords and succession challenges.

33. In the event that a proposed activity would lead to physical and/or economic the displacement of encroachers on the wayleave trace, the Implementing agency will be required to compensate such encroachers in line with the requirements of PforR Core Principle #5. The screening criteria and process will be outlined in the Program Operations Manual (POM), and as necessary, and will be in the ToR to be verified during the annual Independent Verification Audit (IVA). In addition, the ESHSM Manual shall clearly define the manner in which the Program will ensure VMGs are included in the Program consultation process and access to Program benefits, including how the Program should cushion them against high connection costs and consumption tariffs.

### 3.4 Program Beneficiaries

34. The main Program beneficiaries will include the following:
- i. **Sector institutions.** All sector institutions are expected to benefit from better planning by ZESCO and REA from improved governance, financial sustainability and enhanced efficiency across the value chain. ZESCO and REA management is expected to put forward a broad vision to achieve universal access in a financially sustainable way and enable enhanced capacity to achieve this mission. Independent Power Producers (IPPs) and suppliers such as Copperbelt Energy Corporation (CEC) will also benefit from reduced arrears. Improved efficiencies in the T&D system are expected to be reflected in the reduction of technical and commercial losses resulting in overall cost savings.
  - ii. **Households.** The Program is expected to provide households with improved energy access and better-quality electricity service. It will also have an increased pro-poor access focus, mainstreaming targeted subsidy mechanisms to make the connection affordable for disadvantaged and vulnerable groups like female-headed households. Access to electricity will allow the use of additional household supplements such as televisions, fan, refrigerators, time and energy saving cooking stoves etc. It will enable households to undertake productive and income-generating activities and enhance access to relevant electricity information and communication through phone, radio and television. Empirical evidence shows the health benefits associated with the use of electricity especially for women and girls due to the reduction of indoor air pollution from the use of kerosene lamps and candles for lighting.
  - iii. **Social institutions.** Improvements in the quality of public service delivery are expected through increased electricity connections, especially of public facilities such as schools; clinics; hospitals including

health care centers that provide prenatal and postnatal reproductive health care services for women, girls and children (for example, for cold chain, child delivery, vaccine and medicine refrigeration, lighting, sterilization); and water pumping stations (for example, for safe drinking water) used by poor and vulnerable households.

- iv. **Productive enterprises.** The Program mainstreams good practices for demand stimulation and productive uses. This includes demand simulation for women target groups to ensure they access productive uses of energy at affordable cost. Improved access to electricity supply will contribute to increased income and productivity of enterprises (particularly for micro/small/medium enterprises) and will assist them in reducing their dependency on expensive diesel generation that has a substantially higher per unit cost. In addition, productive uses of electricity can boost job creation and lead to overall positive spillover effects to the communities.
- v. **Gender-differentiated benefits.** Providing rural households, social services, and enterprises with improved electricity services has the potential to promote gender equality, create employment and business opportunities for women, and improve development outcomes for example, health and education.

### 3.5 Potential Environmental, Social, Health, and Safety (ESHS) Benefits and Risks

#### 3.5.1 Potential Environmental, Social, Health and Safety Benefits

35. The PforR Program will significantly deliver ESHS benefits which will vary depending on the investment's menu. The potential ESHS benefits will include, but not limited to:
- a. increased access to electricity, leading to Improved clean environment and living conditions through the use of cleaner energy
  - b. Reduction in use of fossil fuels for powering generators and other equipment, leading to reduced emissions of air pollutants, greenhouse gases (GHG),
  - c. Improved safety on faulty transmission lines (eg reduction on electrocution)
  - d. reduced dependency on kerosene and firewood as sources of energy for cooking and lighting, which, in turn, will lead to reduced cutting of trees and reduced carbon emissions;
  - e. improved indoor air quality as a result of using less firewood and kerosene;
  - f. improved and reliable electricity services in Zambia,
  - g. improvements in quality of public service delivery such as schools and health care facilities,
  - h. contribution to the inclusion of vulnerable households in line with the last mile connectivity program objectives;
  - i. reduced energy losses, and,
  - j. improved financial sustainability for ZESCO and REA.
  - k. Inclusion of vulnerable households in line with the last mile connectivity program objectives;
  - l. The program will implement climate smart and resilient energy infrastructure which improve resilience of local populations, especially populations vulnerable to crisis events as a result of climate change, such as floods and droughts;
  - m. Enhanced technical capacities in the IAs to implement and manage public investments and ESHS effects

#### 3.5.2 Potential Environmental, Health and Safety (EHS) Risks and Impacts

36. The Program is expected to have direct and indirect effects on the EHS and climate change aspects. The risks and impacts in this Program will mainly be limited to the construction phase. The risks are considered site specific, temporary in nature and reversible.

37. The potential EHS risks and impacts, include but are not limited to:
- a. Disturbance and loss of existing vegetation and potential impact to flora and fauna species.
  - b. Localised noise and air pollution (dust and emissions) from construction activities.
  - c. Soil contamination and underground water pollution from spillage of oil and fuel associated with construction works.
  - d. Soil erosion and sedimentation of waterways especially during construction of transmission lines and substations.
  - e. Land degradation impacts from sourcing of construction material from quarry and borrow pits for use in civil works.
  - f. Scenic quality deterioration and environmental pollution from dumping of excavated material and impact to physical cultural resources.
  - g. Occupational health and safety incidents/accidents to workers at construction sites and community health and safety risks to the public, especially electrocution and falls from heights.
  - h. Increased generation and unsafe disposal of construction solid waste and wastewater.
  - i. Traffic obstruction and increased traffic related safety risks.
  - j. Temporal disruption of public access to residential and businesses especially during excavations near structures that have encroached the public land.
  - k. Disruption of existing infrastructure or services such as drainage, sanitation, telecommunication utilities, power, and water supply especially during construction phase.
  - l. Increased spread of sexually transmitted diseases including HIV/AIDs, Sexually Transmitted Diseases (STDs), and other communicable diseases such as tuberculosis, cholera, etc.
  - m. Water (surface and groundwater) pollution risks from transport, treatment and disposal of wastewater and faecal sludge from pit latrines, septic tanks at camp sites, and other onsite sanitation facilities, if not properly handled.

### **3.5.3 Potential Social Risks and Impacts**

38. The proposed investments under NEAT may pose potential negative social risks and impacts. The potential negative social risks and impacts will include, but not limited to:
- a. Inadequate Environment and Social Staffing and budget allocation for ESHS risks management.
  - b. Loss of livelihoods through temporary displacements/repositioning of vendors, hawkers, drivers especially during construction of LV transmission lines.
  - c. Disruption of access and damage to public utilities and/or private properties.
  - d. Destruction of structures, crops and trees
  - e. Labour influx risks which may lead to an increase in crime, insecurity and upset community dynamics.
  - f. Use of Forced, child labour and abuse.
  - g. Potential public and community health and safety risks such as accidents from open drains.
  - h. Increased Gender-Based Violence (GBV) and Sexual Exploitation and Abuse and Sexual Harassment (SEA-SH).
  - i. Lack of transparency and trust by communities due to poor consultations and stakeholder engagement with project beneficiaries, vulnerable and marginalized groups.
  - j. Discrimination against the vulnerable groups, especially women and minorities in selecting Program participants, lack of consideration of PWD needs, access and suitable infrastructure.
  - k. Lack of clear guidelines presents the risk of targeting and exclusion of vulnerable groups for Program benefits.
  - l. Gender inequality in employment opportunities.
  - m. Elite capture or political interference in beneficiary targeting of the most deserving as well as selection and prioritization of investments.
  - n. Bias of contract awarding to known or particular group of contractors.
  - o. Inadequate mechanisms for stakeholder identification, engagement, monitoring and feedback.
  - p. Ineffective grievance redress and feedback mechanisms.

39. **The potential Program effects.** On the basis of program activities planned under the key results areas, the ESSA team and stakeholders who provided feedback identified potential ESHS effects associated with the Program as shown in Table 2. The potential ESHS risks and impacts from the proposed activities shall be handled by the Program Action Plan (PAP) that has been prepared as part of the ESSA. The PAP outlines the principles, steps, and procedures that will be followed during Program implementation to mitigate any potential adverse risks and impacts.

Table 3-1: ESHS Effects Associated with Program Activities Under the Key Results Areas

Result Area	Activities	ESHS Effects		Proposed Mitigation and enhancement measures
		Benefits	Risks	
<p><b>DLI 1: Improved sector planning and optimized system Management</b></p>	<p><b>DLR 2.1:</b> Adoption of the Integrated Resource Plan (IRP)</p> <p><b>DLR 2.2:</b> Operationalization of hydrological monitoring systems (% of hydro generation stations connected)</p>	<ul style="list-style-type: none"> <li>▪ Improved governance of energy utility companies</li> <li>▪ Energy loss reduction,</li> <li>▪ Improved customer experience,</li> <li>▪ Innovative business growth (revenue diversification and growth),</li> <li>▪ Digital transformation,</li> <li>▪ Improved access to electricity by VMGs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inadequate consideration of ESHS effects at the planning stage, leading to little or no budget considerations for ESHS management activities resourcing (financial, human, equipment) at this stage</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>▪ Political interferences which may result in inadequate targeting of VMG areas or prevent VMGs from accessing project benefits</li> </ul> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>▪ Disintegrated approach on consultations on biodiversity protection approach of key stakeholders (eg Forest department and ZEMA) during planning phases of the program could result to poor decision leading to a one-sided approach to environmental protection</li> <li>▪ Poor integration of climate change strategies in its planning process</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inclusion of ESHS specialists in the planning stages, and ensure adequate resources and budget is allocated to ESHS risks management</li> <li>▪ Develop and adopt public participation and civic education guidelines for mainstreaming stakeholder engagement processes and capacity build the Implementing agencies.</li> <li>▪ Establish a systematic approach to stakeholder engagement to identify stakeholders and build and maintain a constructive relationship with them.</li> <li>▪ Support development of climate change screening tools to be integrated into the subprojects design, monitoring and tracking of climate change related risks and proposed mitigation and/or adaptation measures.</li> </ul>
<p><b>DLI 2: Improved operational and financial performance of ZESCO</b></p>	<p><b>DLR 3.1:</b> Adoption of Debt Management Plan by ZESCO Board</p> <p><b>DLR 3.2:</b> Adoption of Working Capital Management Framework by ZESCO Board</p> <p><b>DLR 3.3:</b> Adoption of Customer Satisfaction Improvement Plan by ZESCO Board</p> <p><b>DLR 3.4:</b> On-lent loans are converted into equity, prioritizing loans for rural electrification (US\$)</p> <p><b>DLR 3.5:</b> GRZ arrears and ZESCO outstanding debt settled through a one-time swap (% arrears)</p>	<ul style="list-style-type: none"> <li>▪ Business operational efficiency,</li> <li>▪ Corporate sustainability, and developing new business models.</li> <li>▪ Restore sustainability to the sector and provide a firm basis from which to implement future connectivity campaigns toward universal access</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on only Utility companies' financial sustainability might lead to exponential increase in consumer tariffs, which may be beyond the affordability limits of VMGs and poor households and individuals, thus locking them out of project benefits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote and provide means for effective and inclusive engagement of stakeholders including monitoring the consultation process and providing feedback on the implementation of citizens' priorities.</li> <li>▪ Provide stakeholders with opportunities to express their views on the Program and allow implementing agencies to consider and respond to them.</li> <li>▪ Conduct a study on strategies to implement tariffs that are affordable to the poor and vulnerable groups</li> </ul>



ESSA for Zambia NEAT Program

Result Area	Activities	ESHS Effects		Proposed Mitigation and enhancement measures
		Benefits	Risks	
	<p><b>DLR 3.6:</b> Increase the number of contract customers by reducing the Maximum Demand capping to 5MVA.</p> <p><b>DLR3.7:</b> GRZ adopts timebound plan for a one-time tri-partite settlement of outstanding payments between mining sector, ZESCO and GRZ</p> <p><b>DLR 3.8:</b> Increased use of digital channels by customers (50% by 2025)</p> <p><b>DLR 3.9:</b> Implement customer service charter and customer management system (100% coverage) OR CAIDI at XX%</p> <p><b>DLR 3.10:</b> Complete Smart-metering of all high-value customers (100% coverage)</p>			
<p><b>DLI 3: Increased Access to Electricity</b></p>	<p><b>DLR 4.1:</b> Adopt Operations manual for Rural Electrification Fund (REF), as per the Rural Electrification Act (May 2023, and operationalize the REF</p> <p><b>DLR 4.2:</b> Regulatory Framework for Standard Connection Charges approved/adopted</p> <p><b>DLR 4.3:</b> New connections through implementation of the Grid Expansion program (number)</p> <p><b>DLR 4.4:</b> New connections through implementation of the Off-grid Smart Subsidy scheme (number)</p>	<ul style="list-style-type: none"> <li>▪ Promote increased access to electricity to all households including the vulnerable groups, which will in turn contribute to increased economic and social welfare</li> <li>▪ Gender mainstreaming will promote inclusivity and sustainability of energy programs</li> <li>▪ Reduce dependency on kerosene and firewood as sources of energy for cooking and lighting</li> </ul>	<p><b>Social</b></p> <ul style="list-style-type: none"> <li>▪ Limited or inadequate stakeholder engagements and disclosure of Program information</li> <li>▪ Political interference leading to program benefits where political interests are high, leaving the poor and vulnerable groups without access to power</li> <li>▪ Potential exclusion of Vulnerable and Marginalized Groups (VMGs) and vulnerable households and individuals from Program benefits including consultations and electricity access due to their inability to pay for wiring and connection costs would mean a failure of the Program to achieve its objectives for the Last Mile Connectivity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote and provide means for effective and inclusive engagement of stakeholders including monitoring the consultation process and providing feedback on the implementation of citizens' priorities.</li> <li>▪ Provide stakeholders with opportunities to express their views on the Program and allow implementing agencies to consider and respond to them.</li> <li>▪ Disclose appropriate Program information on E&amp;S risks and impacts in a timely manner to ensure meaningful consultations, in relevant local languages, in a manner that is accessible and culturally appropriate, considering any specific needs of groups that may be differentially affected by the Program, or groups of the population with specific information</li> </ul>

Result Area	Activities	ESHS Effects		Proposed Mitigation and enhancement measures
		Benefits	Risks	
<p><b>DLI 4: Strengthened governance for private sector participation</b></p>	<p><b>DLR 5.1</b> Approval of ZESCO Tariff Adjustment per the Multi-Year Tariff Proposal (MYTP)</p> <p><b>DLR 5.2:</b> Adopt competitive procurement process under the IRP, establishing national procurement platform</p> <p><b>DLR 5.3</b> Recruit Transaction Advisory services</p> <p><b>DLR 5.4</b> Pilot national procurement platform for priority generation projects (XX number of projects or XX RE capacity)</p>	<ul style="list-style-type: none"> <li>▪ Encourage private sector-led renewable energy generation,</li> <li>▪ Improve the long-term security of electricity supply;</li> <li>▪ Reduce the short- and long-term costs of delivering electricity services;</li> <li>▪ Provide local economic and social benefits from electricity-related projects, activities and programs, including power generation projects; and</li> <li>▪ Minimize the environmental, climatic and other social, cultural and economic impacts of electricity supply and use</li> </ul>	<ul style="list-style-type: none"> <li>▪ Risk of elite capture by the comparatively more knowledgeable elites limiting the targeting of VMGs and other vulnerable households under last-mile connectivity;</li> <li>▪ The likely acquisition of wayleave for transmission lines (HV,MV and LV) without compensation, and loss of land value along the wayleave due to usage restrictions may lead to risk of delayed Program implementation or high rerouting costs;</li> <li>▪ Potential increase in GBV cases, and communicable diseases due to influx of workers into sub-project areas</li> </ul> <p><b>Environment, Health and Safety</b></p> <p>Direct impacts would include but not limited to:</p> <ul style="list-style-type: none"> <li>▪ Impacts on natural habitats and physical cultural resources due to poor siting, design and planning of infrastructures</li> <li>▪ Potential destruction of crops, vegetation and or/trees following the acquisition of wayleaves to construct transmission lines to strengthen distribution network and to connect new households and businesses</li> <li>▪ Potential solid and liquid waste generation from project activities</li> <li>▪ Potential increase in surface runoff from excavated areas and substations during rainy season that could lead to erosion in areas with unprotected soil in neighboring facilities</li> <li>▪ Civil and electrical works are expected to expose the workers and the proximal community members to occupational safety and health related hazards and accidents</li> <li>▪ Inability of last mile customers to access accredited technicians to wire premises which may present health and safety risks when non-accredited technicians are used</li> <li>▪ Equipment and machinery used could be a source of hazardous and noxious waste i.e.,</li> </ul>	<p>needs, such as disability, literacy, gender, mobility, differences in language or accessibility.</p> <ul style="list-style-type: none"> <li>▪ Ensure adequate documentation of all stakeholder engagement process including discussions held, key concerns raised, responses given and agreed actions. Collect photographic evidence to the extent possible.</li> <li>▪ Conduct feasibility and design studies which will identify proper siting, planning and execution of the subprojects to minimize impacts on natural habitats and PCR resources.</li> <li>▪ Develop an E&amp;S screening checklist for screening sub-projects to identify any potential impacts to natural habitats and physical cultural resources before undertaking environmental assessments.</li> <li>▪ Prepare ESIA/ESMPs as per the country regulations, and incorporate an adequate monitoring plan in the contract documents.</li> <li>▪ The subprojects budget should include the ESMP budget and should be included in the BoQ as a standalone item for implementation of ESMP.</li> </ul> <p><b>Health and Safety management measures</b></p> <ul style="list-style-type: none"> <li>▪ Develop SOP guidelines for mainstreaming OHS and Community Health and Safety aspects in the ESHSM manual for adoption in Program implementation.</li> <li>▪ The Program will partner with OSH to enhance the capacity of implementing agencies on health and safety risks management based on national laws and regulations through training of ESHS staff on OSHA, 2010 and WIBA 2007.</li> <li>▪ Develop a simplified OHS manual for contractors.</li> <li>▪ Explore strategies to use alternative materials instead of wooden poles, such as plastic poles</li> </ul>

Result Area	Activities	ESHS Effects		Proposed Mitigation and enhancement measures
		Benefits	Risks	
			<p>running engines, oil from wet transformers, electronic waste, used engine oil and oil filters</p> <ul style="list-style-type: none"> <li>▪ Limited awareness on safe usage of electricity to communities, especially in heavily populated areas. This can be mitigated through safety sensitization and awareness creation when connecting lps to electricity</li> <li>▪ Risk of electrocution and fires from illegal connections, especially during rainy seasons. In addition, there are also cases of power connections done by incompetent persons resulting in incidences of electrocution and a near miss electrocution of community members</li> <li>▪ Community health and safety risks including spread of diseases such as HIV and AIDs.</li> <li>▪ Cumulative impacts from projects within the project vicinity to exacerbate the impacts of the project i.e., vegetation clearance to further reduce the vegetation cover of project areas if they are being cut to pave way for another project.</li> <li>▪ Indirect impacts such as access to electricity leading to demand in raw materials such as wooded poles that lead to deforestation in order to supply wooden poles to suppliers.</li> </ul>	

## 4 National Environmental, Social, Health and Safety Management Systems Relevant to the Program

40. As outlined in the PforR policy, the borrower systems will be applied for management of ESHS risks of the Program interventions. It is therefore necessary to ensure that the Program is implemented within a robust system for effective management of ESHS risks. This section provides an overview of existing Zambia's policy, legal, regulatory, and institutional frameworks and their relevance for management of ESHS risks of the NEAT Program. It also identifies gaps if any, in the adequacy and effectiveness of the system for the management of the ESHS risks.

41. Based on the analysis of the country systems, there are no major gaps in Zambia legislation in comparison to the six World Bank PforR Core Principles. However, some gaps still exist, more on social risk and impacts management. The gaps identified by the ESSA are largely in the acquisition of land, and the inclusion of vulnerable and disadvantaged groups related to core principles 4 and 5 respectively. They include, (i) non-compensation of persons occupying land without the consent of the owner (e.g., squatters/encroachers) for improvements made on land (ii) lack of clarity on livelihood restoration or enhancement, (iii) insufficient targeting and inclusion of vulnerable and other disadvantaged or vulnerable individuals and groups in participation and benefits sharing, (iv) insubstantial public participation, and (v) RAP preparation, review, approval and disclosure are not entrenched in the Land Act, submission of RAP is not a mandatory requirement ( but considered a good practice) , and ZEMA only requires RAP under high-risk projects related to core principles 4 and 5, (v) there are no clear laws on the agency responsible for resettlement activities, despite existence of a Department of Resettlement under the Office of the Vice President These weaknesses have been enhanced under the Program to ensure the WB PforR Core Principles requirements are met (see Chapter 8).

42. The assessment of how the ESHS systems functions in practice is presented in Chapter 8 of this report, which is structured as a SWOT analysis of Implementing Agencies' capacity to manage the ESHS risks and impacts in line with the country's policies, legal and regulatory frameworks as written, and whether these are in line with the PforR Financing requirements.

43. Annex 9.1 presents Zambia's policies, regulations, and legislative frameworks that are applicable for the management of ESHS effects of the NEAT Program, as well as some gaps that have been identified.

## 5 Institutional Arrangements for the Management of Environmental, Social, Health and Safety (ESHS) for the Program

44. This section describes the country's institutional framework for the management of ESHS risks and impacts for realization of the proposed program benefits.

45. The ESSA found that a number of institutions have varying degrees of mandates for the management of ESHS effects. However, the efforts of these institutions are uncoordinated, and their activities are not planned in reference to each other. Consequently, there is limited consultations among the institutions and in most cases, they operate independently of each other, with the result that their effectiveness is hardly felt in practice.

46. Table 5-1 and Table 5-2 below presents the various institutions that will be involved in the management of ESHS effects of the NEAT Program.

### 5.1 Institutional Framework for Environment, Health, and Safety Management Systems

Table 5-1: Institutional Framework for ESHS Management Under the NEAT Program

	Institution	Responsibilities	Relevance to the program
1.	<b>Ministry of Green Economy and Environment (MGEE)</b>	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Program- activities shall be carried out in manner that ensures appropriate usage of the environment, water, and natural resources.</p> <p>Activities such as installation of IT infrastructure and proposed physical investments will undergo E&amp;S risk screening, and requisite ESMPs developed (if necessary) to guide the management of adverse impacts and to ensure E&amp;S sustainability.</p>
2.	<b>Zambia Environment Management Authority (ZEMA)</b>	<p>The Environmental Management Act establishes the Zambia Environmental Management Agency (ZEMA). ZEMA is a statutory body, and the following are the main functions of ZEMA:</p> <p>ZEMA reviews project TORs, reviews and approves EPBs and ESIA's, monitors environmental compliance advice on land-use planning and ensures that environmental management is integrated into development policies, Programs, plans and projects.</p>	<p>ZEMA will be responsible for providing guidance on the applicable E&amp;S risk management instrument to be applied based on the screening results and approving EIAs of proposed infrastructural developments in the Program.</p> <p>The implementing agencies will liaise with ZEMA in monitoring compliance and implementation of ESMPs. ZEMA will also play a critical role in undertaking the capacity building of implementing agencies.</p>
3.	<b>The Ministry of Lands and Natural Resources- Forestry Department:</b>	<p>The Forestry Department is mandated to manage state forest reserves; enforce national regulations related to the use and harvesting of forest resources on state and customary lands. The department provides guidelines and supervision for</p>	<p>The Forestry Department will approve any transmission lines and any activities in or traversing through gazetted conservation areas (Public Forests). These activities must</p>

	Institution	Responsibilities	Relevance to the program
		<p>management, restoration, and establishment of forests. The Forestry department will be responsible for implementation of Community Forest Management (CFM) and Natural Forest Regeneration. The department will provide oversight on the management of forest reserves.</p> <p>According to section 5 of the Forests Act, No. 4 of 2015, the main function of the Forest Department is the rationalization of the exploitation of forest resources and the promotion of sustainable forest management.</p>	<p>be subjected to Forest Act requirements, including EIA and consultation with the Forest department</p>
4.	<p><b>Occupational Health and Safety Institute (OHSI)</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• investigate and detect occupational diseases and injuries at workplaces</li> <li>• conduct medical examinations for occupational health and safety purposes catering for all industries including agriculture and construction</li> <li>• provide an occupational laboratory service</li> <li>• promote studies and carry out investigations and research on occupational health and safety</li> <li>• prepare and maintain statistics on employee’s morbidity and mortality</li> <li>• conduct and encourage awareness educational programmes relating to the promotion of occupational health and safety; and</li> <li>• carry out such other functions as are necessary or incidental to the performance of its functions under this Act.</li> </ul>	<p>OSHI will consider, register and supervise construction sites for proposed infrastructure as workplaces, receive mandated periodic and ad hoc reports from REA and ZESCO, and inspect workplaces for compliance with the OSHA, 2010 and WIBA, 2007.</p>
5.	<p><b>National Council for Construction (NCC)</b></p>	<p>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.</p>	<p>NCC will register contractors and works supervisors involved in rolling out Program activities of construction and maintenance of the proposed subprojects under the program.</p>

## 5.2 Institutional Framework for Social Management Systems

Table 5-2:: Institutions responsible for Social Risk Management

	Institution	Responsibilities	Relevance to the program
1.	Office of the President, Gender Division	The <b>Gender Division</b> (formerly known as <b>Ministry of Gender</b> ) is a <b>Division under the Office of the President</b> . It is responsible for <b>coordinating</b> and <b>monitoring</b> the effective implementation of Gender policies with other government Line Ministries and cooperating partners. The Division is committed to protecting and promoting women's rights, curbing Gender-Based Violence (GBV) 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	The inclusion and gender equity are two agenda items that are of great importance to the World Bank, and this is one of the division that would support the MoE and the implementing agencies in ensuring these are mainstreamed in the Program. In addition, the division will play a key role in working with the Implementing agencies in curbing program related GBV cases during project implementation.
2.	<b>Ministry of Community Development and Social Services (MCDSS)</b>	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.	DCD is well represented in all the wards across Zambia and very familiar with community mobilization and sensitization on government programs to enhance the livelihoods of the communities, including the poor and vulnerable groups. DCC will work with the implementing agencies in subprojects identification, especially in areas that are not widely covered by the grid and requires interventions to serve the poor and marginalized groups.
3.	<b>Department of Community Development (DCD), under MCDSS</b>	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.  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.	
4.	<b>Ministry of Labour and Social Security (MoLSS)</b>	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: <ul style="list-style-type: none"> <li>• Employment Policy</li> <li>• Social Security Policy</li> <li>• Labour Policy</li> <li>• Educational and Occupational Assessment Services</li> <li>• Occupational Safety and Health Services</li> <li>• Industrial and Labour Relations</li> <li>• Monitoring Productivity</li> </ul>	The ministry will support in management of Program social risks and impacts on labour related issues such as child labour, labour discrimination, among others to identify and mitigate related social risks during project inception, implementation, and operation phases.  The Department will be expected to carry out inspections for compliance with the labour laws and preside over the resolution of labour disputes that may arise in Program implementation.
5.	<b>Labour Department under MoLSS</b>	The Labour Department through the Ministry of Labour and Social Security (MoLSS) has been given the mandate to provide	

	Institution	Responsibilities	Relevance to the program
		<p>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.</p>	
6.	<p><b>Community-Level Political Structures</b></p>	<p>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.</p> <p>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.</p>	<p>This 3-tier elective structure (Councillors, 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.</p> <p>The constitution 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.</p>



## 6 Capacity Assessment For Managing Program ESHSEffects

47. This section analyses the performance of key implementing institutions/agencies associated with the ESHS legal/regulatory framework for the proposed Program. The section also highlights the challenges of the institutional framework along with an assessment of the current capacities. Further, the section analyses 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 ESHS perspective.

48. The ESSA team assessed the quality and efficacy of the ESHS management system, particularly focusing on institutional capacity, structure, practices, procedures, mechanisms, and effectiveness of Ministries, Departments and Agencies (MDAs) tasked with ESHS management in Zambia at national and regional levels, and the agencies that will be involved directly in implementing the proposed program.. The team also consulted with the implementing agencies and stakeholders, to understand their role in the implementation of this Program. The assessment was conducted based on previous similar engagements of the systems within these institutions, and their performance records on IPF projects funded by WB since PforR is a new financing instrument in Zambia.

### 6.1 Environmental, Health and Safety Management Systems

#### 6.1.1 National Environment Management Agency (ZEMA)

##### ***Policy and Legislative Framework Support***

49. Zambia has a robust legal framework for environmental management, known as Environmental Management Act (EMA), which provides the legal ground for the establishment of ZEMA as well as other institutions responsible for the protection and management of the environment. Several guidelines and regulations have also been prepared by ZEMA including environmental impact assessment/environmental assessment (EIA/EA) regulations, which are aimed at ensuring that projects are subjected to E&S risk analysis to determine their likely adverse impacts before commencement. ZEMA is mandated by the EMA, 2011, to commit resources and implement actions necessary for effective E&S management.

50. 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.

51. ZEMA has extensive experience in environmental assessment and management capacity (including monitoring and enforcement) as provided for by the EMA. However, the EMA 'as written' has gaps in addressing social issues as mandated by law and in practice. ZEMA has limited internal

capacity to review social risks, with poor coordination and collaboration with the departments responsible for social risks management such as the Gender division, department of social security and protection under the Ministry of Labour and Social Security (MLSS), Ministry of Community Development and Social Services (MCDSS), Occupational Health and Safety Institute (OSHI), among others to support in this role.

52. ZEMA is also in charge of reviewing but not approving Resettlement Action Plans (RAP), with only advisory role on the report. In addition, NEMA is not in charge of overseeing the RAP activities, with the role left to the implementing agencies themselves. . Currently, Zambia does not have an institution mandated to “approve” and oversee RAPs. See Section 6.3.3 for more information.

53. 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 outside their areas of jurisdictions.

### ***Organization and Program Structure***

54. To fulfil its functions ZEMA works through linkages to institutions established by the EMA at different administration 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.

### ***Human Resources***

55. The ZEMA 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, the zonal offices are understaffed, and some are large in terms of landmass, limiting the capacity of ZEMA to handle the workload of EIA reports reviews, monitoring for compliance, and enforcement. ZEMA officers, therefore, focus mostly on the review and monitoring of high-risk projects at the expense of other projects. 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.

56. 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 districts and other lower levels.

### **Challenges at ZEMA on ESHS Management**

57. The main challenges of ZEMA at the national and regional levels are:

- i. Understaffing within the organization to enhance Compliance levels at the national and district levels.
- ii. Lack of financial resources, technical equipment, and transportation allocation for effective monitoring and supervision;
- iii. Poor coordination with other multi-agencies in charge of managing construction activities, ESHS risks management;
- iv. Political interference which results to non-compliance on ESHS process and management, with preference given to development; and

### **Recommendations to enhance ESHS Management for the program**

58. The following is recommended to enhance ESHS management for ZEMA.
- i. Integrate ZEMA early into the program planning process, including participating in screening of ESHS risks for the sub-projects.
  - ii. Collaborate with ZEMA to upscale public awareness and education, and capacity building of the ZEMA officers at the district levels, program's implementation agencies, and contractors' workers on ESHMP implementation to enhance compliance.

## **6.2 Occupational Safety and Health Institute (OSHI)**

### ***Policy and Legislative Framework Support***

59. OSHI was set up in 2010 under the OSHA, 2010, under the Ministry of Health, 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.

60. The Ministry of Health 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, (OSHA, Factories Act, Energy Regulation Act, Workers Benefits, etc) are adhered to and maintained at workplaces.

61. In fulfilment of its responsibility of identifying hazards at workplaces and assessment of risks with a view of preventing accidents, diseases and damage to property, OSHI will play a key role in the program 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, Factories Act, of and other subsidiary legislations.

### ***Institutional Capacity and Resources***

62. 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 other relevant Acts and legislations, especially for infrastructure projects.

### **Challenges at OSHI on OSH Management**

63. Some of the challenges faced by the institute include but not limited to:
- i. Overlap in legislative and other institutional mandates makes it difficult in the execution of some functions of OSHI;
  - ii. Lack of presence in all the districts;
  - iii. Inadequate staffing levels at the district levels;
  - iv. High turnover of professional staff in OSH institutions
  - v. Poor coordination with other MDAs on OSH monitoring and supervision;
  - vi. Inadequate allocation of financial resources and provision of other resources such as vehicles, office space, specialized surveillance equipment, vehicles, protective equipment;
  - vii. Lack of continuous professional development of its technical staff; and

- viii. Lack of information management system to collect and collate OHS data and statistics for policy and decision making.

### **Recommendations to enhance Occupational Health and Safety Management**

- i. Integrate DOSHS early into the program planning process, including participating in the screening of health and safety risks for the sub-projects.
- ii. Collaborate with OSHI to carry out capacity building of the Program's implementation agencies, and contractors' workers on OSH;
- iii. Create linkages between OSHI with DOSHS, Labour and Public Health Officers at the district levels to augment monitoring of program activities; and
- iv. The ESHSM manual shall include guidelines on OSH to be adopted by the implementing agencies and contractors for the program's activities

## **6.3 Social Management Systems**

### **6.3.1 The Gender Division under the Office of the President**

64. The mandate of the Division is to promote gender equality as outlined in the Government Gazette Notice No. 1123 of 2021. The division is responsible for coordinating and monitoring the effective implementation of Gender policies with other government Line Ministries and cooperating partners. The Division is committed to protecting and promoting women's rights, curbing Gender-Based Violence (GBV) 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.

65. The specific functions of the Division are outlined in the Government Gazette Notice No. 1123 of 2021 which includes Gender policy formulation and mainstreaming ; management of Gender Based Violence; Gender Equity and Equality; formulation and implementation of National Gender Policy; and economic empowerment of women.

66. The Division also have other directorates relevant to the program which are: *Department of Gender Rights and Protection* - responsible for promoting the rights of women and co ordinating the implementation of the Anti-Gender Based Violence (Anti-GBV) programmes in the nation) and *Gender in Development Department* - responsible for coordinating, monitoring and evaluating the implementation of the National Gender Policy in order to facilitate gender responsive development. It is also responsible for mainstreaming gender in all Government Institutions, including the Local Authorities. The Division has an existing online mechanisms for reporting GBV related incidents.

67. The Division is currently developing a GBV-IMIS and GMIS on its website for data management and reporting of GBV cases and gender mainstreaming data. The division has developed a National GBV Dashboard with Referral Pathway under the EU funded Natwampane programme. The dashboard is primarily targeted towards GBV response service providers as well as GBV implementing partners. The referral pathway is a flexible mechanism that safely links survivors and those at risk of GBV to qualified, supportive and competent services that she or he may need as a result of the violence experienced.

### **Challenges at Gender Division Social Risk Management**

68. Some of the challenges faced by the Division include but not limited to:
- i. Lack of representation in all the districts;
  - ii. Lack of technical skills with the limited staff;

- iii. Lack of presence in all the districts;
- iv. Poor coordination with other MDAs on Gender mainstreaming and monitoring, GBV cases, etc;
- v. Inadequate allocation of financial resources and provision of other resources such as vehicles and office space to properly execute its mandate;

#### **Recommendations to enhance Social Risk Management**

- i. The ESHSM manual shall include guidelines to be adopted by the implementing agencies and contractors for the program's activities. The NPCT will consult with the Gender division and related departments on the developed guidelines for concurrence.
- ii. Integrate the Gender Division early into the program planning process, including participating in the screening of social risks for the sub-projects.
- iii. Collaborate with the division and directorates to carry out Capacity building through training to the program's implementation agencies, and contractors' workers on social risks, especially on GBV
- iv. Collaborate with the Gender division offices at the district levels to supervise and monitor issues related to contractors workers, especially GBV and other social risks for compliance

#### **6.3.2 Department of Community Development (DCD)**

69. The Department of Community Development (DCD), under Ministry of Community Development and Social Services (MCDSC) 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. will provide the overall technical direction and oversight in the development and sustainability of the program in consultations with the NPCT and implementing agencies. The DCD will continually conduct reviews of the proposed program interventions and provide recommendations and guidelines to the Local Governments for improvement and streamlining safeguards.

70. The DCD is well represented at all ward levels in the 116 districts across the country, with about 9,000 officers responsible for community coordination and mobilization. The DCD also coordinates the formation of Community Development Committees (CMU), which are responsible for coordination and management of development activities at the local levels.

#### **Challenges at DCD on Social Risk Management**

71. Some of the challenges faced by the DCD include but not limited to:

- i. Capacity building of community mobilization committees (CMM) through enhancing their skills to manage social risks at the local levels, including GBV training
- ii. Inadequate allocation of financial resources and provision of other resources such as mobility allowances to properly execute its mandate
- iii. Poor coordination with other MDAs leading to waste of resources and duplication of activities

#### **Recommendations to enhance Social Risk Management**

- i. Integrate the DCD in the planning process, to assist in subproject identification that will have the greatest impact in improvement of the social, economic and cultural conditions of the communities for sustainability, poverty reduction and national development.
- ii. Collaborate and utilize extensive DCD networks at the local levels to carry out stakeholder mapping, mobilization and engagement;
- iii. Utilize existing GRM systems set by DCD for proposed program;

- iv. Collaborate with the DCD offices at the ward levels to supervise and monitor issues related to community concerns, contractors workers, especially GBV and other social risks for compliance

### 6.3.3 Department of Resettlement (DoR)

72. The role of the Department of Resettlement (DoR) under the Office of the Vice President is to resettle targeted citizens both on voluntary and involuntary basis in order to provide them with an alternative livelihood while uplifting living standards of the rural communities. The targeted citizens for resettlement includes the unemployed, retired, internally displaced persons, physically challenged and those still in employment but are above 45 years. It also coordinates the provision of infrastructure in government resettlement schemes in order to make them socially and economically viable. The infrastructure provided in resettlement schemes includes access roads, schools, health facilities, boreholes and agricultural storage sheds among others. In addition, the department is charged with the responsibility of collecting and analyzing statistics on the implementation of resettlement programmes.

73. The department is represented in all the 12 provinces, and is staffed with 12 employees, mainly at the headquarters in Lusaka. The department oversees resettlement of government programs but not fully mandated to take a leading role in Resettlement activities for projects undertaken by other government agencies. Although the department is tasked with resettlement activities, it is only involved in the review and giving professional opinion on the Resettlement Action Plans (RAP) to implementing agencies (such as ZESCO, REA, road agencies, among others), and not involved directly with resettlement activities of infrastructure projects implemented by the agencies. Currently, Zambia does not have an institution mandated to “approve” and oversee implementation of RAP. This is a gap that has been identified in this ESSA report. The Department has prepared Draft National Resettlement Policy and guidelines on resettlement, which will try to address this shortcoming.

### Challenges at DoR on Social Risk Management

74. Some of the challenges faced by the DCD include but not limited to:
- i. Lack of clear legal legislation and guidelines on the Resettlement, including the mandate of the DoR
  - ii. Lack of resources (financial and technical capacity) to manage resettlement activities effectively;
  - iii. Poor coordination with other MDAs on resettlement activities – each agency undertakes its own resettlement activities without oversight role by the Department of Resettlement;
  - iv. Lack of functional GRM systems to receive complains from the affected persons

### Recommendations to enhance Social Risk Management

- i. Assist the DoR in development and enactment of Resettlement Policy and guidelines;
- ii. Assist the DoR to form and operationalize a functional GRM to receive complaints;

## 6.4 Program Implementing agencies

75. ZESCO and REA will be the key implementing agencies, including preparation, implementation, supervision, and monitoring of ESHS risks and mitigation measures of the project activities they will be undertaking under the proposed program. The National Project Coordination

Unit (NPCU) at the Ministry of Energy (MoE) will provide oversight roles, including policy guidance and ensuring compliance of ESHS management as provided in the POM guidelines.

## 6.5 ZESCO Organizational Structure for ESHS Risk Management

76. ZESCO Limited is a vertically integrated power utility and is responsible for generation, transmission, distribution and supply of electricity in the country. The company is the dominant participant in the electricity market in Zambia. Its generation capacity stands at 2,348 Mega Watts (MW) with customer base of 1,000,000 as at the end of the third quarter of 2019. In 2000, Government embarked on a commercialization program for ZESCO with the aim of making the company financially viable. However, the commercialization of ZESCO has not been fully attained largely due to non-cost reflective tariffs. In addition, the Single Buyer Model has contributed to ZESCO's challenges as it compels the company to purchase all power produced by Independent Power Producers (IPPs). In order to address the challenges that the company is encountering, the Government has embarked on electricity sector reforms.

77. The organization is guided by the Environmental Management Act (EMA), Forest Act, Electricity Act, National Heritage Conservation Commission, the Occupational Safety and Health Act, 2010, among others, and endeavours to ensure environmental and social sustainability and compliance with the requirements of these Acts for its projects, including environmental audits, conducting EIAs, and RAP preparation where applicable. ZESCO has developed a Draft Gender Policy to guide in gender mainstreaming initiatives within the company.

78. Overall, assessment of ZESCO capacity to manage ESHS was found to be adequate. ZESCO has been implementing safeguards for the ESAP project funded by the WB. While ZESCO is familiar with safeguards implementation on World Bank ESF, the organization has not undertaken any PforR projects before. The company has a 2022 certification from International Organization for Standardization (ISO), ISO 45001 -standard for management systems of occupational health and safety (OHS), 2018.

79. ZESCO has a Safety, Health, Environment and Quality (SHEQ) and Environment Sustainability (ES) Departments (which also covers social), under the Projects and Planning division. The Environment department is staffed by 41 staff consisting of 11 Social specialist, 16 Environment, and 12 wayleave staffs, with 2 heads leading Northern and Southern regions respectively. An employee gap analysis was conducted to identify the Environment department needs, which recommended 80 additional officers to manage safeguards to be distributed across regional offices in the country.

80. ZESCO's SHEQ department is more focussed on the operational side of checking safety and health of employees, safety operations of plants and equipment, with little or no focus on construction workers and public safety and health during construction of infrastructure projects. Consultations with ZESCO indicated that there were a number of accidents from the project activities across the country. Consultations also indicated that there are no systems to conduct project risks assessments, identify hazards and risk mitigation measures on work sites, or other controls such as site induction and training, emergency incident and management, monitoring, inspections and compliance, to ensure inclusion of OHS measures which are critical safety and health procedures in the energy sector.

81. During the stakeholder consultations, there was a general consensus that SHE department should be more active in project planning, monitoring and supervision to make it more effective in its performance, and to strengthen the company's capacity to give a wholesome approach to OSH management by adopting risk management strategies to ensure compliance of good safety and health practices during construction of its infrastructure projects.

82. ZESCO does not have a formal functional GRM systems in place to manage complains on its project activities. However, ZESCO has however benefited from capacity building provided by the Bank through training of the safeguards team on grievance handling. A GRM for Electricity Service Access Project (ESAP) was set up, and although it has encountered some challenges of operationalization, such as poor handling mechanisms, inadequate tracking system, and poor management of grievances.

### Challenges

- i. Lack of coordination with other relevant authorities and agencies in charge of managing ESHS risks such as ZEMA, DCD, DoR, Gender division during project activities;
- i. Lack of structured GRM to receive grievances;
- ii. The SHEQ department is not involved in project planning, monitoring and supervision of project construction activities;
- iii. There is poor mechanisms that have been put in place to manage GBV risks for projects, leading to increase of such cases for the projects under ZESCO.

### Recommendations to enhance ESHS Management for ZESCO

- i. Capacity building through training of ZESCO safeguards staff on managing GBV cases, including setting up referral pathways for survivors;
- ii. Assist the ZESCO to form and operationalize a functional GRM to receive complaints;
- iii. Enhance collaboration and coordination with other institutions managing ESHS aspects such as ZEMA, DCD, Gender division, and Resettlement department; and
- iv. ZESCO to develop an Environmental, Social, Health and Safety risks and impacts management (EHSRIM) manual for adoption in all its infrastructure projects

## 6.6 REA Organizational Structure for ESHS Risk Management

83. In order to accelerate electricity access in rural areas, Government of Zambia established the Rural Electrification Authority (REA) through the enactment of the Rural Electrification Act No. 20 of 2003. The mandate of REA is to provide electricity infrastructure to rural areas of Zambia using appropriate technologies. The access rate for grid connected households stands at 4.4 percent while an additional 7.4 percent are connected to solar home systems. There is limited participation of the private sector in the provision of electricity in rural areas, were 60 percent of the populace reside. In addition, there is no mechanism to coordinate players in rural electrification especially in the off-grid space. Further, the Authority is faced with the challenge of inadequate funding to fulfil its mandate.

84. REA has a Safeguards Unit, staffed with Environmental (2) and Social Specialists (2), with experience in handling ESHS aspects under the Strategy and Planning Department. The capacity of the staff at REA has been enhanced through the ongoing ESAP project, especially through training, although the staffing is still not adequate.. The staff at REA headquarters is supplemented by 4 Wayleave officers in 4 regions, and additional Community Mobilization Units to assist in community participation and management during wayleave acquisition. Under the new proposed organizational structure at REA, a Safety Health and Environment (SHE) department has been proposed to be introduced.

85. Just like ZESCO, the organization is guided by the Environmental Management Act (EMA), Forest Act, Electricity Act, National Heritage Conservation Commission, the Occupational Safety and Health Act, 2010, among others, and endeavours to ensure environmental and social sustainability and compliance with the requirements of these Acts for its projects, including environmental audits, conducting EIAs, and RAP preparation where applicable.

86. Overall, assessment of REA capacity to manage ESHS was found to be adequate. REA has been implementing safeguards for the ESAP project funded by the WB. However, the organization has not



undertaken any PforR projects before, but is familiar with safeguards implementation on World Bank ESF. ,

### **Challenges**

- i. Lack of coordination with other relevant authorities and agencies in charge of managing ESHS risks such as ZEMA, DCD, DoR, Gender division during project activities
- ii. REA does not have a structured and functional GRM in place
- iii. The company does not have a dedicated safeguards unit
- iv. There are no mechanisms that have been put in place to manage GBV risks for projects

### **Recommendations to enhance ESHS Management for ZESCO**

- i. Assist REA to form and operationalize a functional GRM to receive complaints;
- ii. Enhance collaboration and coordination with other institutions managing ESHS aspects such as ZEMA, DCD, Gender division, and Resettlement department; and
- iii. Need for capacity building through training of REA safeguards staff on managing GBV cases, including setting up referral pathways for survivors;
- iv. ZESCO to develop an Environmental, Social, Health and Safety risks management (EHSRM) manual for adoption in all its infrastructure projects
- v. Review the requirement of the organization to adequately staff the ESHS Unit to comply with the requirements of the law and regulations.
- vi. Strengthen the reporting and documentation process, including tracking of complains from the projects

## **7 Environmental, Social, Health and Safety Systems Assessment in Relation to the PforR Core Principles and Planning Elements**

87. This chapter summarizes the operational performance, and capacity of institutions mandated to manage ESHS risks and impacts associated with the Program interventions. The assessment has analysed the defined national systems with the aim of confirming their consistency with the PforR financing Core Principles and Key Planning Elements, as defined in policies, legal and regulatory framework, procedures, guidelines and consistency with the core principles and key planning elements of PforR financing.

88. The summary discusses the applicability of the six core principles in terms of strength, weakness, opportunities, and threats/risks with respect to the policy and legal framework, institutional context and existing environment and social management system. The Approach applied entails:

- i. An analysis of the strengths of the existing ESHS system, as it functions effectively and efficiently and it's consistent with Bank Policy and Directive for Program-for-Results Financing.
- ii. Identification of system weaknesses, capacity constraints and gaps in the existing national and district levels. Considering the inconsistencies and gaps with the Bank Policy and Directive for Program-for-Results Financing.
- iii. Identification of opportunities and key actions to strengthen the existing system to ensure environmental and social soundness and long-term sustainability in line with the design, construction, and operation phases of Program interventions.
- iv. System and capacity assessments that identified gaps and opportunities which informed the Program design recommendations and Program Action Plan (PAP) for enhanced ESHS management

89. From the ESSA findings, it is evident that the national system is comprehensive and adequate for the management of many ESHS aspects, and is, overall, materially consistent with the Six PforR Core principles. However, gaps have been noted in ESHS management system both as written and as being implemented by ZESCO and REA, and the other relevant Ministries, Departments and Agencies (MDAs). The gaps are a potential risk to the effective management of program ESHS effects, and will need to be strengthened to enable ZESCO and REA to effectively manage these potential risks of the proposed program. Table 7-1 below provides a detailed comparative analysis of the national system against the Six PforR Core principles. The analysis has incorporated the findings of the ESSA stakeholder consultations conducted for the program.

Table 7-1: ESSA Findings against the six Core Principles

Core Principle 1: General Principle of Environment and Social Management	
<p>Bank Policy for Program-for-Results Financing: Environmental and social management procedures and processes are designed to:</p> <ol style="list-style-type: none"> <li>a) promote environmental and social sustainability in Program design.</li> <li>b) avoid, minimize, or mitigate against adverse impacts; and</li> <li>c) promote informed decision-making relating to a program’s environmental and social effects.</li> </ol>	
<p>Bank Directive for Program-for-Results Financing: Program procedures will:</p> <ol style="list-style-type: none"> <li>a) Operate within an adequate legal and regulatory framework to guide environmental and social impact assessments at the program level.</li> <li>b) Incorporate recognized elements of environmental and social assessment good practice, including:                             <ul style="list-style-type: none"> <li>• early screening of potential effects of all projects.</li> <li>• consideration of strategic, technical, and site alternatives (including the “no action” alternative).</li> <li>• explicit assessment of potential induced, cumulative, and trans-boundary impacts.</li> <li>• identification of measures to mitigate adverse environmental or social impacts that cannot be otherwise avoided or minimized.</li> <li>• clear articulation of institutional responsibilities and resources to support implementation of plans.</li> <li>• Responsiveness and accountability through stakeholder consultation, timely dissemination of program information, and</li> <li>• responsive grievance redress measures.</li> </ul> </li> </ol>	
<p><b>Applicability: Applicable</b></p> <p><b>Core Principle 1</b> is considered relevant and fully applicable in terms of environmental, health and social (EHS) for the Program. Investments to be undertaken under RA 3 of the program will range from small to large scale infrastructures, such as as rehabilitation, expansion, and/or construction of new distribution network, upgrade and modernization of substations, new grid connections toward universal access, and climate resilient infrastructure, among others. Implementation of these type of investments are likely to have a physical footprint with varying degree of EH&amp;S risks and impacts during the lifecycle of the investments (construction, operation, and maintenance, and during decommissioning phases). Although expected to be localized, manageable and in some cases temporal, these risks and impacts will require mitigation. This therefore requires undertaking EH&amp;S assessment and providing appropriate mitigation measures to adverse risks and impacts.</p> <p>Potential impacts will include (but not limited to) solid and liquid waste generation from project activities, destruction of crops, vegetation and trees to pave way for construction of HV, MV and LV lines, occupational and community health and safety risks associated with civil and electrical works, elite capture limiting appropriate targeting of last mile connectivity, risks associated with wayleave acquisition for transmission lines without compensations, land acquisition for construction of the new sub stations, SEA-H and GBV risks to communities from project workers; exclusion of VMGs and vulnerable households and individuals from electricity access due socio economic barriers, among others.</p> <p>Program-related activities will, therefore, be required to undertake environmental, social, health and Safety (ESHS) assessments, and to provide and implement appropriate measures to mitigate adverse risks and impacts.</p>	
<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Existing legislation also helps minimize or mitigate possible adverse impacts on the natural habitats, archaeological sites, and cultural resources.</li> <li>• The country has developed policies and legislation on public participation and social development.</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The implementation of the existing legal/regulatory provisions face challenges due to lack of adequate and qualified staff with the right skill set within the LAs and CUs to manage E&amp;S risks.</li> <li>• The National EIA system mainly focuses on environmental aspects and does not comprehensively cover the social, health and safety issues such as on labour, occupational/community health and safety, land management, GBV, SEA-H among others</li> <li>• The implementing Agencies lack enough and qualified human capacity to support Environmental and Social Management Systems (ESMS) of the Program.</li> </ul>

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<ul style="list-style-type: none"> <li>• There is also a well-defined policy framework to enhance transparency on the development projects, including requirements that all EIAs have to go through public participation and access to environmental information.</li> <li>• The Environmental Management Act (EMA) 2011, and associated Regulations, stipulates guidelines for conducting EIAs, audits, and field study and outlines the structure of EIAs and Audit reports. The legislation also explicitly outlines the legal consequences of partial or non-compliance to the provisions of EMA.</li> <li>• ZEMA has a website (<a href="https://ezema.zema.org.zm/login">https://ezema.zema.org.zm/login</a>) dedicated to filing complains</li> <li>• ZEMA is obligated to work with other agencies such as the Wildlife department, Forestry Service Energy, etc to ensure regulations under the EMA are addressed.</li> </ul>	<ul style="list-style-type: none"> <li>• 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 .</li> <li>• 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</li> <li>• There is general appreciation on the need to undertake stakeholder consultations during the inception, preparation, implementation, and operational phases of the project. However, EIA public participation forums do not target the relevant stakeholders and therefore not capturing significant environmental and social risks and impacts. Meaningful public participation is not attained as there are gaps on public consultation notices, allocated duration, documentation, and feedback to the public of scheduled sessions.</li> <li>• Project proponents have prioritized budgets to implement physical projects and to obtain a ZEMA license, with little or no allocation of budget for ESMP implementation unless it is a donor-funded project. ZEMA is unable to enforce project proponents ESMP budgets.</li> <li>• There is limited involvement of E&amp;S staff during project design, which result to challenges in accessing funds for stakeholder engagement, implementation and monitoring of ESMP and RAP due to capacity (competence and adequacy) and financial constraints.</li> <li>• Lack of integrating ESHS clauses as part of the bidding/contract documents which makes it difficult to enhance compliance during project implementation by implementing agencies.</li> <li>• Weak multi-sectoral coordination and collaboration with key MDAs such as ZEMA, OSHI, NCC, Ministry of Lands, Gender Division, etc useful in providing technical advice and monitoring of E&amp;S risks in investments.</li> <li>• Low budget allocation and other resources for oversight authorities such as ZEMA, OSHI, Social, Gender, Children, Labour Officers (etc), (and Local Governments) for Environmental and Social management leading to poor compliance of ESHS management.</li> <li>• Poor compliance with national environmental regulations and good practices in waste management, including e-waste management</li> <li>• There are no existing GRM systems at the implementing agencies</li> <li>• Implementing agencies do not have previous experience in Implementing PforR projects</li> <li>• There is weak management of the social aspects of infrastructure projects, as anticipated by Core Principle 1, including the management of anticipated E&amp;S risks under the Program</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• The implementing partners will develop ESHS Management Systems for use in the program (and future projects) which will include a screening checklist for enhanced identification of potential ESHS risks and impacts and risk categorisation</li> <li>• 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.</li> </ul>	<p><b>THREATS/RISKS</b></p> <ul style="list-style-type: none"> <li>• Poor implementation or mainstreaming of existing ESHS risk management regulations in program guidelines</li> <li>• Inadequate social risks identification and assessments at project level as there is no existing national regulatory body for social risk management and such risks are not adequately captured in ESIA reports.</li> <li>• Limited financial allocation and human resource capacity for ESHS risk management.</li> </ul>

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<ul style="list-style-type: none"> <li>• Enhance the ESHS clauses in the contract and bidding documents to ensure key issues are comprehensively included. Contractors will be required to ensure they have qualified ESHS personnel, comply with site specific ESMPs prepared for the sub-projects and integrate the ZEMA licence conditions, including labour welfare, health and safety aspects in contract management.</li> <li>• The Program will partner with ZEMA, OSHI, and other relevant agencies to enhance the capacity of the Implementing agencies on the environmental, social, and health risks’ management based on national laws and regulations such as training and capacity building of E&amp;S officers on the EMA , Gender Division, OHSa, and GBV regulations, and monitoring of investments and enforcements.</li> <li>• Allocate adequate budget and resources for ESHS management such as on stakeholder engagement, grievance management, environmental, social, health and safety assessments and monitoring during early project planning stages.</li> <li>• To improve on ESHS documentation, monitoring and reporting, a template should be developed as part of the ESHS management manual.</li> <li>• To improve on E&amp;S monitoring, provide adequate logistical support to E&amp;S officers at the IAs and deepen collaboration with other agencies (ZEMA, OSHI, Gender Division, etc) to enhance E&amp;S compliance monitoring of works site. This can be achieved through organised joint field visits and capacity building on E&amp;S aspects.</li> <li>• Develop a guideline on stakeholder engagement for enhanced targeting, inclusion, consultation, and feedback mechanism. Public consultations should be comprehensive to include i) description of site conditions versus project design considerations; ii) project affected persons (PAP) and beneficiaries; iii) checklist to show the level of participation, and iv) feedback incorporated in project designs.</li> <li>• Develop and roll-out GRM guidelines at ZESCO and REA i) that will be functional and operational; ii) incorporate a GBV referral pathway and referral system hotline to addressing GBV/SEAH issues; iii) Ensure the GRM is gender responsive and accessible to all persons, iv) have a comprehensive system for documenting grievances with feedback mechanisms in place; v) create awareness to the public on the GRM uptake channels and systems; vi) assign a GRM focal person, vii) have a functional and well represented GRM committee, and viii) Build capacity of the GRM focal persons on the mechanism, structure, logging and feedback.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited supervision, monitoring and reporting on ESHS risk management impeding identification and execution of corrective action plans.</li> <li>• Political interference in decision-making on budgets, investment priorities operationalization of ESHS risk management plans, and compliance.</li> </ul> <p><b>LEVEL OF RISK - SIGNIFICANT</b></p>
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<p><b>Core Principle 2: Natural Habitats and Physical Cultural Resources</b></p>
<p>Program E&amp;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</p>
<p>Bank Directive for Program-for-Results Financing: Program procedures will:</p> <ol style="list-style-type: none"> <li>Includes appropriate measures for early identification and screening of potentially important biodiversity and cultural resource areas.</li> <li>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.</li> <li>Takes into account potential adverse effects on physical cultural property and as warranted, provides adequate measures to avoid, minimize, or mitigate such effects.</li> </ol>
<p><b>Applicability: Applicable</b></p> <ol style="list-style-type: none"> <li>The provisions in Core Principle 2 are considered as part of the ESIA process analyzed under Core Principle 1.</li> </ol>

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- ii. Core Principle 2 is applicable to the Program due to potential destruction of natural habitats and physical cultural during implementation of interventions such as i) construction and rehabilitation of transmission lines and substations; ii) rehabilitation of distribution lines and connecting new households and businesses,
- iii. Implementation of these type of investments is likely to have ESHS impacts though expected to be localized, manageable and temporary in nature, and needs to be mitigated.
- iv. Potential risks impacts may include destruction of crops, vegetation and trees to pave way for construction of transmission lines, destruction of physical cultural resources of value to target communities that may contribute to increased social conflicts
- v. Program-related activities will, therefore, be required to undertake biodiversity and culture assessments as part of the environmental and social assessments, provide, and implement appropriate measures, to mitigate adverse impacts on natural habitats and physical cultural resources.
  - i. The Program will not support activities that will either impact or convert critical natural habitats or physical cultural resources.

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p><b>Biodiversity</b></p> <ul style="list-style-type: none"> <li>• Article 4 (i) of the EIA regulations require that EIAs take into account biodiversity and natural lands</li> <li>• Article 24 of EMA Act (2011) gives the Minister may declare an area of land which is ecologically fragile or sensitive to be an Environmentally Protected Area</li> </ul> <p><b>Cultural Resources</b></p> <ul style="list-style-type: none"> <li>• Schedule 1 of the EIA regulations require that Project Briefs be prepared for projects located in or near areas of cultural or religious significance.</li> <li>• 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.</li> <li>• 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.</li> <li>• Listed sites are under the control of the National Heritage Conservation Commission (NHCC).</li> <li>• Program will exclude subprojects that have adverse impacts on natural habitats and physical cultural resources</li> </ul>	<p><b>WEAKNESSES</b></p> <p>The weaknesses identified for Core Principle # 1 apply to Core Principle # 2. Others include;</p> <ul style="list-style-type: none"> <li>• Physical cultural heritages are not well documented or exhaustively mapped out at national and LA levels.</li> <li>• Weak enforcement of civil contracts and laxity in monitoring damage to critical habitats, endangered species, and PCRs during construction.</li> <li>• Weak staff capacity to assess and monitor the potential impacts on natural habitats and physical cultural resources through intense assessment of critical habitats and endangered species, especially in water catchment areas, due to inadequate technical capacity and allocation of financial resources.</li> <li>• Budgets necessary for the protection of the critical habitats and PCRs are inadequate or unavailable, which may result in high risk of destruction/degradation of the same.</li> <li>• Limited engagement and coordination of relevant institutions with mandate in management of natural habitats to provide necessary technical support in management of E&amp;S risks relating to such resources.</li> <li>•</li> </ul>
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<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Due to critical nature of some subprojects under the program (eg construction of transmission lines through forests), involve multisectoral agencies early in the project design (such as with Forest Service Department, ZEMA) to better identify and develop mitigation and compensation measures to manage the natural habitats and physical cultural resources during project implementation.</li> <li>• 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</li> <li>• Allocate sufficient budget and resources for the identification and management of natural habitats and PCRs.</li> <li>• Improve the level of awareness on safeguarding endangered/threatened natural habitats, climate change and PCRs during stakeholder and public participation</li> </ul>	<p><b>THREATS/RISKS</b></p> <ul style="list-style-type: none"> <li>• Inability to adequately screen subprojects may lead to adverse impacts to the physical cultural resources and natural habitats.</li> <li>• There is a likely risk of destruction of natural habitats and biodiversity , especially for transmission lines passing through forests and wetlands.</li> <li>• Limited collaboration between project proponent managing important ecosystems and physical cultural resources</li> </ul> <p><b>LEVEL OF RISK – MODERATE</b></p>
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<p><b>Core Principle # 3: Public and Worker Safety</b></p> <p>Program E&amp;S management systems are designed to protect public and worker safety against the potential risks associated with;</p> <ol style="list-style-type: none"> <li>a) the construction and/or operation of facilities or other operational practices under the Program;</li> <li>b) exposure to toxic chemicals, hazardous wastes, and otherwise dangerous materials under the Program; and</li> <li>c) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards.</li> </ol>
<p>Bank Directive for Program-for-Results Financing: Program procedures will:</p> <ul style="list-style-type: none"> <li>• Promotes community, individual, and worker health, safety, and security through the safe design, construction, operation, and maintenance of program activities; or, in carrying out activities that may be dependent on existing infrastructure, incorporate safety measures, inspections, or remedial works as appropriate.</li> <li>• Promote measures to address child and forced labor.</li> <li>• Promote the use of recognized good practice in the production, management, storage, transport, and disposal of hazardous materials generated under the program activities.</li> <li>• Promotes the 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.</li> <li>• Include adequate measures to avoid, minimize, or mitigate community, individual, and worker risks when the program activities are in areas prone to natural hazards such as floods, hurricanes, earthquakes, or other severe weather or climate events.</li> </ul>
<p><b>Applicability: Applicable</b></p> <p>The provisions in Core Principle 3 are considered as part of the ESIA process analyzed under Core Principle 1. Public and worker safety could result under risk through:</p> <ol style="list-style-type: none"> <li>i. Construction, rehabilitation and operation of transmission lines, construction of substations, and connecting new households. These activities can expose the public and workers to risks such as dust, noise, and air pollution; solid and liquid waste generation; hazardous and noxious wastes from equipment and machinery used;</li> <li>ii. Transformer and backup generator equipment may potentially contain used oils, Polychlorinated Biphenyls (PCBs) which can pollute water and soils, while cooling equipment may contain refrigerants (potential Ozone Depleting Substances, ODSs);</li> <li>iii. Improper and indiscriminate disposal of solid, liquid and e-waste,</li> <li>iv. The risk of GBV, especially SEA-SH amongst project workers and between workers and communities resulting from the influx of workers into sub-project areas;</li> <li>v. The expansion of electricity to last-mile consumers may increase unsafe electricity utilization through, e.g., illegal connections.</li> <li>vi. Child labour; and</li> <li>vii. and the spread of communicable diseases such as HIV/AIDS, STDs, among others</li> </ol>

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• The country has legal statutes and provisions to protect the workers such as the Occupational Health and Safety Act (OSHA) 2010 and the Workers Compensation Act (WCA), 1994.</li> <li>• 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.</li> <li>• 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.).</li> <li>• The country systems have guidelines/regulations through agencies such as OSH and National Construction Council (NCC) on aspects concerning the management of construction sites, including public and worker safety risks from construction/operation of facilities.</li> <li>• 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.</li> <li>• The Gender division under the Office of the President has developed GBV referral pathways across the country with toll-free numbers and digitized GBV Dashboard to monitor GBV cases in Zambia.</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The National EIA system does not adequately cover aspects on public and worker’s health and safety. This results to ESIA/ESMP prepared not to broadly incorporate the health and safety requirements and mitigation measures. Aspects of community/public health are not covered adequately as well.</li> <li>• Limited awareness, capacity, and enforcement of the relevant provisions at the LA/CU level for addressing community health and safety risks and impacts related to construction sites such as environmental pollution, labour influx risks (GBV- SEAH, spread of HIV/AIDs and communicable diseases).</li> <li>• Limited human and financial resources allocation to OSHI staff at the LA levels, resulting to poor supervision of infrastructure projects to ensure compliance to required national standards as per the OSH Act– some provinces do not have OSHI representatives</li> <li>• Limited capacity in technical personnel, safety equipment provision, and poor budget allocation by contractors to comply with national requirements and international good practices</li> <li>• Poor collaboration and coordination among the various implementing agencies, especially OSHI and Public Health departments, in addressing occupational health and safety related issues, because they are rarely involved in providing health and safety oversight at the construction, resulting in inadequate attention to OHS, and public safety concerns.</li> <li>• There is a general lack of awareness for workers on health and safety issues, particularly concerning exposure to workplace safety hazards aspects in hazard-prone areas, e.t.c</li> <li>• Weak workers grievance redress mechanism which fails to address workers complains and concerns on occupational safety and health.</li> <li>• 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</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Strengthening of ZESCO and REA systems to manage OHS risks through inclusion of OHS policies in the ESMS</li> <li>• ESIA reports for sub-projects should cover public and workers health and safety requirements.</li> <li>• Partner with OSHI to improve ESHS awareness and implementation/enforcement capacity through training and orientations of the ZESCO, REA and contractors’ workers</li> <li>• Identify and update the standard bidding and contracts documents to incorporate specific ESHS measures, including Contractor ESMP, worker’s Code of Conduct, child and forced labour, labour practices, and budget allocation during project preparation, reporting protocols for proper implementation of ESHS.</li> <li>• Inclusion of appropriate requirements in civil works contracts and preparation of the required instruments of EHS management plans such as Waste Management Plan, Air, and Noise Pollution, among others.</li> <li>• Have in place a functional program and worker’s grievance redress mechanism to handle workers conflicts including incorporating health and safety aspects.</li> </ul>	<p><b>THREATS/RISKS</b></p> <ul style="list-style-type: none"> <li>• Systematic implementation of OHS provisions requires enhanced awareness in the key sector organizations and strengthened monitoring.</li> <li>• Improper management and limited enforcement of public and worker safety can result in physical injuries, including loss of life to the workers and public at and near construction sites.</li> <li>• Non-compliance by contractors on ESHS issues, and inaction by implementing relevant agencies to enforce contract ESHS clauses</li> <li>• Non-reporting of non-compliance, project-related accidents and fatalities by the implementing agencies / contractors</li> <li>• Inadequate resourcing of public health officers to sensitize communities and workers on health and safety concerns especially in working environments.</li> <li>• Illegal connections and vandalism of electricity infrastructure presents health and safety risk that may lead to electrocution.</li> <li>• Some contractors do not adhere to employment regulations, such as providing written contracts to workers and an opportunity to air their concerns (worker grievances system).</li> </ul>



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<ul style="list-style-type: none"> <li>• Create awareness and sensitise contractors on legal prohibitions of GBV, and on use of forced and child labour and its implications.</li> <li>• Climate proofing the program infrastructure by conducting climate change screening on all proposed subprojects.</li> <li>• Work with relevant agencies in assessing and mapping out the natural disasters prone areas including areas prone to landslides, floods, lightning, rising waters from the lake, tremors as a strategy to reduce risks related to sensitive ecosystems.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of accountability on disposal of e-waste after project completion.</li> </ul> <p><b>LEVEL OF RISK – SIGNIFICANT</b></p>
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<p><b>Core Principle # 4: Land Acquisition</b></p>	
<p>Bank Policy for Program-for-Results Financing: Program E&amp;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</p>	
<p>Bank Directive for Program-for-Results Financing: As relevant, the program to be supported:</p> <ul style="list-style-type: none"> <li>• Avoids or minimizes land acquisition and related adverse impacts.</li> <li>• 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.</li> <li>• 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.</li> <li>• Provides supplemental livelihood improvement or restoration measures if the taking of land causes loss of income-generating opportunity (e.g., loss of crop production or employment); and,</li> <li>• Restores or replaces public infrastructure and community services that may be adversely affected</li> <li>• (Program activities for which the borrower’s land acquisition and resettlement (LAR) processes have significant gaps with this principle, or for which the borrower lack sufficient capacity to manage LAR impacts in a manner consistent with this principles, should not be considered eligible for the PforR Financing regardless of the number of people affected, unless supplemental arrangements are agreed with the Program authorities and endorsed by the CESSO, GSUSS, and/or the Regional Standard Advisor).</li> </ul>	
<p><b>Applicability: Applicable</b></p>	
<ul style="list-style-type: none"> <li>i. The proposed Program’s activities will require wayleave for the transmission lines, and land for construction of Substations, which will be acquired on a willing buyer willing seller principle if needed.</li> <li>ii. The construction of the lines may result in destruction of crops, vegetation and or/trees; potential loss of livelihood; devaluation of land and restriction in use of land following the acquisition of wayleaves to strengthen distribution network and to connect new households and businesses</li> </ul>	
<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Compulsory land acquisition processes are well defined in the Zambian Law. This process has put in place measures to protect the affected persons, defines affected persons consultation process and avenues for grievance redress.</li> <li>• ZESCO and REA have past experience in undertaking wayleave acquisition, including land acquisition and compensation of structures, crops and trees</li> <li>• Both REA and ZESCO has a structured wayleave process, which incorporates Community committees which assist in coordination and dissemination of information to the local communities</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• The Resettlement guidelines do not define the responsible agency for resettlement activities. Although there is a Department of Resettlement under the office of the Vice President, there are no clear guidelines on its mandate to oversee resettlement activities for government projects. The role of the department is limited to reviewing and giving professional opinion on the RAPs, but not approval or overseeing the implementation of the same.</li> <li>• Legal frameworks do not explicitly stipulate provisions for livelihoods restoration as compensation is focused on land/assets replacement and relocation. There is no clear definition on the rights of those occupying public land and their entitlement, especially on livelihood restoration.</li> <li>• Weak capacities to ensure compliance to required national standards within the implementing agency and entities</li> </ul>

	<ul style="list-style-type: none"> <li>• 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</li> <li>• Zambia Law use depreciated replacement cost approach, which does not result in full replacement costs of the lost assets</li> <li>• 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</li> <li>• Lack of policy and legislation guidance on resettlement and livelihood restoration, including clear guidance on which should be the leading ministry/department on resettlement activities, and roles and mandates of different institutions/agencies</li> <li>• 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).</li> <li>• Poor coordination with other agencies to manage social risks related to land acquisition and potential physical and/or economic displacement</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Strengthening of country and Implementing agencies systems to manage and implement the land acquisition process and associated risks to acceptable standards,</li> <li>• ESHSRIM manual to be developed for the implementing agencies, with guidelines on Land acquisition, economic and physical displacements (including livelihood restoration strategies), to support affected persons and avoid adverse impacts on their socio-economic status, assets and/or activities.</li> <li>• Strengthening ZESCO and REA capacities through training on Land acquisition implementation measures, including development of RAPs/ARAPs guidelines that aligns with national regulations and PforR core principles.</li> <li>• Establishment of appropriate and transparent consultation mechanisms and documentation in the regions that operate under a communal land system</li> <li>• Enhance collaboration of resettlement activities with other relevant agencies such as the Departments of Resettlement, Department of Community Development, and Gender Division</li> </ul>	<p><b>THREATS/RISKS</b></p> <ul style="list-style-type: none"> <li>• Poor systematic implementation of land acquisition procedures as required by the WB PforR principles due to weaknesses of the local policies</li> <li>• Potential involuntary resettlement without compensation to informal settlers occupying public land illegally</li> <li>• Delay of land acquisition of affected persons</li> <li>• Lack of financial resources within the ZESCO and REA for land acquisition and livelihood restoration for the PAPs</li> </ul> <p><b>LEVEL OF RISK – SIGNIFICANT</b></p>

<p><b>Core Principle 5: Indigenous People and Vulnerable Groups</b></p>
<p>Bank Policy for Program-for-Results Financing: Program E&amp;S systems give due consideration to the cultural appropriateness and/or 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.</p>
<p>Bank Directive for Program-for-Results Financing: As relevant, the Program to be supported will:</p> <ul style="list-style-type: none"> <li>• Undertakes free, prior, and informed consultations if Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are potentially affected (positively or negatively) to determine whether there is broad community support for the program.</li> <li>• Ensures that Indigenous Peoples can participate in devising opportunities to benefit from the exploitation of customary resources or indigenous knowledge, the latter (indigenous knowledge)</li> </ul>

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to include the consent of the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.

- Gives attention to groups vulnerable to hardship or disadvantage, including as relevant the poor, the disabled, women and children, the elderly, or marginalized ethnic groups. If necessary, special measures are taken to promote equitable access to program benefits.

**Applicability: NOT Applicable**

This principle is not applicable to Zambia. Zambia does not recognize existence of indigenous people or historically underserved communities.

However, there is potential to discrimination to the poor, the disabled, women and children, and the elderly, 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

However the Program interventions are likely to be implemented in areas with poor and VMGs presence, thus presenting risks such as: i) inadequate engagement and consultation with the poor and VMGs; ii) limited information disclosure ; iii) exclusion of the poor and VMGs from accessing project benefits; There is also a risk of: i) exclusion of vulnerable households who are unable to wire their premises from accessing electricity; ii) risk of elite capture limiting targeting of last-mile connectivity. Other risks include the expansion of electricity to last-mile consumers which may increase unsafe electricity utilization through, e.g., illegal connections. and disconnection of idle meters from persons unable to pay for the connection and/or service the token, which will mainly exclude the vulnerable households, due to the prevailing socio-economic challenges

**STRENGTHS**

- The policies, strategies and constitution clearly emphasis the rights of vulnerable individuals and groups to have access to services.
- The implementing agencies have previously worked in areas with the poor and VMGs and this experience will assist in ensuring access to program benefits is well managed

**WEAKNESSES**

- There is no clear mechanism, guidelines, and procedures for targeting and inclusion of the poor and VMGs. The lack of targeted interventions, especially on meaningful public participation prevents the poor and vulnerable groups from engaging in the development process and accessing culturally appropriate project benefits and opportunities.
- Weak capacities to ensure compliance to required national standards on equitable access within the implementing agency
- Weak multisectoral engagements results in lack of synergy among social protection departments (Resettlement department, DCD, NCPWD, department of labour, department of gender) and meaningful collaboration during the development of plans and design of public infrastructure.
- Weak capacity to disseminate information to promote social accountability, equity and grievance redress mechanism at the local levels
- There is no monitoring and evaluation system to measure progress of equitable access.
- Weak capacity to disseminate information to promote social accountability and grievance redress mechanisms at community levels
- Lack of awareness among the VMGs, leadership, and professionals on the needs of VMGs
- Lack of gender mainstream strategies to facilitate inclusion of gender equity in Programs
- Inadequate consultation and engagements with VMG groups during the design of investments resulting in failure to incorporate provisions for universal access to all persons. This includes provision of ramps, disability friendly sanitation facilities, childcare areas in markets
- Inadequate resourcing of the process of engagement of the poor and VMGs which in some cases is viewed to be expensive given their remote location

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<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Capacity building on management and training to encourage participation by the public.</li> <li>• 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.</li> <li>• Support citizen engagement by promoting community driven infrastructure planning and development; requiring that investments are based on citizens needs assessments; taking into considerations VMGs special needs, and mandating active citizen participation in the design and implementation of infrastructure investments under the program</li> <li>• Collaborate with Department of Community Development to strengthen citizen engagement and identification of subprojects that will improve economic empowerment for the poor and VMGS</li> <li>• The opportunity of the program implementers to empower and benefit VMGs in an inclusive manner.</li> <li>• Strengthen requirements and address impacts on sexual exploitation and abuse-sexual harassment (SEA-SH); special measures should be taken to promote confidential reporting of SEA/SH related complaints and equitable access to Program benefits.</li> </ul>	<p><b>THREAT/RISKS</b></p> <ul style="list-style-type: none"> <li>• Poor meaningful consultations with the VMGs on the program to access program benefits</li> <li>• Introduction of barriers that hinder progress towards achieving the objective of social inclusion and increased equity brought about by elite capture, political interests, corruption, cultural, ethnic and gender disparities</li> <li>• Inability to target the inclusion of the vulnerable groups in consultation and delivery of program benefits and services to these groups will adversely affect the population especially the elderly, women, persons with disabilities.</li> <li>• The program seeks to be inclusive, but lack of clear and systematic strategies to ensure inclusion of VMGs, PWDs etc might not close the existing gaps in the systems.</li> <li>• High poverty levels hinder vulnerable persons from accessing improved electricity supply</li> </ul> <p><b>LEVEL OF RISK – LOW</b></p>
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<p><b>Core Principle # 6: Social Conflict</b></p>	
<p>Bank Policy for Program-for-Results Financing: Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes</p>	
<p>Bank Directive for Program-for-Results Financing: As relevant, the program to be supported: Consider conflict risks, including distributional equity and cultural sensitivities.</p>	
<p><b>Applicability: Applicable</b></p> <ol style="list-style-type: none"> <li>• Social conflicts may arise due to influx of workers into project areas that results in Gender-Based Violence (GBV) in particular, Sexual Exploitation and Abuse and Sexual Harassment (SEA-SH), an increase in crime, insecurity and upset community dynamics, competition for scares resources, and culturally inappropriate activities among others.</li> <li>• Projects may be located where community conflicts have been reported in the past, due to sharing of resources.</li> <li>• Social conflicts may also be exacerbated as a result of implementing intervention in areas with community boundary conflicts.</li> </ol> <p>The Program will not undertake projects that cause or exacerbate social conflict in fragile states, post-conflict areas, areas subject to territorial disputes, impact distributional equity or associated cultural sensitivities.</p>	
<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Existence of procedures guiding public participation and consultation from the onset of project development will minimize social conflict.</li> <li>• The Government of Zambia also has adopted policies that advance gender equality and youth inclusion in a supportive enabling environment.</li> <li>• The country systems clearly articulate the minimum requirements for equitable access and benefits for the persons with disability, women, and youth in its Programs to promote social inclusion and recognises the vulnerable groups.</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• There is poor consultations and coordination of multisectoral agencies to reduce social conflict brought about by competition of resources between communities</li> <li>• Weak mechanisms to identify risks and preventative measures of social conflicts early in project design and subprojects implementation due to factors such as weak GRM uptake channels, inadequate documentation, follow up and resolution of grievances and complaints</li> </ul>

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<ul style="list-style-type: none"> <li>• The government systems have embedded in the constitution the citizen engagement through Consultation and Public Participation (CPP) requirements</li> <li>• There are GRMs within the implementing agencies and other government MDAs with varied levels of functionality that have been applied to varying degrees of effectiveness in management of complaints and grievances that can be enhanced for the program.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Weak capacities to ensure compliance at the implementing agencies and the law enforcement</li> <li>• Weak systems to disseminate information and mechanisms to reduce social conflicts at the community levels</li> <li>• Political interference, elite capture, and weak procurement processes resulting in conflict between the local leaders and community on the available opportunities and proposed investments.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Development of robust stakeholder management strategies within the systems as part of the current Public Participation programs to strengthen projects consultation processes</li> <li>• Strengthen implementing agencies grievance redress mechanisms. The GRM should be sensitive to all reported concerns including issues related to labour influx and have a referral pathway in case of GBV cases.</li> <li>• Integrate contractual obligations in the legal agreements and contracts for contractors to take responsibilities of the social risks, with appropriate mechanisms for addressing compliance</li> <li>• To address other cross cutting social issues arising during project implementation such as GBV/SEA-SH, there is need to create awareness and mainstream HIV/AIDs, and GBV-SEAH in Program activities.</li> <li>• Incorporate training of social risks related to conflict to implementing agencies safeguards specialists as part of the wider capacity building for the program</li> </ul>	<p><b>RISKS</b></p> <ul style="list-style-type: none"> <li>• Lack of identification of conflict related risks brought during program design due to limited stakeholder engagement and disclosure of Program information.</li> <li>• Potential conflict due to labour influx and other labour related risks (eg GBV/SH/SEA) between local communities and workers seeking employment opportunities</li> <li>• Hiring of contractors with weak E&amp;S capacity to manage social related risks</li> <li>• Political interference may exacerbates social conflicts</li> <li>• Inadequate stakeholder engagement and information disclosure leading to potential social conflicts</li> </ul> <p><b>LEVEL OF RISK – LOW</b></p>

## 8 Measures To Strengthen System and Institutional Performance

90. This chapter summarizes measures recommended to strengthen the existing ESHS systems and institutional performance in line with the gaps and risks identified in the ESSA. The proposed measures shall be executed during Program implementation to address identified gaps and risks considering the existing country system and capacity versus the PforR core principles and key planning elements.

### 8.1 ESSA Findings

91. The ESSA established that:

- Zambia has well-developed and robust written systems consistent with the PforR six Core Principles, which, if effectively applied, will enhance the ESHS opportunities under the Program.
- Social risks and impacts management functions are fragmented across various institutions (e.g Gender division, Departments of Community development, Resettlement) with limited coordination mechanisms.
- There are inadequate targeting and inclusion of VMGs and other disadvantaged and vulnerable groups in participation and accessing Program information, benefits and opportunities.
- The existing GRM systems are fragmented, poor functioning, and ineffective in timely resolution of complaints. These systems do not adequately address specific issues (eg GBV/SH/SEA, workers complains, etc) since they are customized to receive, record and handle issues that concern mainstream complains of the communities.
- There are local governance structures, that ensure the communities, and the government interact to facilitate access to service delivery and discharge of rights and responsibilities, with the aim to enhance the socio-economic status of these communities and other disadvantaged groups led by the Ministry of Community Development and Social Services.
- Land acquisition and resettlement legislations are not clearly defined; and MDAs are responsible for their own land acquisition and resettlement. The Department of Resettlement under the Office of the Vice President is not fully mandated to conduct expropriation on behalf of MDAs. There is need to develop legislation and guidelines to give clear mandates, roles and responsibilities to one organization that will oversee and supervise resettlement on behalf of the government infrastructure projects.
- The commitment of the contractors to enforcing ESHS provisions in the contracts is a key challenge due to weak country systems.
- Limited monitoring and reporting on ESHS risks and impacts management potentially affecting the identification and implementation of mitigation measures.
- There is inadequate collaboration and coordination of activities between the Program teams with lead agencies i.e. OSHI, NCC, ZEMA, DCD, DoR, etc
- Inadequate staffing and technical skills at REA, ZESCO, ZEMA, CDC, etc to effectively manage and supervise ESHS risks and impacts for the projects across the country
- Lack of inclusion and/or implementation of ESHS clauses the contract and bidding documents.
- Inadequate contract management and supervision of ESMP.

### 8.2 ESSA Recommendations

92. To mitigate identified ESHS risks and impacts, the Program interventions will undergo a screening process including the implementation of an exclusion criterion for certain activities which would result into high risks and significant negative ESHS risks and impacts which are irreversible or unprecedented on the environment and/or affected people. In addition, the ESSA has recommended the following to the Program Action Plan.

- i. **Enhance capacity to manage ESHS risks and impacts:** ZESCO and REA will appoint/hire an Environmental, Health and Safety, and Social specialists to coordinate the management of ESHS risks and impacts as a minimum condition to access the investment grants. REA and ZESCO will supplement the inhouse capacity with consultancy services to support the various ESHS aspects, including preparing ESIA/ESMPs/RAPs and carrying out regular independent ESHS audits.
- ii. **Engage early into the program planning process key stakeholders involved in ESHS management.** Relevant implementing agencies with mandates for ESHS risks and impacts management such as ZEMA, OSHI, Gender Division, DCD, etc, will be integrated early into the program planning process, including participating in the screening of E&S risks and potential impacts of Program interventions, and to ensure that they participate fully in the program, and make an input into the decisions being made throughout the Program cycle.
- iii. **Allocate adequate resources for ESHS aspects in the proposed investment budgets.** Evidence from previous IPF projects illustrates that safeguards management is often not adequately supported, especially the ESHS staff assigned to the programs. The Program should ensure that ESHS risks and impacts management strategies, including provision of adequate resources for ESHS staff, and enough budget allocation in the Bill of quantities for safeguards implementation during the investment identification, screening, planning and design processes. The resources shall also include budgetary allocation for preparing ESMPs/ESIAs and RAPs by independent consultants, capacity building of ESHS staff, and monitoring and evaluating the ESHS performance during implementation.
- iv. **Support ZESCO and REA to enhance and/or operationalize the GRM systems.** To strengthen stakeholder feedback and grievance redress mechanisms, the ZESCO and REA shall develop Stakeholder feedback and GRM structures at each subproject level. The GRM systems will be culturally appropriate and readily accessible to all stakeholders (including VMGs and other disadvantaged groups) and streamlined to address VMG-specific challenges. The GRM shall also incorporate mechanisms to report GBV cases from the program activities.
- v. **Strengthen implementation and monitoring of ESHS risks and impacts for successful ESHS outcomes.** To ensure proper management of ESHS risks, the Program will develop procedures for assessing performance on ESHS management, with performance protocols outlined in the ESHS Manual and the POM. The Annual Performance Assessment (APA) Terms of Reference (ToRs) shall also include ESHS performance assessment procedures to ensure a robust verification process.
- vi. **Strengthening the ESHS risks and impacts management systems to enhance the understanding of the country systems on ESHS and their application.** The Program will partner with relevant lead agencies in the ESHS risks and impacts management including OSHI, ZEMA, NCC, DCD, etc to capacity build the capacity of REA, ZESCO and contractors teams. The training will include but not limited to: (i) screening, management and reporting of ESHS risks and impacts; (ii) occupational health and safety; (iii) labour and working conditions; (iv) stakeholder engagement and social inclusion, (v) grievance management; and, (vi) statutory requirements for land acquisition and compensation, (vii) incorporation of ESMP and OSH contractor/supplier clauses in the bidding and contract documents for civil works, including signing of code of conduct (viii) training of contractors and their workers on ESHS. Other topics such as economic and physical displacement, and land acquisition will also be included. ZESCO and REA, in cooperation with ESHS agencies to develop a training program that will include regular training sessions to be provided during program implementation to respond to specific Program needs.

- vii. **Include in contracts and bidding documents provisions for E&S management with attendant budgets.** Adequate budget shall be allocated to facilitate ESHS Officers to monitor project sites and give recommendations to the contractors on ESHS risks management. Procurement Officers for all the implementing agencies will be sensitized on ESHS requirements.
  - viii. **Review the land acquisition and resettlement guidelines,** to guide on land and wayleaves acquisition for the Program, with the help of Department of Resettlement under the office of the Vice President.
  - ix. **Include protocols on gender, VMGs, PWDs and other disadvantaged/vulnerable groups, in the public participation guidelines.** Mainstream inclusivity of public participation for all projects at ZESCO and REA to ensure meaningful consultation of all segments of the public.
93. To mitigate against ESHS risks and impacts, all sub-projects under the Program will undergo screening, which will include a set criterion for excluding certain categories of sub-projects which would result into high and substantial risks and significant negative E&S impacts which are irreversible or unprecedented on the environment and/or affected people, regardless of the government's capacity to mitigate the risks. All the sub-projects will be required to follow the guidelines of the Environmental, Social, Health and Safety risks and management (ESHSRIM) Manual which will be developed by the Program, and included in the Program Operations Manual (POM) which forms as part of the Financing Agreement of the Program. In addition, the ESSA has recommended ESHS mitigation and enhancement measures in the Program Action Plan presented in the table below. The PAP shall be legally binding and incorporated into the Financing Agreement of the Program.



**Table 8-1:: Proposed Environmental, Social, Health and Safety (ESHS) Program Action Plan**

No.	Action Description	DLI/IPF	Responsibility	Timing	Expected Output
<b>Actions to strengthen Environmental, Health and Social Management Systems (EHSRMS)</b>					
1.	ZESCO and REA to develop an Environmental, Social, Health, and Safety Risk and Impacts Management (ESHSRIM) Manual, including guidelines on land acquisition, grievance management, stakeholder engagement and social inclusion, GBV-SEA/SH, management of personal data, OHS among other ESHS aspects The ESHSRM manual to be adopted by the organization and trained to company staff on implementation	DLI XXX  DLI xxx	ZESCO / REA  REA and ZESCO Safeguard specialists	Condition of Program effectiveness  Within 1 yr of program effectiveness	<ul style="list-style-type: none"> <li>• ESHSRM Manual for ZESCO and REA.</li> <li>• Document introduced, and adopted by the organisations as part of improved ESHS management practices</li> <li>• All staff trained on ESHRM manual</li> <li>• Operationalization of the manual on company operations</li> </ul>
<b>Actions to build the capacity for staff of implementing agencies, involved in the Program to enhance environmental and social management risk performance</b>					
2.	Enhance the ESHS risk management capabilities by staffing the PIU with adequate, qualified, experienced, and a full-time <b>environmental specialist, Health and Safety specialist, and social specialist</b> at ZESCO and REA Project Implementation Unit (PIU).	DLI XXXX	ZESCO / REA MoE	Before disbursement of grants to ZESCO and REA	<ul style="list-style-type: none"> <li>• Qualified and experienced staff assigned to REA and ZESCO</li> <li>• 1 environmentalist, 1 Health and Safety Officer, and 1 social specialist and confirmed annually during APA.</li> </ul>
<b>Actions to strengthen the implementation and monitoring of the environmental and social risk management</b>					
3.	<ul style="list-style-type: none"> <li>• Include a robust ESHS risks and impacts management verification protocol in Annual Performance Assessment (APA).</li> <li>• NPCU to conduct an independent annual ESHS audit for all infrastructure investments, and reports shared with the WB</li> </ul>	DLI xxx	NPCU WB	Before APA  Annually	<ul style="list-style-type: none"> <li>• Inclusion of APA verification indicators in the ToRs for APA.</li> <li>• Inclusion of a chapter on ESHS in the main APA reports.</li> <li>• Independent Annual ESHS Audit report</li> </ul>
4.	Include all the applicable ESHS clauses and budgets in the bidding and contract documents for civil works.	DLI xxx	ZESCO and REA	Prior to procurement of any civil works	<ul style="list-style-type: none"> <li>• Bidding and Contract document templates with ESHS aspects.</li> <li>• Inclusion of ESHS in bills of quantities for all subprojects</li> </ul>

No.	Action Description	DLI/IPF	Responsibility	Timing	Expected Output
					<ul style="list-style-type: none"> <li>Supervision and monitoring reports and confirmed through APA.</li> </ul>
5.	Collaborate and partner the lead ESHS agencies, including OSHS, ZEMA, NCC, Community Development, Gender Division etc to train implementing agencies and contractors on ESHS risks and impacts management.	DLI xx	NPCT ZESCO, REA  ZESCO/REA	Continuous	<ul style="list-style-type: none"> <li>Number of trainings and technical assistance provided in collaboration with relevant agencies. Confirmed through progress reports.</li> <li>Training reports.</li> </ul>
6.	ZESCO and REA to develop and manage functional and digitized GRM systems  Develop and manage functional GRM structures to manage complains at sub-project levels	DLI xxxx	ZESCO & REA  ZESCO & REA	Within 1 year after program effectiveness  Before commencement of sub-project civil works	<ul style="list-style-type: none"> <li>Digitized GRM systems rolled out at ZESCO and REA.</li> <li>GRM constituted and grievances being logged, responded, and resolved for sub-project levels</li> <li>Confirmed annually through APA.</li> </ul>

## 9 Annexes

### 9.1 Annex 1: Relevant Policy, Legal, and Regulatory Framework for Environment, Social, Health and Safety Management

Table 9-1: Country System (Policies, Regulatory and Legislative Frameworks) as Written and Relevance to the NEAT Program

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
<b>Environmental, Health and Safety Management Systems</b>			
Constitution of Zambia, Amended 2016	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.	<p>The constitution is well aligned with the ESF provisions in so far as it upholds the requirements for E&amp;S sustainability. The Constitution is in conformity with the 6 Core PforR Principles, as well as the ESSs</p> <p>Program activities shall be carried out to ensure compliance with the Constitution requirements on all aspects related to E&amp;S management, including environmental and social impact assessment and management, Citizen and public participation, access to program information, management of labor, inclusion of vulnerable and marginalized groups, compensation of affected persons for land and other assets, undertaking E&amp;S audits, and monitoring etc</p>	None
National Policy on Environment	<p>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;-</p> <ul style="list-style-type: none"> <li>• Urban, district and rural planning and development activities should incorporate human settlement and health concerns;</li> </ul>	This policy is well aligned with the ESF environmental sustainability requirements. relevant to the proposed program in so far as it supports E&S sustainability and public participation. The Program activities will undergo an environmental, social and safety screening and projects likely to have E&S	none

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
	<ul style="list-style-type: none"> <li>• Human settlements should incorporate environmental concerns as well as disaster preparedness;</li> <li>• 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;</li> <li>• Development and improvement of human settlements should incorporate the concept of community development with focus upon social services, particularly electricity, 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.</li> </ul>	<p>impacts will undergo environmental and social assessments before commencement of works. The Program will also be subjected to periodic environmental, social and safety audits throughout its cycle.</p>	
<p>Environmental Management Act, 2011.</p>	<p>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”.</p> <p>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”.</p>	<p>Implementation of the NEAT Program will involve the rehabilitation and construction of new energy infrastructure that will require that an ESIA/ESMP’s be prepared in accordance with the provisions of the ZEMA EIA regulations.</p>	<p>The Act is quite on Social aspects, which should be part of the ESIA</p>
<p>Environmental Management (Licensing)</p>	<p>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</p>	<p>The various activities to be undertaken on the project are likely to trigger environmental and social impacts and this will require that site</p>	<p>none</p>

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
<p>Regulations, 2013</p>	<p>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:</p> <ul style="list-style-type: none"> <li>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.</li> <li>ii. collect such samples and conduct such analysis of the emissions as the Agency may direct for the monitoring of emission levels</li> <li>iii. limits prescribed in the Second Schedule; and</li> <li>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.</li> </ul> <p>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.</p> <p>Applicable Regulations under the Environmental Management Act No. 12 of 2011 are described below.</p> <p><b>a) Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations, SI No. 28 of 1997.</b>                  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.</p> <p><b>b) Statutory Instrument No. 112 of 2013 – Environmental Management (Licensing) Regulations:</b> These Regulations provide standards and guidelines for mitigating air, wastewater, hazardous waste, pesticides and toxic substances and ozone depleting substances.</p>	<p>specific environmental instruments be prepared to eliminate or minimize possible risks. At national level, In Zambia the Environmental Impact Assessment (EIA) regulation of 1997 gives guidance, schedules and categories the various project types and the relevant EIA studies to undertaken. It further gives provision on post EIA approval management of projects and guidelines for developing Environmental Social Management Plans (ESMP's).</p>	

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
Forests Act, 2015	<p>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, non-governmental 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.</p>	<p>The project is unlikely to involve activities that will involve loss of vegetation. The construction of transmission lines might require clearance of vegetation, including forests for wayleave. The program will adhere to the provisions of this Act, including compensation and seeking required approvals in accordance to this Act.</p>	<p>none</p>
Zambia Wildlife Act No 14, 2015	<p>The Zambia Wildlife Act was promulgated among other functions to:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Provide for the sustainable use of wildlife and the effective management of the wildlife habitat in Game Management Areas.</li> </ul> <p>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.</p>	<p>The construction, activities on the project may affect flora and fauna in the area. The project will ensure that all personnel on site undergo orientation on how to handle the siting of wild species.</p>	<p>none</p>
Occupational Health and Safety Act (OSHA), 2010	<p>An Act to establish the Occupational Health and Safety Institute and provide for its functions; provide 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.</p>	<p>During the implementation of project activities, personnel involved in construction of infrastructure and their operation will be required to adhere to best practices with regards to Occupational Health and Safety. Procedures and manuals and regular onsite training will be undertaken to ensure</p>	<p>none</p>

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
	<p>Section 11 of Part III requires that an employer of ten or more persons at any workplace establishes a health and safety committee.</p> <p>According to section 13 the functions of the health and safety committee are:</p> <ul style="list-style-type: none"> <li>• promote cooperation between the employer and the employees in achieving and maintaining healthy and safe working conditions;</li> <li>• share information about occupational health, safety and welfare with employees;</li> <li>• investigate and resolve any matter that may be a risk to the health and safety of employees at a workplace;</li> <li>• review the measures taken on the health and safety of employees at a workplace; and</li> <li>• formulate, review and disseminate to the employees the standards, rules and procedures relating to health and safety to be carried out at the workplace.</li> </ul> <p>Section 16 of Part IV provides the duties of employers at workplaces in respect of health and safety at workplaces. These duties include:</p> <ul style="list-style-type: none"> <li>• ensure, so far as is reasonably practicable, the health, safety and welfare of the employees of the employer at a workplace; and</li> <li>• place and maintain an employee in an occupational environment adapted to the employee’s physical, physiological and psychological ability.</li> </ul> <p>The duties of an employee at a workplace, according to section 17, with regard to health and safety are to:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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</li> <li>• 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.</li> </ul>	<p>personnel working on site are conversant with the information contained. The project will ensure that high risk areas are clearly marked with restricted access and the provision of the relevant Personal Protective Equipment (PPE) will be mandatory.</p>	

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
	<p>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.</p>		
<p>Public Health Act, 1995</p>	<p>An Act to provide for the prevention and suppression of diseases and generally to regulate all matters of public health in Zambia.</p>	<p>During project implementation, all activities will incorporate measures that prevent and minimize the spread of diseases in order to protect the health and safety of the general public.</p>	<p>None</p>
<p>National Council for Construction Act No. 13, 2003</p>	<p>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 organisations whose members are engaged in activities related to the construction industry; to provide for the regulation of 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</p>	<p>The construction of transmission lines will require that all designs and materials used are within acceptable standards of the National Construction Council. Furthermore, all the contractors that will be engaged on the project have to be registered with the council.</p>	<p>None</p>
<p>National Climate Change Policy, 2017</p>	<p>The National Climate Change Policy also provides the country with home grown initiatives targeted at minimising the impact of climate change on national development. The Ministry of Lands and Natural Resources will spear head the implementation of climate change programmes. The policy will support and facilitate a coordinated response to climate change by re-aligning its climate sensitive sectors of the economy and society. The policy provides stakeholders with a clearer framework on how to tackle climate change in Zambia.</p>	<p>The proposed Program will align to this policy by enhancing climate change resilience and sustainable through supporting efficiency improvement and promote scaling up of alternative energy sources, energy efficiency and conservation. The Program will also enhance resilience of the distribution network to greater climate vulnerabilities.</p>	<p>None</p>



Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
Social Management Systems			
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 (DoR) in the Vice President’s Office is charged with implementation of the NRP. However, the policy is not legally binding.	Under the proposed program, some people may be displaced. Certain provisions of the policy will be applied if there will be any physical or economic displacement .	<p>The Resettlement policy does not define the role of the DoR and the implementing agencies. The DoR has not been given the mandate to supervise and monitor any resettlement that might occur as a result of the program, which pose a potential risk to project affected persons not getting the right compensation and / or resettlement.</p> <p>The policy requires a review to clearly define the roles and responsibilities of the DoR and the implementing agencies. To address this gap, the WB guidelines on land acquisition and resettlement will be used for this program as defined in ESS 5</p>
Workers Compensation Act (1994)	Act to make provision for the establishment and administration of a Fund for the compensation of Workers disabled by accidents to, or diseases contracted by, such Workers in the course of their employment, and for the payment of compensation to dependants of Workers who die as a result of such accidents or diseases; for the payment of contributions to such Fund by employers; for the grant of pensions and allowances to certain dependants of Workers who, being in receipt of pensions for such disablement, die from causes not connected with such accidents or diseases; for the appointment and powers of a Workers' Compensation Commissioner and the establishment and powers of a Workers' Compensation Board and an Appeal Tribunal; and for matters incidental to and connected with the foregoing		
Gender Equity and Equality Act, 2015	An Act to establish the Gender Equity and Equality Commission and provide for its functions and powers; provide for the taking of measures and making of strategic decisions in all spheres of life in order to ensure gender equity, equality and integration of both sexes in society; promote gender equity and equality as a cross cutting issue in all spheres of life and stimulate productive resources and development opportunities for both sexes; prohibit harassment, victimization and	<p>This policy aligns well with the Bank’s Directive and Guidance Note on GBV prevention with emphasis on SEA/SH.</p> <p>The program will comply with this Act by promoting gender equality in its activities, including the</p>	There is need to streamline the implementation of this policy at all levels of government and non-governmental actors as it aligns well with international best practices on GBV issues

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
	harmful social, cultural and religious practices; provide for public awareness and training on issues of gender equity and equality; provide for the elimination of all forms of discrimination against women, empower women and achieve gender equity and equality by giving effect to the Convention on the Elimination of all Forms of Discrimination against Women, the Protocol to the African Charter on Human and People’s Rights on the Rights of Women in Africa and the SADC Protocol on Gender and Development; and provide for matters connected with, or incidental to, the foregoing.	Implementing agencies and their contractors and suppliers required to demonstrate commitment to gender equality in their operational policies and in employment opportunities. The program will ensure there	
Human Rights Commission Act, 1996	An Act to provide for the functions and powers of the Human Rights Commission; to provide for its composition and to provide for matters connected with or incidental to the foregoing.	The proposed program will enhance access to clean electricity to communities and enhance increased opportunities for vulnerable groups in the society. This will give VMGs (especially women and girls more opportunities, contribute to economic growth and also help their household lead a dignified life.	None
Lands Act, 1964 Cap 184	<p>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.</p> <p><b>Land Tenure:</b> Two land tenure systems exist; 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.</p>	In the event of land acquisition triggered by project activities, land alienation and procedures for land conversion as provided for in the Act will take precedence. The Act further states the need to consult persons whose interests may be affected by land acquisition prior to any transaction. Project will undertake consultations with affected parties in meeting with the provisions of the Act.	None
Lands Acquisition Act Chapter 189	Section three of the Lands Acquisition Act empowers the President of the Republic to compulsorily acquire property. Sections 5 to 7 of the Act provides for the issuing of notices to show the intention to acquire, notice to yield up property and to take up possession. Section 10 of the Act provides for compensation as consisting of such moneys as may be agreed from moneys appropriated for the purpose by Parliament.	Enforcement of this Act on the program will only apply in instances where land will be acquired for public use. Notices of intent to compulsorily acquire land will be issued together with stated dates for taking up possession of the said properties. Compensation in	Under the Zambian law, only people and entities with title deeds are entitled to compensation e.g. those with registered third party rights or

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
	Furthermore, this section provides that where the property to be compulsorily acquired is land, the President, with the consent of the person entitled to compensation shall in lieu or in addition to any compensation payable under the section, grant other land not exceeding the value of the land acquired.	monetary form or in exchange for property of similar value or better will be payable to affected individuals as agreed with the State.	those who have legally obtained the right to register but have not yet completed registration.
Lands Conversion of Title Act	This Act provides for the alienation, transfer, disposition, and change of use of land. The Act also provides for compulsory acquisition of land by the President wherever he is of the opinion that it is desirable or expedient to do so in the public's interest.	Enforcement of this Act on the program will only apply in instances where land will be acquired for public use.	None
Arbitration Act No. 19 of 2000	This Act provides for arbitration in cases where the land owner/occupier does not agree with the amount of compensation being offered. Under section 12 (2) of the Act, the parties to arbitration are free to determine the procedure for appointing the arbitrator or arbitrators. Section 12 (3) (b) states that if the parties are unable to agree on the arbitration, another arbitrator shall be appointed, upon request of a party, by an arbitral institution	The Act will apply in cases where project affected persons will not agree with the PIU on compensation amounts offered for the loss incurred. Failure to resolve disputes at project level, aggrieved persons will be free to seek legal redress through the appointment of an independent arbitrator	None
Land Survey Act	The Land Survey Act provides for the surveying of lands and properties before they are numbered, allocated and registered.	The Act will be applicable in cases where land alienation will occur. Land acquired for the project will be surveyed to clearly mark boundaries.	None
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.	None
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.	Project implementation and supervision will require the support of local authorities' by seeking all approvals required to be sourced from the local authorities such as planning permission.	None
National Heritage Conservation Commission Act, 1989	An Act to repeal and replace the Natural and Historical Monuments and Relics Act; to establish the National Heritage Conservation Commission; to define the functions and powers of the Commission; to provide for the conservation of ancient, cultural and natural heritage, relics and other objects of aesthetic, historical, prehistorical, archaeological or scientific interest; to provide for the regulation of archaeological excavations and export of relics; and to provide for matters connected with or incidental to the foregoing.	The project will incorporate a chance finds procedure in the ESIA's to guide contractors and stakeholders on reporting channels and processes should the site artefacts of heritage significance. The National Heritage and Conservation Commission (NHCC) will be notified should a chance find be cited and offer guidance on how such sensitive findings should be handled.	None
Protection of Traditional Knowledge, Genetic Resources and	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:	The program will adhere to this Act by observing and protecting natural heritage along the project area boundaries	None

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
Expressions of Folklore Act of 2016	<ul style="list-style-type: none"> <li>• recognises the spiritual, cultural, social, political, and economic value of the holders of traditional knowledge</li> <li>• promotes the preservation, wider application and development of traditional knowledge, genetic resources, and expressions of folklores</li> <li>• recognises, protects, and supports the inalienable rights of traditional communities, individuals and groups over their traditional knowledge, genetic resources, and expressions of folklore</li> <li>• confers rights on traditional communities, individuals, and groups</li> <li>• promotes the conservation and sustainable utilization of the country's biodiversity resources.</li> <li>• promotes fair and equitable distribution of the benefits derived from the exploitation of traditional knowledge, genetic resources, and expressions of folklore</li> <li>• promotes the use of traditional knowledge, genetic resources, and expressions of folklore for the benefit of traditional communities, the country and mankind in general</li> <li>• 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</li> <li>• 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.</li> </ul>		
Non-Governmental Organisations Act, 2009	An Act to provide for the co-ordination and registration of non-governmental organisations; establish the Non-Governmental Organizations' Registration Board and the Zambia Congress of Non- Governmental Organizations; constitute the Council of Non-Governmental Organizations; enhance the transparency, accountability and performance of non- governmental organisations; and provide for matters connected with or incidental to the foregoing	Non-Governmental Organizations (NGO's) are some of the major stakeholders on the project, their involvement on the project will range from; information dissemination, educational activities and advocacy This will require that NGO's are registered, regulated and adhere to ethical practices set by the Non-Government Organizations Registration Board and The Zambia Congress of Non-Governmental Organizations.	None
Public Procurement Act, 2008	An Act to continue the existence of the Zambia National Tender Board and re-name it as the Zambia Public Procurement Authority; revise the law relating to procurement So as to ensure transparency and accountability in public procurement; regulate and control practices relating to public procurement in order to promote the integrity of, fairness and public confidence in, the procurement process; repeal and replace the Zambia National Tender Board Act, 1982; and provide for matters connected with or incidental to the foregoing.	The project will involve the procurement of works, goods and services and this will require that the process follow the Zambia Public Procurement Authority (ZPPA) guidelines to ensure fairness, transparency, integrity, accountability and promote public and stakeholder confidence. The process will be further complimented by World Bank procurement policies.	None

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
Roads and Road Traffic Act, 1995	An Act to make provision for the care, maintenance and construction of roads in Zambia, for the control of motor traffic, for the licensing of drivers and motor vehicles, for the compulsory third party insurance of motor vehicles, for the licensing and control of public service vehicles and public services, and for other miscellaneous provisions relating to roads and motor traffic.	During implementation of project activities, there is likely to be disruption to roads and traffic in surrounding areas. This will be during construction activities requiring earthworks in close proximity to roads and delivery of materials. Constructors will be required to adhere to set speed limits, undertake works and bulk deliveries away from off pick time and work within the project footprint to minimize intrusion into surrounding areas.	None
Urban and Regional Planning Act, 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.  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.	Project implementation is likely to involve construction activities. These activities are likely to alter the landscape of the current layout of target areas. The project in collaboration with the local authorities in which these areas fall will ensure the designs and plans adhere with the Urban and Regional Planning of the areas so as to be in harmony with the councils' expansion master plan.	None
The Town & Country Planning Act Chapter 283	The Act provides for Ministerial powers to appoint Planning Authorities to prepare structural, regional, integrated development, and layout plans to guide physical urban and rural development in Zambia..	Planning permission for the construction of planned energy projects will be submitted for approval, to ensure proposed infrastructure is integrated in the development plans	None
Anti-Gender-Based Violence Act, 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	This Act aligns well with the Bank's Directive and Guidance Note on GBV prevention with emphasis on SEA/SH. The Program will require to the client and their consultants to prepare SEA/SH prevention and response management plans for all activities that may involve the influx of labour into the project areas. The program will	There is need to streamline the implementation of this Act at all levels of government and non- governmental actors as it aligns well with international best practices on GBV issues

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
	<p>defines such abuse to include “abuse perpetrated on a person by virtue of the person’s age, physical or mental incapability, disability or illness.”</p>	<p>also support the enhancement of the client’s internal GBV (especially SEA/SH) policies and strategies and support their entrenchment at all levels including within the implementing agencies, its contractors and its suppliers, in alignment with this Act. A communications strategy will be developed which will include GBV mitigation measures and the Grievance Redress Mechanism (GRM).</p>	
<p>The Sexual Offences Act, No. 12 of 2009</p>	<p>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.</p>	<p>The NEAT Program will require to establish measures that prohibit and take action against sexual offences listed in the Act for implementing agencies staff, contractors and suppliers</p>	<p>None</p>
<p>Disaster Management Act, 2010</p>	<p>An Act to 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.</p>	<p>Construction activities under the NEAT Program, will need to consider the various natural disaster and the climate change phenomenon that has seen most parts of the country experience droughts or excessive rains. In order to safeguard infrastructure and the safety of the workers and communities, ZESCO and REA management will need to engage. the Disaster Management and Mitigation Unit (DMMU) an institution established and mandated to anticipate, prepare and manage disasters should they occur.</p>	<p>None</p>
<p>Employment Act No. 3 of 2019</p>	<p>An Act to provide legislation relating to the employment of persons; to make provision for the engagement of persons on contracts of service and to provide for the form of and enforcement of contracts of service; to make provision for the appointment of officers of the Labour Department and for the conferring of powers on such officers and upon medical officers; to make provision for the protection of wages of employees; to provide for the control of employment agencies; and to provide for matters incidental to and consequential upon the foregoing.</p>	<p>During project implementation and associated sub projects, various individuals will be engaged to perform multiple tasks. This will require that all contractors on the project adhere to the provision of the employment act and the national labour laws. This will be achieved by creating a conducive work environment, treating workers in a humane manner and remuneration is favorable.</p>	<p>None</p>

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
	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		

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
<b>ENERGY SPECIFIC ACTS/LEGISLATIONS</b>			
Electricity Act No.15 of 2019 and Electricity Amendment Act, 2003	An Act to regulate the generation, transmission, distribution and supply of electricity so as to enhance the security and reliability of the supply of electricity; provide for the sale and purchase of electricity within and outside the Republic; facilitate the achievement of the efficient, effective, sustainable development and operation of electricity infrastructure; provide the roles and responsibilities of various participants in the electricity sector; facilitate adequate levels of investment in the electricity sector; provide for a multi-year tariff framework; promote transparency in the identification and allocation of risks, costs and revenues within and between participants in the electricity sector; ensure the protection and safety of consumers of electricity and the public; repeal and replace the Electricity Act, 1995; and provide for matters connected with, or incidental to, the foregoing.	The Act is aligned to the ESF in so far as it requires prior consent of a landowner to enable energy sector actors to enter into and use private land for energy infrastructure purposes. It provides for compensation for land, trees and crops in line with ESS5. The Environmental, social and safety management practices shall be adopted to facilitate the preservation of natural resources, protect the health and safety of workers and communities. As applicable, activities shall commence after subjection to NEMA approved EIA's.	The land acquisition of wayleave is not well harmonized across the different agencies, where responsibilities of the acquisition lies with the implementing agency. The Department of Resettlement at the Office of the Vice President does not have the mandate to supervise and monitor any resettlement that might occur as a result of the program, which pose a potential risk to project affected persons not getting the right

Legislation	Provisions as Written	Relevance to the Program and Alignment to the ESF	Identified Gaps to the ESF
			compensation and / or resettlement
Energy Regulation Act, 2019	<p>An Act to provide for the licensing of enterprises in the energy sector; continue the existence of the Energy Regulation Board and re-define its functions; re-constitute and revise the functions of the Board; repeal and replace the Energy Regulation Act, 1995; and provide for matters connected with, or incidental to, the foregoing.</p> <p>Sect 4 (i) gives mandate of the Energy Regulation Board, in collaboration with the Zambia Environmental Management Agency, formulate measures to minimise the environmental impact of activities carried out in the energy sector; which includes the production and supply of energy and the production, transportation, conversion, storage and use of fuels and enforces such measures by the attachment of the appropriate conditions to licenses held by the undertaking.</p>	A license from the Energy Regulation Board of Zambia (ERB) and ZEMA will be required prior to commencement of the operation phase of the project	None
National Energy Policy, 2019	<p>The NEP 2019 is aimed at guiding the energy sector in the development of the electricity generation, transmission and distribution capacity. Further, it will enhance cost - effectiveness and efficiency in the supply of petroleum products. It will also facilitate the development and deployment of renewable and alternative energy. Furthermore, the Policy will promote security of energy supply through diversification of energy sources at cost reflective pricing which will promote new investment in the sector, consequently scaling up access to energy services in rural and urban areas. The NEP 2019 also considers climate change mitigation and adaptation while advancing sustainable development of the sector. In addition, the Policy mainstreams gender and disability aspects aimed at increasing access to clean and efficient energy thereby reducing poverty among vulnerable groups especially women and children</p>	The policy aligns with the ESF in so far as it provides for E&S sustainability including defining measures to streamline gender, climate change, and health and safety in the energy sector	none



## 9.2 Annex 2: List of Stakeholders Consulted during the ESSA Process

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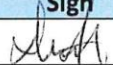
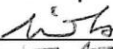

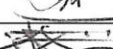
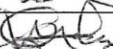

**Stakeholder Consultative Workshop**  
**Environmental and Social System Assessment for the National Electricity Access and Transformation Project (NEAT)**  
 Venue: Taj Pamodzi Hotel  
 Tuesday, August 22, 2023

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**Stakeholder Consultative Meetings**  
**Environmental and Social System Assessment for the National Electricity Access and Transformation Project (NEAT)**  
**Venue: World Bank Office**  
**Thursday, August 24, 2023**

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13	Maxwell Chisanga	ENV Spe	REA / ESAP		
14	Naomi Sidons	Social Specialist	REA / SS		
15	Mwape Kasapato	Env. officer	REA		
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No.	Name	Position	Organization	Email	Sign
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**Stakeholder Consultative Meetings**  
**Environmental and Social System Assessment for the National Electricity Access and Transformation Project (NEAT)**  
**Venue: World Bank Office**  
**Wednesday, August 23, 2023**

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**Stakeholder Consultative Meetings**  
**Environmental and Social System Assessment for the National Electricity Access and Transformation Project (NEAT)**  
 Venue: World Bank Office  
 Thursday, August 24, 2023

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3	Diana Zulu	Business Supp. Coordinator	Solar Aide	0974-793464	—
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### **9.3 Annex 2 (a): List of Stakeholders who Provided Feedback on the Draft ESSA Report**