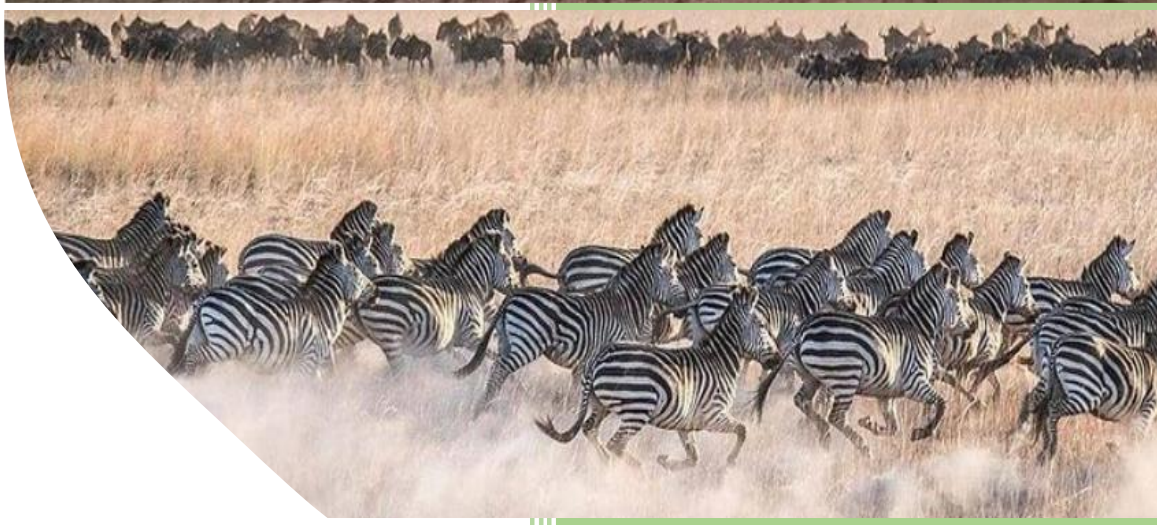
ZAMBIA
MINISTRY OF TOURISM
DEPARTMENT OF TOURISM

GREEN, RESILIENT AND TRANSFORMATIONAL TOURISM DEVELOPMENT PROJECT

PROJECT IMPLEMENTATION MANUAL
VOLUME 1 – MAIN DOCUMENT





Version 1, November 29 2023

“Strengthening the enabling environment, access to resilient infrastructure and economic opportunities in emerging tourism destinations in Zambia.”

IDA-Funded Project

This document is developed in accordance with generally accepted standards & principles and consistent with the World Bank Regulations and principles on procurement and financial management and should be updated to reflect new development during the life span of the Project. The document is a public document though it is generally used by the GREAT - TDP Project Implementation Unit (PIU) in the performance of their official duties.

Credit: Cover photos sources Ndole Bay Instagram and African Parks Instagram, published with their authorization.

ABBREVIATIONS AND ACRONYMS

AWPB	Annual Work Plan and Budget
APN	African Parks Network
BCR	Benefice Cost Ratio
BOQ	Bill of Quantities
CAA	Civil Aviation Authority
CBE	Community Based Entity
CBO	Community Based Organizations
CFMG	Community Forest Management Group
CMP	Collaborative Management Partnership
CRB	Community Resource Board
DA	Designated Account
DDCC	District Development Coordinating Committee
DGECC	Department of Green Economy and Climate Change
DNPW	Department of National Park and Wildlife
DOF	Department of Forest
DOT	Department of Tourism
DPSC	District Planning sub-Committee
EBCR	Economic Benefit Cost Ratio
EIRR	Economic Internal rate of Return
EIS	Environmental Impact Statement
ESIA	Environmental and Social Impact Assessment
ESS	Environmental and Social Standards (World Bank)
EPB	Environmental Project Brief
EPI	(Global) Environment Performance Index
ESCP	Environment and Social Commitment Plan
ESIA	Environment and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EFA	Economic and Financial Analysis
EOP	End of Project
FBCR	Financial Benefit Cost Ratio

FIRR	Financial Internal Rate of Return
FZS	Frankfurt Zoological Society
GAAP	Governance and Accountability Action Plan
GDP	Gross Domestic Product
GHG	Green House Gas
GMA	Game Management Area
GRM	Grievance Redress Mechanism
GRZ	Government of the Republic of Zambia
IDA	International Development Association (World Bank)
IDC	Industrial Development Corporation (a GRZ institution)
IEP	Independent Evaluation Panels (for Matching Grant Scheme)
IFR	Interim Financial Report
IIP	Infrastructure Investment Plan
KPI	Key Performance Indicators
M&E	Monitoring and Evaluation
MICE	Meeting, Incentive, Conference, and Exhibition
MoFNP	Ministry of Finance and National Planning
MoT	Ministry of Tourism
MGA	Matching Grant Agreement
MGS	Matching Grant Scheme
MoGEE	Ministry of Green Economy and Environment
MIHUD	Ministry of Infrastructure Housing and Urban Development
MTL	Ministry of Transport and Logistics
MWDS	Ministry of Water Development and Sanitation
MoE	Ministry of Energy
MLGRD	Ministry of Local Government and Rural Development
MoTS	Ministry of Technology and Science
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
8NDP	Eighth National Development Plan
NBA	Nature Based Activity

NBB	Nature Based Business
NBT	Nature Based Tourism
NGO	Non-Governmental Organisation
NHCC	National Heritage Conservation Commission
NPV	Net Present Value
NTFP	Non-Timber Forest Product
PAD	Project Appraisal Document
PDO	Project Development Objectives
PDCC	Provincial Development Coordinating Committee
PF	Process Framework
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PPU	Provincial Planning Unit
PSC	Project Steering Committee
RAP	Resettlement Action Plan
RDA	Road Development Agency
RFP	Resettlement Policy Framework
SDA	Strategic Development Area (of the 8NDP)
SEA/SH	Sexual Exploitation and Abuse and Sexual Harassment
SEP	Stakeholder Engagement Plan
SESA	Social and Environmental Strategic Assessment
SME	Small Medium Enterprise
SOE	Statement of Expenditure
STEP	Systematic Tracking of exchanges in procurement
TA	Technical Assistance
TCZ	Tourism Council of Zambia
TDA	Tourism Development Areas
TIC	Tourism Investment Corporation
TIP	Tourism Investment Programme
TORs	Terms of Reference

USD	United States Dollars
VACS	Visibility and Communication Strategy
ZACL	Zambia Airport Cooperation Limited
ZAMSTATS	Zambia Statistic Agency
ZEMA	Zambia Environmental Management Agency
ZITHS	Zambia Institute for Tourism and Hospitality Studies
ZMW	Zambian Kwacha
ZTA	Zambia Tourism Agency
ZTMP	Zambia Tourism Master Plan
ZPPA	Zambia Public Procurement Authority

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS I

LIST OF TABLES VII

LIST OF FIGURES VII

1 INTRODUCTION TO THE PROJECT IMPLEMENTATION MANUAL 1

1.1 Overview 1
1.2 The PIM, as stated in the Financing Agreement 2
1.3 Purpose of the PIM 3
1.4 Review Mechanism and Approval of Changes to the PIM 3
1.5 Volumes of the PIM 3
1.6 How to Use the PIM 4

2 BACKGROUND 4

2.1 Country Background and Context 4
2.2 Sectoral and Institutional Country Context 8
2.3 Project Background 16

3 PROJECT DEVELOPMENT OBJECTIVE, SITES AND BENEFICIARIES 18

3.1 Project Development Objective 18
3.2 Key Intended Project Outcomes 18
3.3 Result Framework with Indicators 18
3.4 Target Tourism Development Areas: 21
3.5 Project Beneficiaries 25

4 IMPLEMENTATION ARRANGEMENTS 26

4.1 Oversight 27
4.2 Implementation 28

5 PROJECT DESCRIPTION AND IMPLEMENTATION 33

5.1 Project Components and Financing 33
5.2 Component 1. Enabling Environment for the Nature-Based Economy (US$13 million) 33
5.3 Component 2. Improving Climate-Resilient Destination Access and Basic Service Infrastructure (US$78.3 million) 45
5.4 Component 3. Project Administration and Management (US$8.7 million) 48

6 FIDUCIARY PROCESSES 48

6.1 Monitoring and Evaluation (See also Volume 2 of the PIM) 48
6.2 Procurement (See also Volume 4 of the PIM) 49
6.3 Financial Management and Disbursement (See also Volume 5 of the PIM) 50

7 ENVIRONMENTAL AND SOCIAL SAFEGUARDS 51

7.1 Implementation Arrangement 51
7.2 Objectives of Environmental and Social Safeguards 52
7.3 Potential Environmental and Social Risks and Impacts 52
7.4 World Bank Environmental and Social Risk Classification 53
7.5 Government of the Republic of Zambia Safeguard Policies 53
7.6 Triggered World Bank Environmental and Social Standards 54
7.7 Environment and Social Standards Instruments 55

8 TRIGGERED WORLD BANK LEGAL OPERATIONAL POLICIES 59

8.1 OPERATIONAL POLICY 7.50 ON PROJECTS ON INTERNATIONAL WATERWAYS 59
8.2 COMPLIANCE PROCESS 59

9 GOVERNANCE ASSESSMENT AND ACTION PLAN 61

9.1 INTRODUCTION TO THE GOVERNANCE ASSESSMENT AND ACTION PLAN 61
9.2. GOVERNANCE CONTEXT IN A TRANSITION TO GREEN ECONOMY 62
9.3 GOVERNANCE AND ACCOUNTABILITY RISKS TO THE PROJECT 63
9.4 GAAP MITIGATION ACTION PLAN 68

10 VISIBILITY AND COMMUNICATION STRATEGY 73

11 CLOSURE OF THE PROJECT 73

11.1 OPERATIONAL CLOSURE 73
11.2 FINANCIAL CLOSURE 74

ANNEX 1. PROJECT 6-YEAR GANTT CHART 76

ANNEX 2. PROJECT 6-YEAR COST TABLES 78

ANNEX 3. TEMPLATE MOU FOR TASK AGENCIES 84

ANNEX 4. TEMPLATE ANNEX OF TASK IMPLENTATION INSTRUCTION 90

ANNEX 5. TEMPLATE TASK CONCEPT DOCUMENT 93

ANNEX 6. SUMMARY OF INSTITUTIONS ROLES 95

ANNEX 7. VEHICLE MANAGEMENT GUIDELINES FOR PROJECT STAFF AND DRIVERS 102

ANNEX 8: ECONOMIC AND FINANCIAL ANALYSIS SUMMARY 104

ANNEX 9: SECTOR ANALYSIS, GENDER, AND GOVERNANCE ASSESSMENTS 112

ANNEX 10: GREENHOUSE GAS ASSESSMENT 120

List of Tables

Table 1: Direct Users of each PIM Volume....4
Table 2: Zambia Key Tourism Indicators....9
Table 3: Zambia Tourism Competitiveness (WEF TTDI 2021)....10
Table 4. PDO level (Outcome) Indicator....19
Table 5. Other Selected Outcome Indicators....19
Table 6: Component level (Intermediary Outcome) Indicators....20
Table 7. Supplemental Component level (Intermediary Outcome) Indicators....21
Table 8. Description of all the positions and functions of the PIU staff.....30
Table 9: Project Budget by Components and Subcomponents....33
Table 10: List of SC1 and SC2 Task Agencies responsible. 34
Table 11: Estimated Costs of Proposed Infrastructure in Project Areas....46
Table 12: Overview of World Bank Environmental and Social Standards (ESS)....54
Table 13. Institutions engaged in SEP and responsibilities. 56
Table 14. Governance risks and mitigation action plan....68
Table 15. Initial list of cases to monitor....72

List of Figures

Figure 1. Tourism Development Areas (Source: Zambia Tourism Master Plan (2018-2038)11
Figure 2. Map with the three TDAs targeted by the Project (Source ZTMP)....22
Figure 3. Map of the Kasaba Bay Project Area (Source DNPW)....23
Figure 4. Map of the Liuwa Plain National Park (source DNPW) 24
Figure 5. Map of the Source of Zambezi Natural Heritage Site (Source NHCC) 25
Figure 6. Project Institutional Framework 27
Figure 7. Organogram of the Project Implementation Unit....30

1 INTRODUCTION TO THE PROJECT IMPLEMENTATION MANUAL

1.1 OVERVIEW

1. The Project Implementation Manual (PIM) is the main official document guiding the implementation of the Zambia Green, Resilient and Transformational Tourism Development Project (GREAT-TDP or the Project). It complements and should be used in conjunction with, other Project documents also owned by the Government, and approved by the World Bank:

   - The Environment and Social Commitment Plan (ESCP)
   - The Environment and Social Management Framework (ESMF)
   - The Stakeholder Engagement Plan (SEP)
   - The Labour Management Procedure (LMP)
   - The Process Framework (PF)
   - Resettlement Policy Framework (RPF)
   - The Project Procurement Strategy for Development (PPSD)
   - The Annual Work Plan and Budget (AWPB)

2. The Project is also guided by other Project documents issued by the World Bank:

   - The Project Appraisal Document (PAD)
   - The Financing Agreement
   - The Disbursement Letter

3. Finally, the Project is guided by Government of the Republic of Zambia and World Bank policies, guidelines, standards for procurement, financial management, environment and social safeguards, and citizens' engagement.

4. The objective of the PIM is to guide the Project Implementation Unit (PIU) and key stakeholders during the implementation of the Project. Therefore, the PIM describes implementation and governance procedures, management, and coordination with regard to procurement, management of financial resources, monitoring and evaluation, environmental and social safeguards and reporting.

5. The PIM does not contain information on staff-related matters except unit costs of salaries required for the cost tables in annex 2. These are already articulated in the Government of the Republic of Zambia (the Government) Terms and Conditions of Service as well as the Labour Management Procedure adopted for the Project as well as in the World Bank general conditions. All staff working under the Project will be subjected to these conditions.

1.2 THE PIM, AS STATED IN THE FINANCING AGREEMENT

6. The PIM is an official Project document. It is referenced in Article 4.01 of the Project Financing Agreement: quote, "*The Recipient has prepared and adopted a Project Implementation Manual ("PIM") in form and manner acceptable to the Association*[1]*, and in accordance with Section I.B.1 of Schedule 2 to this Agreement*." As such, it is legally binding.

7. Section I.B.1 of Schedule 2 to the Financing Agreement states:

> *Project Implementation Manual.*
>
> *The Recipient shall prepare and adopt a PIM in accordance with Section 4.01(c) of this Agreement, and shall carry out the Project in accordance with said PIM, containing, inter alia, detailed arrangements and procedures for: (i) implementation arrangements; (ii) administrative, financial management, accounting, and disbursement mechanisms, procedures and protocols; (iii) procurement; (iv) environmental and social aspects; (v) monitoring and evaluation; (vi) grievance redress mechanism; (vii) procedures and guidelines for preparation of the AWPB; (viii) procedures and guidelines (including eligibility and selection criteria, as well as prioritization and approval responsibility) for the assessment, provision and supervision of Infrastructure Investments under Part 2 of the Project, and selected community-based infrastructure activities under Part 2.3 of the Project; (ix) a Governance and Accountability Action Plan, and (x) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation.*
>
> *Matching Grant Manual*
>
> *The Recipient shall prepare and adopt a Matching Grant Manual, in form and substance acceptable to the Association, and shall carry out Part 1.3(a) of the Project in accordance with said manual, containing, inter alia, detailed arrangements and procedures for the management and administration of Matching Grants (Window One and Window Two Grants) to eligible Beneficiaries under Part 1.3(a) of the Project, including eligibility and selection criteria, and modalities of payment; a template Matching Grant Agreement; and a negative list of excluded activities under Window Two Grants.*
>
> *The Recipient shall not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned Project Manuals, or any provision thereof, without the prior written consent of the Association.*

[1] The Association in this case refers to the International Development Association (IDA) which is part of the World Bank.

Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Manuals, and those of this Agreement, the provisions of this Agreement shall prevail.

1.3 Purpose of the PIM

8. The purpose of the PIM is to:

   - Provide overall guidance to the Steering Committee and the PIU, as well as all Project stakeholders including beneficiaries, partners and contractors involved in implementing the Project.
   - Guide the PIU in ensuring that all Project-funded activities are implemented in a manner consistent with the relevant guidelines and procedures adopted by the Government and the World Bank.
   - Guide the PIU in efficient planning, implementing, and monitoring the Project activities for optimal and compliant use of Project financing to produce the best possible results and impacts.
   - Serve as a comprehensive repository of the Project guidelines or references to be used by all stakeholders.

1.4 Review Mechanism and Approval of Changes to the PIM

9. The PIM is a living document and is expected to be revised and updated as necessary to incorporate lessons from practical implementation, the evolving needs of the Project and facilitate adjustments in view of external changes that may influence implementation.

10. The PIU will be responsible for considering proposals for updating or otherwise revising the PIM. These proposals may originate from any of the partners or implementing agencies. The changes will be incorporated into a new version of the PIM. Once approved -- will supersede and prevail over the existing version.

11. Revisions to the PIM may be made from time to time as necessary. To avoid a burden of the review process, the PIM revisions may coincide with the World Bank Supervision Missions undertaken twice a year.

12. Once approved by the Project Steering Committee (PSC), the PIU will submit the draft revised PIM to the World Bank for No Objection and the new version of the PIM will be published online and shared with all agencies involved in implementation. Specific training may be necessary.

1.5 Volumes of the PIM

13. The PIM is constituted of five (5) Volumes:

   - V1 Main Document (General description of the Project including detailed costing)

- V2 Planning, Monitoring and Evaluation (M&E) Manual (all Components)
- V3 Matching Grant Manual
- V4 Procurement Manual
- V5 Disbursement and Financial Management Manual

1.6 How to Use the PIM

14. Each Volume is designed with specific users in mind. For example, the Procurement Volume is likely to be mostly used by the PIU Procurement officers. The Table 1 below assigns the main user of each of the Volumes. These users are expected to be extremely familiar with "their" Manuals and use them extensively in the daily running of their responsibilities.

15. Despite the specific users, Project implementation will be greatly facilitated if all PIU staff are familiar with all the Volumes and more specifically with Volume 1 which describe the Project and Volume 2 which explains how to plan and monitor its implementation.

Table 1: Direct Users of each PIM Volume

Volume	Primary Direct Users
V1 General Description of the Project	Project Steering Committee (PSC), Ministry of Tourism (MoT) staff, Project Coordinator, all PIU staff, and Implementing Agencies.
V2 Planning, M&E Manual	Project Coordinator, Planning, M&E Specialist and Assistant, all PIU staff
V3 Matching / Technical-Assistance Grant Administration Manual	Project Coordinator, Head Component 1 (Tourism Specialist), Project Area Facilitators (Facilitators)
V4 Procurement Manual	Procurement Specialist, Procurement Assistants and Consultants
V5 Disbursement and Financial Management Manual	Financial Management Specialist and Assistant Accountant.

2 BACKGROUND

2.1 Country Background and Context

16. The Republic of Zambia is a landlocked country in Central Southern Africa sharing its borders with eight countries, Angola, Botswana, Democratic Republic of Congo, Malawi, Mozambique, Namibia, Tanzania, and Zimbabwe. Zambia has a total land area of 752,610 km² (290,584 mi²), making it one of the largest countries in Africa and the 39th biggest in the world.

17. Zambia's population as of 8th September 2022 was 19,610,769 from 13,092,666 in 2010. Accordingly, the 2022 national Census of Population and Housing preliminary report records

male population at 9,603,056 and the female population at 10,007,713[2]. Zambia's population grew at an average annual rate of 3.4 percent between 2010 and 2022, an increase from 2.8 percent in the 2000- 2010 intercensal period. The rural population grew at an average annual rate of 3.4 percent during the 2010-2022 period, an increase from 2.1 percent during the preceding intercensal period. Urban areas recorded a decline in the growth rate from 4.2 percent during the 2000-2010 intercensal period to 3.5 percent in the period 2010-2022.[3]

18. The Country is endowed with rich natural resources including wildlife, minerals, forests, freshwater, and fertile land. Close to 42 million hectares (56%) of the total land area is arable. About 40% of freshwater resources in the Southern African region are found in Zambia alone[4]. The Country is heavily dependent on its natural resources with mining as its major productive industry and other sectors such as tourism playing a key role in contributing to economic growth. Apart from Agriculture, Tourism, is also one of the main economic stays of targeted landscape areas (Liuwa National park, Kasaba Bay and Source of the Zambezi River) of the rural population.

19. Zambia's rural population depend almost entirely on natural resources such as wildlife, biodiversity, forests, wetlands, fisheries, and water. The natural productive capacity of landscapes nation-wide is significantly challenged by multiple and competing uses across agriculture, infrastructure development, wildlife, forest resources, land, energy, and mining activities. These drivers of degradation, solely or in combination also reduce the resilience of landscapes and undermine ecosystem services, particularly due to the impacts of climate variability and climate change.

20. Zambia is endowed with diverse tourism products including vast national parks that are home to varied wildlife species, pristine heritage sites, rich cultural history, and scenic landscapes. These offer an enormous potential for tourism to contribute to economic growth. The Eighth National Development Plan (8NDP) 2022 – 2026 and National Vision 2030, all recognise tourism as a key driver to economic transformation and job creation. Further, the Tourism Master Plan (2018 - 2038) provides credence to Government's commitment to develop the sector to contributes to socio-economic transformation for improved livelihoods.

21. Despite the significant endowments and great comparative advantage, the tourism sector continues to grow at a pace slower than is desired due to several constraints including the lack of adequate and requisite backbone infrastructure. Provision of the relevant tourism infrastructure can support the kind of private sector led investments that are required to complement the existing natural endowments and ultimately attract the scale and volumes of tourist arrivals/stays that would justify such high-volume investments.

[2] 2022 National Census of Population and Housing preliminary report: https://www.zamstats.gov.zm/population-size-by-sex-and-rural-urban-zambia-2022/ .
[3] 2022 National Census of Population and Housing preliminary report P.11 (2022). Zambia Statistics Agency (ZamStat)
[4] Zambia Development Agency (Agriculture): https://www.zda.org.zm/agriculture/

22. Zambia's development context is described by fluctuations closely linked to copper prices and prevalence of subsistence farming, hindering efficient development of the rich natural and human capital while deferring economic diversification. Copper mining dominates export receipts while subsistence agriculture dominates source of livelihoods. Both have impaired the environment, productivity, and human well-being by means of pollution, land conversion, elusive contribution to public revenue, among others. Furthermore, they have not sufficiently contributed to the expansion of the formal economy: the mining sector created mostly poor-quality informal jobs and the agriculture sector remained at low productivity - resulting in meagre opportunities for upskilling the labour force to diversify the economy. The human capital index score of 0.397 in 2020 is around the average of low-income countries (0.378), even though in 2020 Zambia was classified as a lower-middle income country whose average was 0.480. Economic transformation through diversification - a long held development priority - continues to be central in the 8NDP together with job creation. These goals strive towards the Vision 2030 of becoming a "prosperous middle-income country".

23. While urbanization and working population grow, job creation lags. With over 50 percent of its population living in urban areas, Zambia is relatively more urbanized among Sub-Saharan African countries. However, this agglomeration for economy of scale has not led to commensurate job creation. With a total population of 19.6 million growing at 3. 4 percent per year (2022)[5], such annual growth is projected to continue until 2030. Among the working age group, the expected growth rate is higher at 3.4 percent. Unemployment has been rising since 2012, reaching 13.8 percent of the total labour force in 2020, with male unemployment at 11.9 percent and female unemployment at 16.4 percent. The rural unemployment was 13.6 percent while the urban unemployment was 13.8 percent. Youth's unemployment was 19.9 percent with male unemployment at 17.6 percent and female unemployment at 22.76 percent. The Government has prioritized job creation as a primary target, through economic transformation towards a green economy, especially in areas of agriculture, tourism, mining, and technology among others.

24. The pace of recovery in economic activity slowed down in 2022, affected by challenges in agriculture, mining, and construction. The slow pace in economic activity is also compounded by the delay in restructuring Zambia's debt, which is unsustainable and in default, and holding back gains in economic recovery and macroeconomic stability. Growth is also expected to improve slowly over the medium term, reflecting lingering uncertainty surrounding the conclusion of the ongoing debt restructuring discussions. Zambia requested for debt treatment under the G20 Common Framework in February 2021 after the COVID-19 pandemic exacerbated debt vulnerabilities, triggering a default in November 2020. Between 2011 and 2019, Zambia's public external debt increased sharply from 6.7 percent of gross domestic product to 66.4 percent, driven by excessive non-concessional borrowing, weak fiscal discipline, and falling copper prices amid slowing economic growth. In 2022, the exchange rate showed some resilience and appreciated by 15.1 percent to an annual average exchange rate of

[5] National Census of Population and Housing preliminary report P.11 (2022). Zambia Statistics Agency (ZamStats)
[6] 2020 Labour Force Survey

K16.91 per US dollar from K19.91 in 2021. However, the country recorded a decline in export earnings as copper prices decreased; as a result, foreign exchange supply significantly declined amid elevated demand. With depreciation of the Kwacha in Q1 of 2023 and the intensifying inflationary pressure, the central bank tightened monetary policy in February 2023.

25. The country's globally significant natural assets offer an alternative economic opportunity. Currently, natural resources make up 40% of the country's wealth [7]and are a cornerstone for its economic growth and strategies for poverty reduction. A vast 65 percent of Zambia's land area is occupied by forests [8]and its freshwater resources are claimed to hold 40 percent of southern Africa's freshwater resources [9]- of great importance as the headwaters of the Congo and the Zambezi basins. For its biodiversity, more than 8,000 species of organisms are identified in Zambia, of which at least 600 are endemic and 174 are classified as rare[10]. Zambia has not only committed to protecting its natural resources for safe-guarding future growth, but also recognizes that there is a growing opportunity to sustainably develop the nature-based economy that depends on these assets – to generate revenues, jobs, and investment. This may include activities such as nature-based tourism, regenerative agriculture, mining, sustainable forestry, fishing, green infrastructure, bioprospecting, and carbon credits.

26. The environment and its natural capital, however, has long been under threat. In 2021, Zambia lost 201,000 hectare of tree cover compared to 163,000 hectares in the year 2020[11]. In the Global Environment Performance Index (EPI) of 2022, Zambia ranked overall 106 out of 168 countries; Zambia is one of 10 countries whose EPI score depreciated the most over 10 years[12]. Land use change is affecting hydrology by increasing the flow, the variability in flow volumes, and the need for water abstraction[13]. Nine species are currently listed as globally threatened, endangered or vulnerable on the International Union for Nature Red List[14], though data deficiency is a prominent challenge in updating species presence and threat levels. These challenges are compounded by climate change impacts that are increasing the vulnerability to floods and droughts that have become more frequent since 1990s. Despite being a net Green House Gas-sink country, the growth rate of carbon dioxide emissions is unabated. However, Zambia is making strides towards curbing Green House Gas (GHG) emissions by putting in place and strengthening existing policies, strategies, and legislation[15].

---

[7] https://www.worldbank.org/en/news/feature/2022/11/18/in-zambia-natural-capital-accounts-ensure-future-prosperity-for-all

[8] FAO (2015). Forest cover in Zambia. Accessed from www.globalforestwatch.org. Tree cover in Zambia (in 2010) had 22.4Mha or about 30% of its land area.

[9] The World Bank (2021). Assessing the economic impact of tourism in protected areas on local economies in Zambia.

[10] WWF (2011). Species and Protected Areas Zambia.

[11] Global Forest Watch (2023). "Tree cover loss in [country/province name]". Accessed on 06/01/2023 from www.globalforestwatch.org

[12] Environment Performance Index (2022).

[13] Tena et al (2019). Impact of Land Use/Land Cover Change on Hydrological Components in Chongwe River Catchment. doi:10.3390/su11226415.

[14] WWF (2011). Species and Protected Areas Zambia

[15] Environment Performance Index (2022). Zambia ranks 152 out of 180 countries in climate change policy objective and ranks 153 of 165 countries in Adjusted emissions growth rate for carbon dioxide between 2010-2019.

27. Recognizing the perils but also opportunities, the Government is hailing the banner of green growth towards a green economy, including nature-based tourism. Zambia has placed environmental sustainability as one of four focus areas of its Eighth National Development Plan (2022-2026). This puts natural capital on par with economic transformation, human development, and good governance to ensure resources are allocated to create and implement the accounts. The Green Economy is defined [16] as investment in economic activities, infrastructure and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency, and prevention of the loss of biodiversity and ecosystem services. The decline of commodity prices such as copper is urgently calling on economic diversification, and the unlocking of new green economic pathways that also make use of Zambia's comparative advantage in natural assets is an imperative for the government. At the forefront of the nature-based economy is nature-based tourism, a sub-sector that accounts for a third of all direct tourism contributions to GDP in Africa, and 8.8 million jobs globally in 2018[17].

2.2 Sectoral and Institutional Country Context

The nature-based economy and its relevance in the country's development

28. The nature-based economy in Zambia is made up of nature-based enterprises that span many sectors. As a sub-set of the green economy, nature-based enterprises are those engaged in economic activity that use nature sustainably as a core element of their product or service offering[18]. They therefore create investment and provide jobs in rural and nature-based settings, as well as contribute to the sustainable management of the landscape they work in. The most prominent of these sectors is the nature-based tourism sector which sells tourism experiences to visitors and typically uses part of that revenue to manage wildlife, habitats, involve local communities, maintain 'public good' infrastructure, and raise awareness of conservation.

29. The Government promotes tourism as a job-rich economic driver that can be an important contributor to economic recovery, growth, sustainability, and inclusion [19]. In 2019 (pre-pandemic), travel and tourism contributed 3.1 percent of the GDP and 1.9 percent of formal employment – see Table 1[20]. Visitor spending directly supports local jobs and spurs additional indirect economic activities – i.e., generating the 'tourism multiplier effect' – with one study finding that three international leisure visitors generate one permanent direct job [21]and another study finding one additional Kwacha spent by visitors raised incomes of households around a

[16]https://www.unep.org/regions/asia-and-pacific/regional-initiatives/supporting-resource-efficiency/green-economy
[17] https://luchoffmanninstitute.org/wp-content/uploads/2021/04/luchoffmanninstitute-future-nature-based-tourism-report-2021.pdf
[18] https://www.mdpi.com/2071-1050/13/3/1263
[19] ANBTP 2022. Country Summary Report Zambia. African Nature Based Tourism Platform
[20] These figures are estimated higher - 7 and 7.2 percent respectively - according to WTTC (2019) Zambia 2020 Annual Research: Key Highlights.
[21] The World Bank (2011). What will it take for Zambia's tourism industry to achieve its potential?

park by 1.82 Kwacha[22]. The Government collects revenues from park entry fees, concession, and business license fees. Nature-based tourism's contribution is notable in rural communities [23]for its cash flow to otherwise cash-poor areas. In 2021, a World Bank study[24] around two prime national parks – Lower Zambezi and South Luangwa National Parks – found that they generated employment for 14 and 30 percent of the adjacent population respectively; and 58-59 percent of surveyed households reported wage income from tourism employment.

30. In the last decade, Zambia has seen growth in tourist arrivals and international receipts, indicating positive market demand. 2019 saw over a million tourists in Zambia, with US$742.2m in spend (Table 1). Nature-based tourism (NBT) in Zambia is based on the unique wilderness and large network of protected areas[25]. However, NBT is relatively more developed in the southern circuit with world-class tourism destinations such as the Kafue and South Luangwa National Parks and the Victoria Falls with Livingstone as the primary entry point to the country for international leisure tourists. Demand for these nature-based experiences is largely international tourists (UK, Europe and USA, Canada make up 71 percent)[26] on regional nature-based or 'safari' itineraries and hunting, bolstered by some regional demand mainly from South Africa. A recent study [27]in South Luangwa and Lower Zambezi reveals that, respectively, average group size is 5.9 and 5.7, average length of stay is 5.0 and 3.4, and average total spend per tourist per trip is US$2,454 and US$2,904. This translates to US$221 and US$136 local expenditure per tourist per day (respectively).

Table 2: Zambia Key Tourism Indicators

Indicator	2019	2021
International tourist arrivals, thousands	1,266,427	554,290
International tourism inbound receipts (inbound US$, millions)	$742.2M	$411.6M
Travel and Tourism industry GDP, US$ million	$811.3M	$318.4M
Travel and Tourism industry GDP, % of total GDP	3.1%	1.6%
Travel and Tourism industry Employment, 1,000 jobs	119	115
Travel and Tourism industry Share of Employment, % of total employment	1.9%	1.8%
Domestic Travel and Tourism spending, % of internal Travel and Tourism spending	46.9%	44.6%

Source: World Economic Forum Travel and Tourism Development Index 2021 Report (WEF TTDI 2021)

[22] The World Bank (2021). Op. Cit.; an earlier study had calculated the 'tourism multiplier' to be 2.1 - i.e., USD1,100 spent by a nature-tourist generating nearly USD2,300 in GDP (The World Bank, 2007. Zambia Economic and Poverty Impact of Nature-based Tourism).

[23] For example, in South Luangwa, a study conducted in 2015/2016 identified 1,512 direct jobs and 375 indirect jobs in the supporting businesses. Chidakel and Child (2017). Policy Brief: The Economic Impacts of South Luangwa National Park. Also see Chidakel et al (2021). Evaluating the economics of park-tourism from the ground-up: Leakage, multiplier effects, and the enabling environment at South Luangwa National Park, Zambia. Ecological Economics Volume 182.

[24] The World Bank (2021). Assessing the Economic Impact of Tourism in Protected Areas on Local Economies in Zambia

[25] Protected areas comprise 20 National Parks, 36 Game Management Areas, 432 Forest Reserves, and others covering 40% of the land.

[26]https://www.progreen.info/sites/default/files/2022-03/Tourism%20Protected%20Areas%20Local%20Economies%20-%20Zambia%20-%2001262022.pdf

[27]https://www.progreen.info/sites/default/files/2022-03/Tourism%20Protected%20Areas%20Local%20Economies%20-%20Zambia%20-%2001262022.pdf

31. The sector experienced severe shock from the effects of the Covid-19 pandemic, but growth prospects are positive, and a resilient recovery is critical. International tourism inbound receipts fell from US$742.2M in 2019 to US$411.6M at the height of the pandemic in 2021. There was also a drop in the share of travel and tourism's percentage share of GDP and share of total employment (Table 1). The pandemic also affected the well-being and livelihoods of employees and local communities. As noted by the World Economic Forum Travel and Tourism Development Index 2021 Report, the sector recovery from the pandemic should critically aim to enhance inclusivity, sustainability, and resilience. Zambia has a comparative advantage in the form of its established nature-based products and natural assets to attract the travellers of the future. Over the next ten years, 'post-pandemic' travellers indicate a strong preference for nature-based tourism, adventure, exploring wilderness and long-haul 'bucket-list' type trips.[28]

32. Despite great endowment, Zambia's Travel and Tourism Development Index (TTDI) shows many weaknesses in competitiveness and inclusiveness. While the TTDI ranked Zambia's Natural Resource attribute as 38th among 140 countries in 2021, other attributes such as human resources and labour, air transport and infrastructure, health and hygiene brought the overall Zambia tourism rank down to 98th.

Table 3: Zambia Tourism Competitiveness (WEF TTDI 2021)

	2019 Ranking	2021 Ranking
Travel and Tourism Competitiveness Index (Overall)	99th	98th
Enabling Environment		
Business Environment	68th	71st
Safety and Security	81st	75th
Health and Hygiene	106th	106th
Human Resources and Labour Market	85th	86th
ICT Readiness	98th	100th
T&T Policy & Conditions		
Prioritisation of Travel and Tourism	102nd	94th
International Openness	64th	66th
Price Competitiveness	29th	24th
Infrastructure		
Air Transport Infrastructure	102nd	101st
Ground and Port Infrastructure	85th	89th
Tourist Service Infrastructure	99th	101st
T&T Demand Drivers		
Natural Resources	39th	38th
Cultural Resources	97th	92nd
Non-Leisure Resources	95th	100th
T&T Sustainability		

[28] https://luchoffmanninstitute.org/wp-content/uploads/2021/04/luchoffmanninstitute-future-nature-based-tourism-report-2021.pdf

Environmental Sustainability	31st	37th
Socio-economic Resilience and Conditions	116th	115th
T&T Demand Pressure and Impact	59th	60th

33. In the 2018-2038 Zambia Tourism Master Plan (ZTMP), the Government has defined a spatial strategy for tourism development, incorporating 10 priority Tourism Development Areas (TDAs) for further development into a Northern Circuit and a Southern Circuit. Most of the priority TDAs (7 in total) are in the Southern Circuit which contains the iconic attractions of the Victoria Falls at Livingstone and Kafue National Park, and the Northern Circuit contains 3 TDAs including Nsumbu and Luangwa Valley. To link the various TDAs, the Master Plan also proposes the development of tourism corridors and thematic circuits including the Kafue Flats ecotourism circuit and Western KAZA tourism circuit in the south and west of the country, and, the Bangweulu adventure and heritage tourism circuit, the Northern community heritage corridor and the Northern Lakes and waterfalls tourism circuits in the north and east of the country. Within the TDAs and circuits, there are destinations of varying degrees of tourism maturity, with less mature or 'emerging' destinations with little investment, and also characterized by higher levels of poverty, environmental degradation and remote, difficult access. It is the government's objective to build greater resilience of the circuits by improving critical factors in the tourism enabling environment, and by accelerating the development and integration of these less mature areas into the existing circuits.

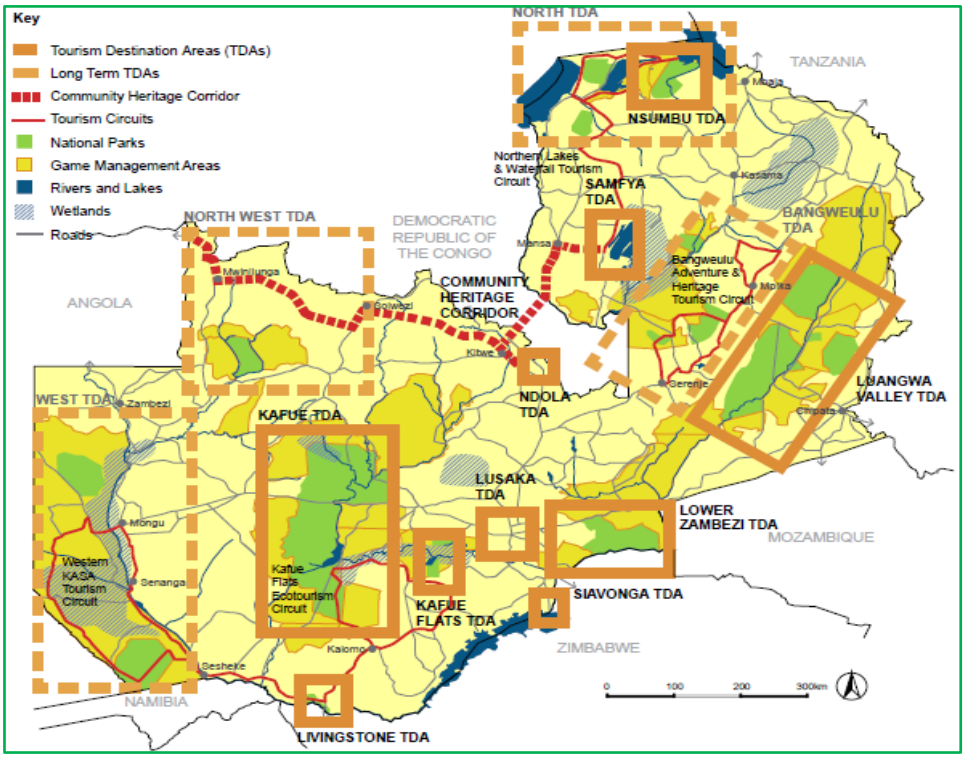


Figure 1. Tourism Development Areas (Source: Zambia Tourism Master Plan (2018-2038)

34. In global learnings from the effects of the Covid-19 pandemic, there is a recognition that resilient development of natural landscapes and protected areas in general must be driven by a more diversified balance of sectors and investment. In Africa, there has long been an overdependence on nature-based tourism as a development strategy in remote, rural natural landscapes [29] . The Government sees an opportunity to support the development and preservation of its important natural assets through strategic multi-sector support for the nature-based economy, including tourism. Relevant nature-based activities besides nature-based tourism include regenerative agriculture, sustainable forestry, fishing, green infrastructure, bioprospecting, and carbon. The enabling environment challenges, and destination-level challenges are therefore described here with a wider lens that includes but is not limited to the tourism sector.

35. In terms of the enabling environment for the national nature-based economy in Zambia, respondents in a recent Investor Appetite Assessment commissioned by the World Bank Zambia Country Office indicate that the road network, air access, national marketing, natural resource management, licensing, access to finance, digital capacity, and availability of qualified staff were all significant barriers. The road network is limited and in need of maintenance, air access to key NBT destinations is limited, and expensive, and national marketing is not effective in competitively positioning Zambia's brand internationally. Natural resource management is very poorly funded (approximately 10-20% of the Protected Area budget is met by the State), and the frameworks that could enable additional private resources to support the agenda needs improvement. This refers specifically to the lack of community benefit sharing mechanisms, the need for improved Collaborative Management Partnership (CMP) and carbon development frameworks. Additionally, licensing has challenges that need to be addressed such as duplication of licenses by various licensing entities and lengthy approval process among others and limited access to finance especially for the tourism sector.

36. From a spatial lens, 60 percent of the interviewees said they have plans to invest in one or more of the three emerging destinations in the next five years, provided issues are addressed. These areas include Liuwa Plains, Source of the Zambezi and Kasaba Bay. For tourism, investment plans included lodges, luxury boat cruise, and mobile camps. The emerging destinations were considered highly attractive with unique natural assets, particularly Kasaba Bay and Liuwa Plains. Stability, safety, and security were considered adequate, along with climate, location, and local stakeholder support. For other sectors under CMPs, the investments include carbon development, and regenerative agriculture. The element of the greatest concern and considered highly inadequate by most respondents are the access and connectivity (to and within) the areas. There are two CMPs in the Kasaba Bay area and they report a roundtrip cost of $8000 every

[29] Spenceley A, McCool S, Newsome D, Báez A, Barborak JR, Blye C, et al. Tourism in protected and conserved areas amid the COVID-19 pandemic. Parks. (2021) 27:103–118. doi: 10.2305/IUCN.CH.2021.PARKS-27-SIAS.en

time they need to fly in and out of the concession area30, which increases their operating costs. For tourism, the brand identity of the places was also considered an issue, as well as the ability to sell the destinations to Zambia's existing and future markets – notably for Liuwa and the Source of the Zambezi.

37. At the apex of many of these challenges is the coordination and capacity challenge. Institutionally, a wide range of ministries and agencies overseeing different mandates relevant to the nature-based economy creates a challenging environment. For example, the institutional fragmentation overseeing mandates about transport by air, land, and water [31] hinders coordination. Under the MoT, the Department of National Parks and Wildlife (DNPW), National Heritage Conservation Commission (NHCC) and National Museum Board manage key tourism assets, while tourism development and regulatory are led by DoT and ZTA. Furthermore, coordination with other departments supporting natural resource management (forests and water) have often led to gaps in natural resource management and support to communities. The green economy and green growth are Government aspirations led by an emerging department and ministry. Detailed policy directions, technical capacity, as well as institutional organization are all in the early phase that require much development. Critically, at the local level, tourism, nature-based economy, or landscape level coordination is not fully harnessed. Different stakeholders have different development agendas for the emerging destinations and to date the Government is still in the process of reviewing and developing integrated management or localized coordination mechanism or plans.

38. The tourism private sector is organized through the Tourism Council of Zambia (TCZ) which comprises 10 national and local level hospitality and tourism associations including the Hotel & Catering Association, Professional Hunters, Safari Hunters Association, Travel Agents Association of Zambia, Wildlife Producers Association and local tourism associations in Livingstone, Lower Zambezi, Luangwa and Luapula. However, several other associations and private sector players are not part of TCZ, and this has hampered the capacity of TCZ to effectively operate as an apex institution. Nonetheless, Public-private sector partnership plays a strong role in product development and diversification, and, marketing and promotion, but can also be developed to address issues such as conservation. Most of the private sector association's function on a voluntary basis and the TCZ does not have adequate financial resources to meet to finance its activities. As a result, the private sector voice in tourism is not as strong as it's expected to be. Strengthening private sector engagement with Government to deal with emerging issues such as legal and regulatory frameworks, multiplicity of licenses,

[30] Road access is not an option as areas are too big and remote. The figure is based on the market rate of chartering a small 4-seater plane. Upgrade and being able to use the Kasaba Bay domestic airport would negate the need for these expensive charters.

[31] Air and waterways under Ministry of Transport and Logistics; roads under Ministry of Infrastructure, Housing and Urban Development; feeder roads under Ministry of Local Government and Rural Development; and roads inside National Parks under Road Development Agency

limited visibility in source market and enabling infrastructure deficiencies is key for the sustainable development of the tourism sector.

39. According to the preliminary results from the Investor Appetite Assessment, there is demand and private sector investment interest in the nature-based economy. However, Government needs to create an enabling environment and address destination-specific challenges. This interest is already evidenced across more mature parts of the Northern and Southern Circuits and could be accelerated to play a much greater role. Several public-sector interventions can unlock this development. These are: supporting air connectivity to the emerging destinations and increasing connectivity and basic infrastructure within the destinations; improving the tourism licensing regime, national marketing, and circuit promotion; increasing coordination, Governance, and technical capacity for the nature-based economy; improving frameworks for investment in the sector; and encouraging innovation in alternative nature-based green activities such as carbon market.

Existing national and sectoral development strategy

40. The 8NDP spanning 2022-2026 is centred on economic diversification and transformation. Underpinned by four pillars of economic competitiveness, environmental sustainability, social inclusion, and sustainable governance - the Government firmly established its direction to support job-rich sectors, pointing to tourism and agriculture; focus on Small Medium Enterprises (SMEs) to create high income jobs; and drive private sector to lead economic transformation. Specifically for the Strategy dedicated to promoting tourism growth, the 8NDP identifies priority to Northern and Southern Circuits, specifically around Kasaba Bay and Liuwa National Park. The tourism sector strategy also identifies climate resilience tourism infrastructure development as the first of four named programmes.

41. The diversification and transformation agendas are further manifested through the Government's new commitment to green growth. Part of the ongoing strategy development for green growth – aiming for approval by end of the year 2023 - seeks to explore and establish incentive and regulatory schemes to support the improvement of environmental and social performances of economic activities across the board. Moreover, the strategy is to select priority sectors [32]to promote as green economic sector. The nature-based economy with its multi-dimensional contributions to development is well placed to be at the forefront of green growth. The reliance on natural resources is non-consumptive and involves nature-conserving activities; furthermore, its growth is linked to the sustainability of the natural capital and effective cooperation with communities and enterprises. It creates jobs and fosters entrepreneurship especially amongst women and youth and introduces alternative sources of livelihoods to rural communities. The sector is well-posed to demonstrate the transition and the

[32] As of early 2023, the sectors being deliberated are: agriculture and environment; industry and tourism; energy, transport, and manufacturing; social inclusion; and micro-economics and finance.

potential to thrive, where businesses have also expressed desire to improve their net income through more efficient operation to reduce expenses and minimize damage costs.

42. The Government's strategic policy direction for the tourism sector has put in place a dedicated national policy, master plan, and well linked to other relevant key policies such as those for parks and wildlife and climate change. The 2015 National Tourism Policy, with a vision to make Zambia an exciting and growing destination, aims to raise the country's status as one of the top five tourist destinations (arrivals) in sub-Saharan Africa by 2030. The Policy is supported by the ZTMP (2018-2038), which elaborates the systematic approach to realizing the vision to create a competitive must-see holiday destination and a regional conference hub. ZTMP presents high level goals aiming for improving the business and investment environment, market demand, physical infrastructure, access to services - together with diversifying tourism products especially with ecotourism enterprises and private game ranching, and with restocking of national parks for sustainable wildlife habitats.

43. The ZTMP aims at making Zambia as an end destination through key success factors: hub-and-spoke circuit development, sustainable infrastructure, and collaboration with conservation partners including communities and businesses. The ZTMP promotes first concentrating on TDAs in the southern and eastern part of the country to establish strong end destinations, and phasing to develop TDAs in the northern and western parts. Sustainable infrastructure to meet increased tourist volume focuses on improving domestic air access, implementing a tourism-specific road improvement plan, mitigating impacts of infrastructure developments while promoting sustainability and resilience in tourism-related infrastructure. The Government has embraced conservation partners in developing national parks as tourism assets and in nurturing stewards and entrepreneurship in the sector to support growth and development. Furthermore, as part of Southern African Development Community, Zambia - through Ministry of Tourism - has endorsed a regional strategy that includes development of national policies and frameworks in order to better promote and support national parks and other protected areas.

44. The Government has the Industrial Development Corporation (IDC) - under which the Tourism Investment Corporation (TIC) is implementing the Tourism Investment Programme (TIP)[33]. TIC established in 2015 is to initially own tourism assets and raise capital for their development, complementing Government effort to accelerate tourism investments through equity-based partnerships with the private sector. Early 2022, TIC launched the TIP to identify key infrastructure constraints and to facilitate development of enabling infrastructure such as electricity, roads, waters, communication, etc. The current pilot phase focuses on 8 sites[34], with the aim to conducting various studies with technical site visits, identifies sector impediments,

[33] In 2015, the Government - upon recommendation by the Ministry of Tourism (MOT) - engaged the IDC to incorporate a special purpose vehicle - the Tourism Development Investment Corporation (TDIC, and in 2019 renamed Tourism Investments Corporation or TIC).

[34] (1) Kasaba Bay, Mpulungu District; (2) Ntumbachushi Falls, Kawambwa District; (3) Lumangwe/Kabwelume Falls; (4) Kawambwa/Mporokoso Districts; (5) Kalambo Falls, Mbala District; (6) Kalundu site, Kafue National Park; (7) Katoyana site, Liuwa National Park; and (8) Kwale site, Liuwa National Park.

costs, and recommends specific investment to the Ministry of Finance and National Planning[35]. The TIP is overseen by a Multidisciplinary Technical Committee comprising multisector representatives [36]with mandate to ensure coordination in the country's tourism development.

2.3 PROJECT BACKGROUND

45. However, Zambia's tourism potential has not been fully exploited due to several constraints including the lack of adequate and requisite backbone infrastructure. Furthermore, the sector is characterized by low investment, low foreign tourist arrivals, shorter length-of-stay and a low number of domestic tourists. Provision of the relevant tourism infrastructure can support the kind of private sector led investments that are required to complement the existing natural endowments and ultimately attract the scale and volumes of tourist arrivals/stays that would justify such high-volume investments.

46. Zambia's major challenges are to create jobs, increase productivity, and transform the economy so that future economic growth lifts more Zambians out of poverty, currently estimated at 62 percent. Over the medium term, Zambia will need to unlock low and uneven growth, slow structural change, weak productivity especially in agriculture, insufficient human capital accumulation, and lack of adequate enablers for private sector-led growth. By focusing on improving the contribution of the tourism sector for economic growth the country is expected to improve the job creation and revenue contribution of this sector to the GDP.

47. A thriving tourism sector, to a greater extent, is dependent on the range and type of infrastructure available to and around the destination. Infrastructure development is key to attracting investment in the sector, facilitating access to tourist destinations, contribute to revenue generation and job creation. The ZTMP strategic approach toward for attracting investments in the tourism sector is the provision of tourism-specific infrastructure. Establishing required infrastructure for tourism development could position Zambia to be the premiere tourist destination of choice. This strategic approach to development will not only contribute to national growth through increased revenue but also create jobs for the locals in rural areas with a lot of tourism potential.

48. To this end, Government has prioritized tourism as one of the key sectors for economic transformation and job creation and has placed greater commitment to strategically position the tourism sector by addressing its challenges. The 8NDP and national Vision 2030, all recognise tourism as a key driver to economic transformation and job creation. Further, the ZTMP (2018

[35] Studies will be conducted by recruited firms and include a range of assessments for each site, expected to deliver study findings in Q4 2023 and disseminate them in Q1 2024 through an online database for potential investors and partners. Studies include tourism development feasibility studies and market assessment, site specific surveys and assessment of required infrastructure, and the ESIA.

[36] MoFNP, ZESCO/ZPC, ZAMTEL/INFRATEL, MoT, DNPW, NHCC, ZTA, MoTL, ZACL, CAA, MIHUD, RDA, MLGRD, MCTI, RDA, MoFEE, ZEMA, MoHA, MoE, REA.

- 2038) also provides credence to Government's commitment to develop the sector and ensure that it contributes to socio-economic transformation for improved livelihoods.

49. Accordingly, Government has sought World Bank support to implement the Zambia Green, Resilient and Transformational Tourism Development Project (GREAT-TDP or the Project) aimed at developing the tourism sector.

50. The Project is aligned with national priorities in the 8NDP and vision 2030. The 8NDP underscores Government's commitment to unlock the tourism sector for economic transformation and job creation. The Project supports the Government's strategic vision of increasing tourist numbers both international and domestic, improving accessibility, increasing length of stay for tourists, diversifying the tourism product offerings and increasing tourism sectors contribution to the economic development of the country, by providing support effective linkages between Tourism Destination Areas (TDAs) and Circuits.

51. Zambia's nature-based tourism sector is organized spatially into a northern and southern circuit. Within these circuits are several less mature areas or destinations which suffer from poor accessibility, poverty, and environmental degradation. However, private sector feedback indicates that there are several economy-wide enabling environment issues, and several destination-level issues that need to be addressed first. Diversified, nature-based economic activity and private sector investment will create jobs and protect nature in these areas. The Project therefore takes a dual approach in tackling key enabling environment issues that will improve conditions for the nature-based economy as a whole, including tourism, and in tackling destination specific barriers, including enabling infrastructure provision. Basic infrastructure will include transport infrastructure, telecommunication systems, power generation and water supply among others.

3 PROJECT DEVELOPMENT OBJECTIVE, SITES AND BENEFICIARIES

3.1 PROJECT DEVELOPMENT OBJECTIVE

52. The Project Development Objective (PDO) is **to strengthen the enabling environment, access to resilient infrastructure and economic opportunities in emerging tourism destinations in Zambia**. [37]

3.2 KEY INTENDED PROJECT OUTCOMES

53. The Project has set an ambitious agenda. It intends to contribute to the outcomes listed below.

- To increase access within emerging destinations and circuits.
- To increase connectivity between emerging destinations.
- To pioneer climate resilient infrastructure.
- To reduce travel time and cost of visiting the area.
- To reduce the number of licenses, time, and cost of issuing licenses.
- To enhance domestic arrivals, length of stay and spending.
- To enhance international tourists' arrivals, length of stay and spending.
- To increase area size under sustainable land management.
- To increase sustainable income on participating communities.
- To enhance visibility through marketing and branding initiatives.
- To create an enabling environment for private sector investment.
- To enhance partnerships and institutional coordination.
- To build capacity and enhance digital marketing.
- To improve sustainability of the environmental and social frameworks for conserving and managing tourism resources.
- To increase human resources qualifications and skills along the tourism value chains.
- To enhance competitiveness of the nature-based economy and tourism sector.
- To enhance tourism product development and diversification.

3.3 RESULT FRAMEWORK WITH INDICATORS

54. The PDO and the various outcomes are measured through two sets of performance indicators: (a) PDO level, or Outcome Indicators and (b) Component level, or Intermediary Outcome Indicators.

[37] The PDO in the World Bank PAD merits to be reviewed at the first restructuring to become: **to strengthen the (*national*) enabling environment, (*as well as*) access to resilient infrastructure and economic opportunities in emerging tourism destinations in Zambia**. The PDO, as written, does not seek to improve the enabling environment at the national level but at the site level.

55. In the tables below, some inconsistencies detected with the indicators taken from the World Bank PAD were corrected by adding words in italic and parenthesis. As phrased, the indicators reflect and measure better the "intention" of the Project.

56. In addition, in absence of an approved list of infrastructure, the current Intermediary Indicators associated with Component 2 are prematurely targeting kilometres or roads and number of airstrips. These indicators will need to be replaced by more revenant indicators once the Infrastructure Investment Plan (IIP) is completed and adopted at the end of year 1.

57. At the end of year 1, the Government and World Bank may consider a restructuring to incorporate new indicators, improve most of the current indicators and revise their target values.

Table 4. PDO level (Outcome) Indicator

Indicator	Unit	Baseline (2023)	Intermediate Targets (2027	End Target (2030)
OI1. Time for tour operators to complete an operating license renewal (annual)	Average number days	120	30	14
OI2. New enterprises in tourism value chain in emerging destination (cumulative)	Number	0	5	15
Kasaba Bay Project area	-"-	*0*	*2*	*6*
Liuwa Plain Project area	-"-	*0*	*2*	*6*
Source of Zambezi River Project area	-"-	*0*	*1*	*3*
OI3. TDAs (*i.e., emerging destination*) with climate resilient Infrastructure Investment Plans implemented	Number	0	2	3

Table 5. Other Selected Outcome Indicators

Supplemental Outcome Indicators	Unit	Baseline (average 2020-22)	Intermediate Targets (2027	End Target (2030)
OI4. Direct beneficiaries of the Matching Grant Scheme (cumulative)	Number	0	800	1,200
Including women	*%*	*0*	*30*	*30*
Including youth	*%*	*0*	*30*	*30*
Including people with disability	*%*	*0*	*5*	*5*
OI5. Visitors (annual)	Total number	6,996 / 538	9,340 / 730	12,430 / 980
Nsumbu NP (Domestic / International)	*Number*	*6,114 / 56*	*8,140 / 80*	*10,840 / 110*
Liuwa Plain NP (Domestic / International)	*Number*	*190 / 416*	*280 / 560*	*370 / 750*
Source of Zambezi Heritage (Domestic / International)	*Number*	*692 / 66*	*920 / 90*	*1,220 / 120*
OI6. Amount of private investment committed toward the nature-based	Amount in million US$	0 / 0	6 / 3	10 / 5

economy in the Project Area (including as co-financing to the MGS) (cumulative)				
Kasaba Bay Project area	-"-	*0 / 0*	*1.4 / 0.8*	*2.2 / 1.1*
Liuwa Plain Project area	-"-	*0 / 0*	*1.4 / 0.8*	*2.2 / 1.1*
Source of Zambezi River Project area	-"-	*0 / 0*	*0.2 / 0.2*	*0.6 / 0.3*

Table 6: Component level (Intermediary Outcome) Indicators

Indicator	Unit	Baseline (2023)	Intermediate Targets (2027	End Target (2030)
Component 1. Enabling environment for the nature-based economy				
IOI 1.1 New agreements signed for collaborative management partnership (cumulative)	Number	0	3	7
IOI 1.2 New agreements signed for nature-based economy concessions (cumulative)	Number	0	1	3
IOI 1.3 Community based organizations (*i.e. CBE*) that are registered in nature-based economy partnerships (cumulative)	Number	0	7	20
Kasaba Bay Project area	-"-	0	3	8
Liuwa Plain Project area	-"-	0	3	8
Source of Zambezi River Project area	-"-	0	1	4
IOI 1.4 Proportion of all businesses (*i.e. CBE*) registered with Project support that are women-led / women owned (annual)	Percent	0	30	30
IOI 1.5 People participating in consultations/decision making on natural resources management (cumulative)	Number	0	300	600
including female	%	0	30	30
IOI 1.6 (*new*) area under sustainable landscape management in emerging destinations (cumulative)	Hectare	0	300,000	927,000
Kasaba Bay Project area	-"-	*0*	*130,000*	*420,000*
Liuwa Plain Project area	-"-	*0*	*130,000*	*420,000*
Source of Zambezi River Project area	-"-	*0*	*40,000*	*87,000*
Component 2. Improving Climate-Resilient Destination Access and Basic Service Infrastructure				
IOI 2.1[38] Roads that are upgraded in compliance with climate/disaster-resilient design standards (annual)	Kilometre	0	200	800
IOI 2.3 Airports upgraded with a combination of air strip rehabilitation/ upgrade and/ or airport facility rehabilitation	Number (cumulative)	0	1	3

[38] IOI 2.1 and 2.2 are place holder indicators waiting for the DP/SESA/IIP result. They will be revised at the first restructuring.

58. There are several important tasks with national outcomes that are not captured by PAD indicators. These indicators will be defined by the Task Agencies in the Task Concept Documents (see Section 5.2 and a template in Annex 5). The table below is provided as place holder for these indicators. When they are adopted, they will be imported in the Result Framework (See also Planning, M&E Manual, Volume 2 of the PIM).

Table 7. Supplemental Component level (Intermediary Outcome) Indicators

Supplemental Intermediary Outcome Indicators (not in the PAD)	Unit	Baseline (2023)	Intermediate Targets (2027	End Target (2030)
Component 1. Enabling environment for the nature-based economy				
Indicator of improved tourism national marketing and branding	Tbd	Tbd	Tbd	Tbd
Indicator of improved tourism data and market intelligence.	Tbd	Tbd	Tbd	Tbd
Indicator of effective implementation of the Destination Planning and Strategic Environmental and Social Assessment	Tbd	Tbd	Tbd	Tbd
Indicator of built capacity at key government institutions to support the nature based and green economy	Tbd	Tbd	Tbd	Tbd
Indicator of built national carbon knowledge and technical expertise	Tbd	Tbd	Tbd	Tbd
Component 3. Project Administration and Management				
Articles, programs, engagements, and coverage by the media of Project activities and outcomes (annual)	Number	0	Tbd	Tbd
Formal inquiries about the Project from stakeholders and beneficiaries (cumulative)	Number	0	Tbd	Tbd
Functional capacity score for the PIU and PSC (annual)	%	0	Tbd	Tbd
Implementation of the activity plan part of the AWPB (annual)	%	NA	90	90

3.4 TARGET TOURISM DEVELOPMENT AREAS:

59. Three TDAs (refer to red circled sites in Figure 2 below) have been identified in the ZTMP as important emerging destinations. These TDAs have historically received the least investments and, as a result, could not be developed into touristic sites. Other TDAs also require major investments although less in comparison to the three selected TDAs. When a critical investment in one of these TDA may unlock market access to one of the three, they may exceptionally receive Project investment. Such TDA shall be identified as part of the initial destination planning exercise (see below Task 1.2.1)

60. The Project target areas are:

- Kasaba Bay and surrounding area including Nsumbu National Park and Tondwa GMA in the Nsama District and including the area immediately south-east of the Lufubu River in the Mpulungu District (Nsumbu TDA).
- Liuwa Plain National Park and Upper-West Zambezi GMA and immediately surrounding area in the Kalabo District (West TDA);
- Source of the Zambezi River and immediately surrounding areas in the Ikelenge District (Northwest TDA).
- Any other area in Zambia TDA identified as critical to creating market linkages to the three main Project areas.

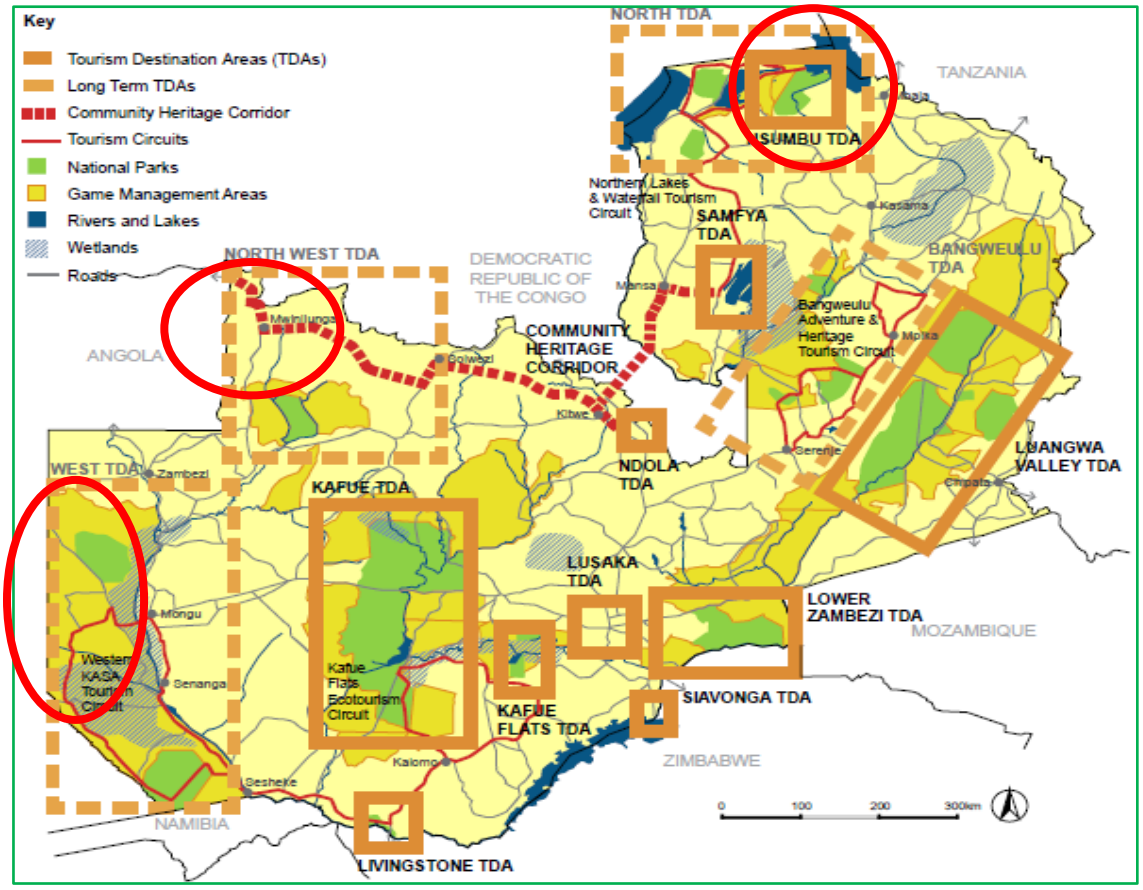


Figure 2. Map with the three TDAs targeted by the Project (Source ZTMP)

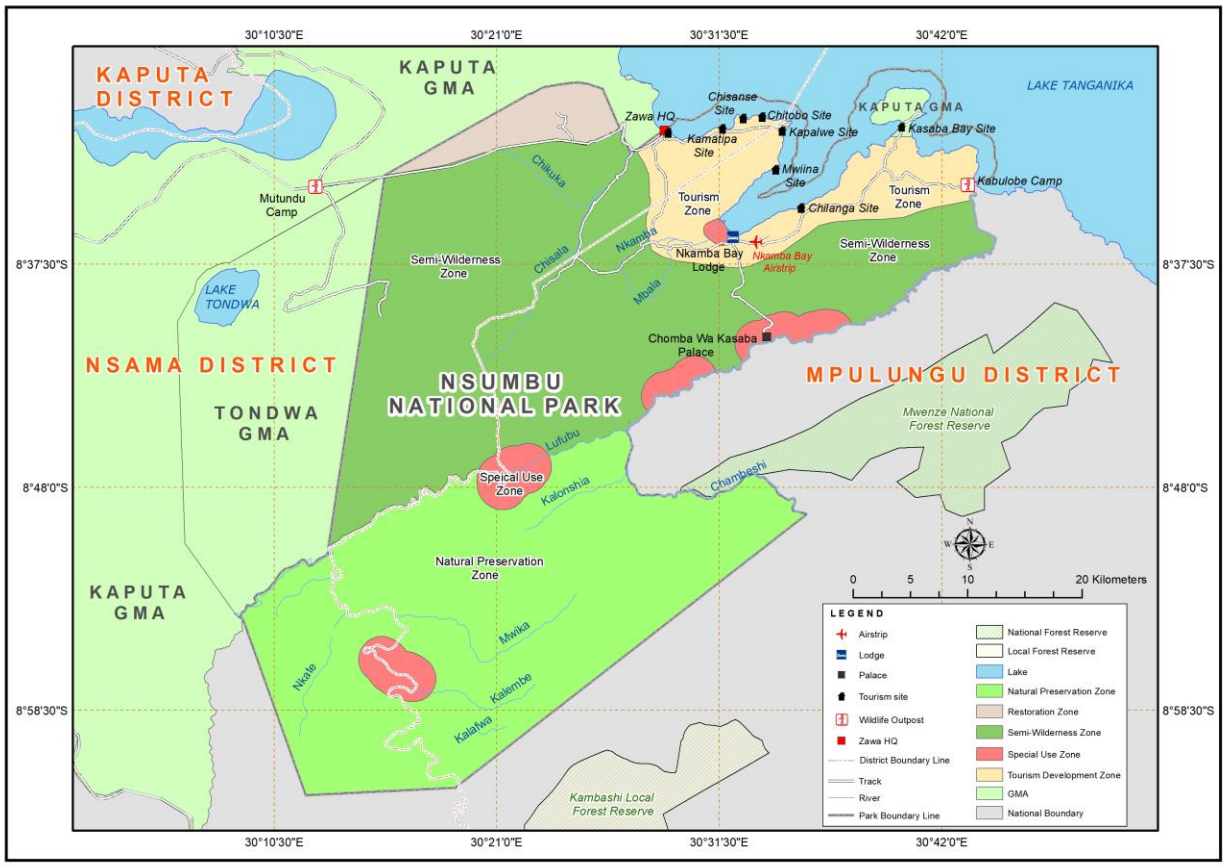


Figure 3. Map of the Kasaba Bay Project Area (Source DNPW)

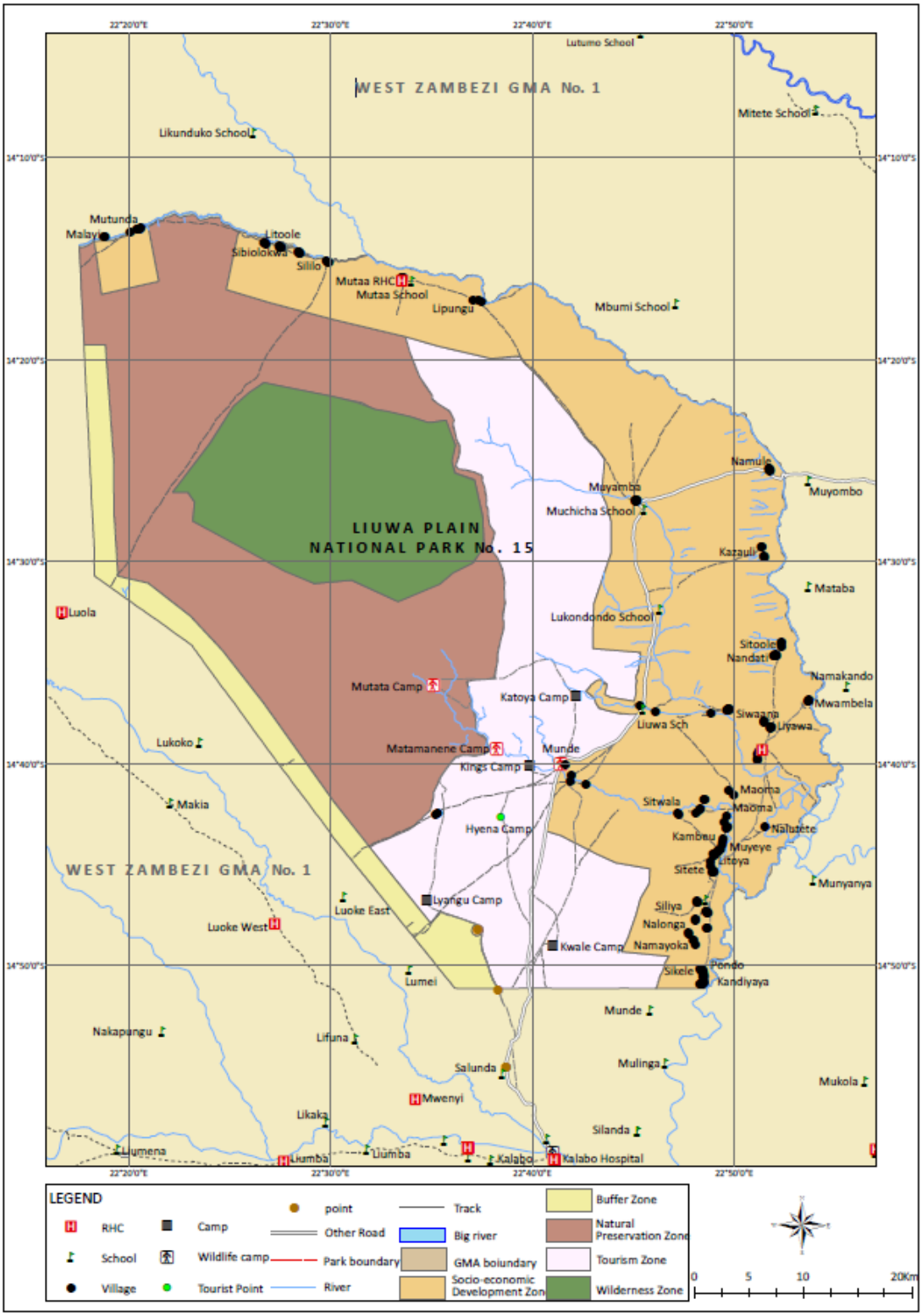


Figure 4. Map of the Liuwa Plain National Park (source DNPW)

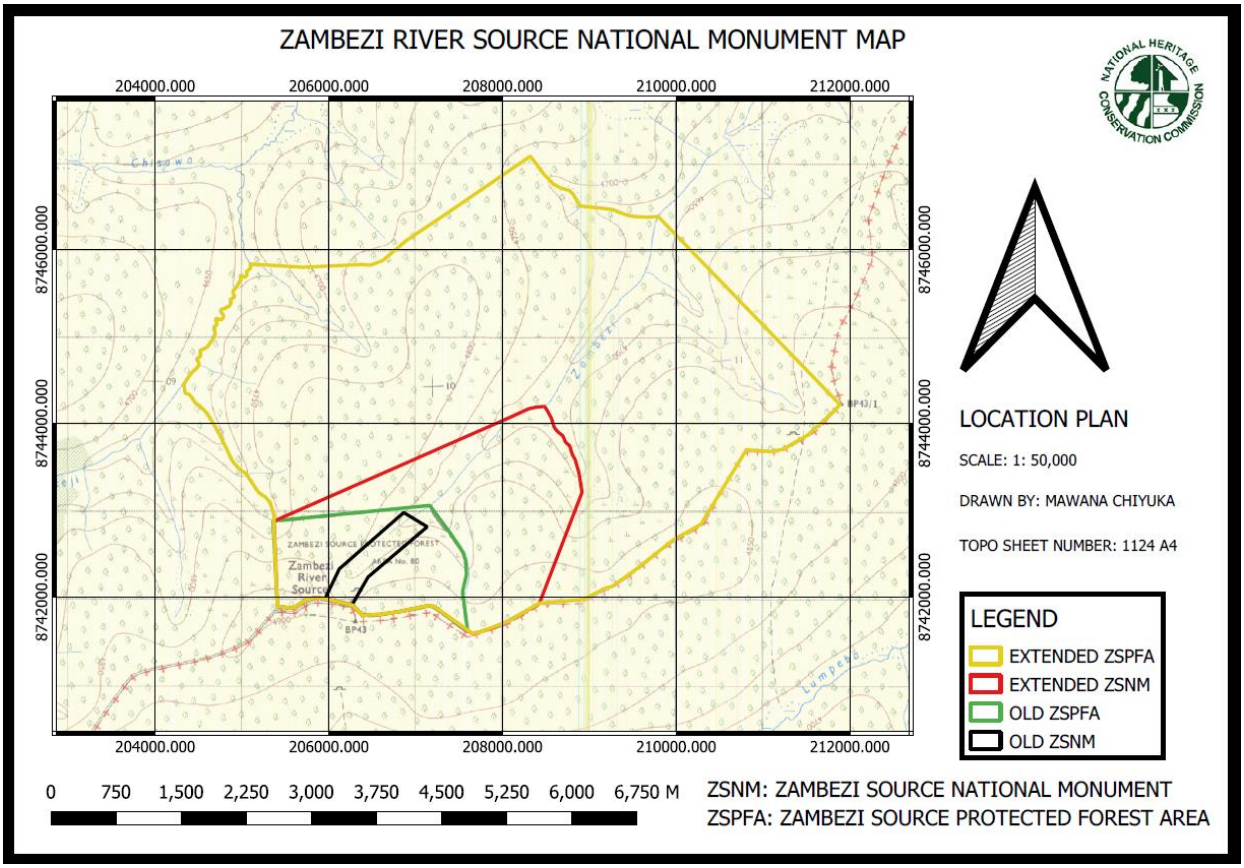


Figure 5. Map of the Source of Zambezi Natural Heritage Site (Source NHCC)

3.5 PROJECT BENEFICIARIES

61. The Project beneficiaries will include communities, community-based entities including in the form of enterprises and SMEs within the emerging TDAs. The Project seeks to unlock economic opportunities within these areas for increased community incomes and for job creation, through improved operating and investment climate, access to markets, connectivity, and public services. In addition, women-led entities who are assisted through targeted approach to support their access to matching grants will also benefit from the Project. At national level the Project will strengthen institutional capacity for participating ministries through a variety of capacity strengthening activities and programs.

62. Beneficiaries would include:

- **Individuals from target TDA communities** who will benefit from tourism value chain livelihood activities, improved enabling infrastructure that will improve resilience and accessibility, and creation of employment, particularly in construction during the Project lifespan.

- **Community-based entities,** from target districts and communities. These will include women, men and youths interested in community group entrepreneurship. Existing cooperatives will be targeted under the Project (see definition in PIM Volume 3 the Matching Grant Manual).
- **Private firms/Enterprises -** The Project will work with direct value chain actors in the tourism sector value chain. The Project has taken scope of the gender differences at all levels (provincial to community) of implementation (as articulated in the Gender Strategy (2020-2025) in preferred alternative livelihoods and ensures that resources are appropriately distributed to enable both women and men accrue equitable benefits.
- **Government Institutions** – the Project will support Department and Statutory Bodies under the Ministry of Tourism and Ministry of Green Economy and Environment in terms of institutional capacity building.

63. Under the Project, the target communities will benefit from Project supported activities, which may include tangible products and services such as infrastructure and Capacity building support. The Project will support among others: (a) access to matching grant finance to facilitate integration of community activities in tourism value chain; (b) improve protected area landscape management and empowerment of communities to participate in conservation activities; (c) improve livelihoods by creating opportunities through access to and sustainable use of tourism natural resources; (d) improve capacities to better plan and manage their landscapes for multiple use and benefits; (e) enhance community capacity through skills development and (f) help secure ecosystem services and enhance resilience from intact biodiversity.

4 IMPLEMENTATION ARRANGEMENTS

64. This section outlines the process that will be applied during implementation of the Project. The Governance and Accountability Action Plan (GAAP – See Chapter 8) identifies high priority risks in weak institutional coordination. Therefore the governance and implementation structures laid out in this section are informed by the risks and mitigation actions identified in the GAAP. The GAAP highlight the Project commitment to contribute to the 8NDP Good Governance Environment Pillar (Strategic Development Area 4) with strong information system, accountability mechanism, high public service performance, and rule of law.

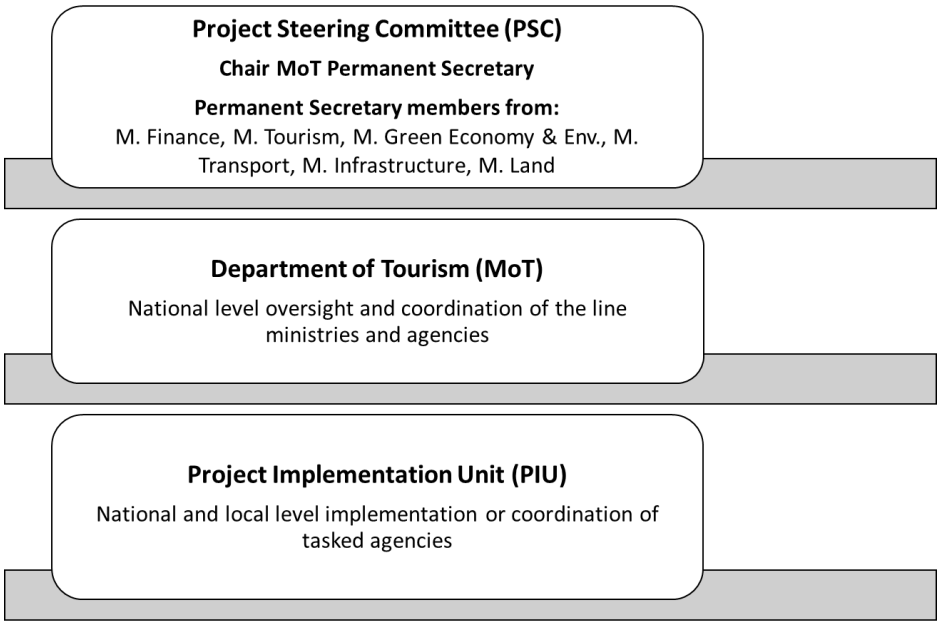


Figure 6. Project Institutional Framework

4.1 OVERSIGHT

Project Steering Committee

65. The Government of Zambia will appoint a PSC. The PSC will be chaired by the Permanent Secretary - Ministry of Tourism (or his/her nominee) and includes the Permanent Secretaries (or their nominees) of the relevant Ministries:

- Ministry of Finance and National Planning
- Ministry of Infrastructure, Housing and Urban Development
- Ministry of Green Economy and Environment
- Ministry of Water Development and Sanitation
- Ministry of Lands and Natural Resources
- Ministry of Transport and Logistics
- Ministry of Local Government and Rural Development.

66. The key responsibilities of PSC include the following:

- Oversee overall Project implementation.
- Review and clear AWPBs, Semester Reports, Midterm Report and Completion Report prior to submission to the World Bank.
- Oversee the implementation and monitoring of the GAAP.

- Seek and consider advice from the Council of Ministers, PIU, and any other party the PSC deems to be beneficial in meeting the Project goals (subject to conflict of interest / confidentiality).
- Receive, review, and provide guidance on Progress Reports.
- Approve the selectee of the Independent Evaluation Panel for the Matching Grant.
- Facilitate inter agency/ ministerial coordination of the Project and promote synergies.
- Facilitate the overall program implementation and provide advice on strategic approaches to enhance desired impact and sustainability.
- Advise and approve on the Visibility and Communication Strategy.
- Consider issues to do with resettlement during the Project if they arise. In such cases, other relevant government departments will be coopted into the PSC since it is envisaged that such cases are likely to arise.
- Advise on any other issues that may impact the Project.

67. The PSC will determine its own procedures for the frequency, convening and chairing meetings. Initial guidance which may be modified is as follow:

    - Convene launch meeting within 30 working days of Project effectiveness.
    - Meet once every quarter following the launch meeting until Project completion.
    - Exercise the authority to convene additional meetings, as may be required. A meeting may be called by the Chairperson or by the majority of the members of the Committee.

4.2 IMPLEMENTATION

68. The Project has adopted an integrated approach to development investments at landscape level in line with Government Policy as espoused in the 8NDP. This entails that the Project will mainly be implemented using existing governance structures (see also a description of all agencies' role in Annex 6). The MoT will facilitate the coordination of the Project to ensure a harmonized and decentralized approach. This will be done through the DoT and a Project Implementation Unit (PIU).

Department of Tourism

69. The Department of Tourism DoT is responsible for the overall facilitation and coordination of the Project. It is the lead Project implementation agency. Specifically, the role of DoT includes the following:

    - Guide the PIU in overall implementation of the Project.
    - Convene the PSC as needed.
    - Provide policy and technical guidance to the Project.
    - Participate in, and support, as necessary, any Project activities, especially those directly related to tourism and especially Component 1.
    - Participate in Project supervision, oversight, and M&E activities.

Project Implementation Unit

70. The implementation and management of the Project will be coordinated by the PIU. The PIU reports to the DoT/MoT. The PIU staff will consist of at least Project Coordinator and staff with the following qualifications: tourism, financial Management, procurement, infrastructure, planning, monitoring and evaluation, environment, and social safeguards as well as community-based matching grant administration.

71. The PIU is responsible for (a) the timely implementation of the Project – using the PIM as guiding document -- and (b) the quality standard of the supplies, equipment, tasks, services, grants, and civil works carried out. It will:

- Provide secretariat services to the PSC.
- Ensure timely preparation of AWPB and submit them as required to PSC and World Bank.
- Ensure timely procurement and disbursements and efficient tracking of both.
- Ensure effective financial management through an efficient accounting system and software.
- Ensure timely payments to contracted suppliers, service providers, contractors, etc.
- Operate an efficient Management Information System.
- Prepare Semester Reports, Mid-Term Review and Project Completion Reports, and submit them as required to PSC and World Bank.
- Put in place a communication and knowledge management and dissemination system.
- Implement and monitor/report the implementation of the GAAP as part of progress reports.
- Ensure compliance to environmental and social safeguards.
- Administer the Matching Grant Facility including monitoring and supervision of grants.
- Revise the PIM periodically and as needed.
- Implement the Stakeholder Engagement Plan.

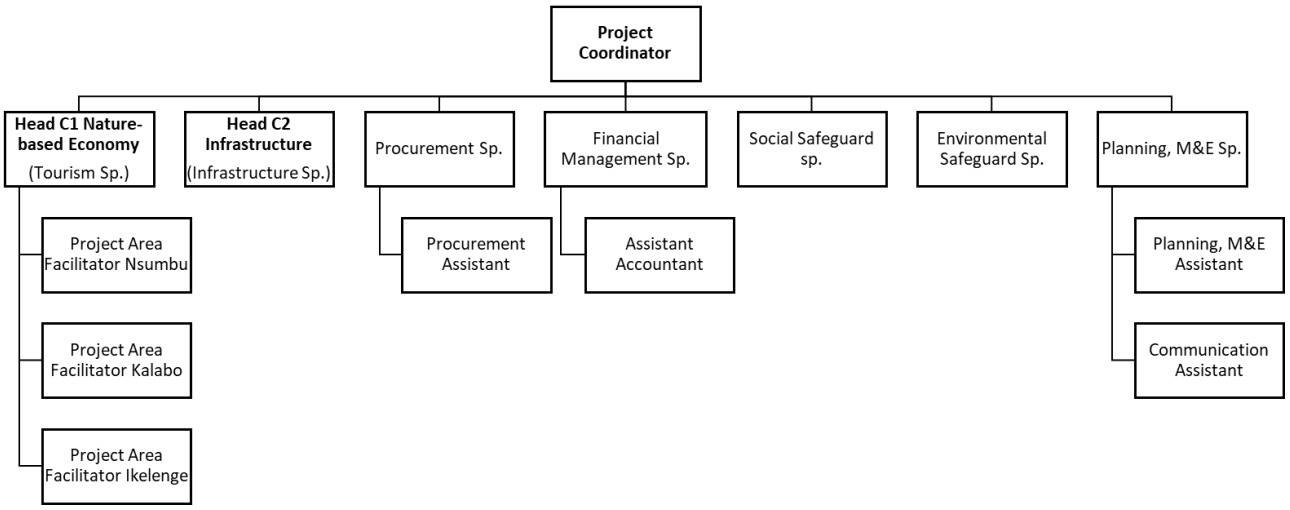


Figure 7. Organogram of the Project Implementation Unit

72. The table below list the PIU staff that will start the Project and their main responsibility[39]. The TORs of all these personnel have been cleared by the MoT and the World Bank. The organogram [40] and the staff profile and functions may require changes as the Project implementation progresses.

Table 8. Description of all the positions and functions of the PIU staff.[41]

Position	#	Brief description of the function
Project Coordinator	1	The Project Coordinator will lead the PIU and provide overall operational management for the successful execution and implementation of the Project. This includes the daily responsibility to manage, coordinate, and supervise the implementation of the Project and the delivery of results in accordance with the Project documents and agreed work plans and budgets.
Tourism Specialist (Head Component 1)	1	The Tourism Specialist will lead Component 1 including its three subcomponents as well as weave in the tourism dimension in the selection and design of infrastructure in Component 2.
Infrastructure Specialist (Head Component 2)	1	The Infrastructure Specialist will be responsible for lead the implementation of Component 2 of the Project as well as providing strategic and technical leadership on infrastructure investment under

[39] The PIU will be complemented by support staff i.e., one Administrative Assistant, two Drivers and one Office Assistant.

[40] The organogram is consistent with the Financing Agreement (Section 1.3) with required at least 4 functional units (and there are essentially 6) and at least 2 functional subunits (and there are 3)

[41] The functions and qualifications are consistent with the Financing Agreement (Section 1.3): (a) the Planner and M&E functions are allocated to a single specialist who will be supported by an M&E assistant, and (b) the function of the Matching Grant Administrator is allocated to the Head of Component 1 who is also a Tourism Specialist and to the three Facilitators who are posted in the Project Areas.

		Component 1.3 the Project as well as during DP/SESA development.
Financial Management Specialist	1	The Financial Management Specialist will be responsible for Project financial management in accordance with the World Bank guidelines, GRZ Financial Regulations, Public Finance Management Act and other requirements stipulated in the PIM, as well as the efficient management of all Project finances.
Procurement Specialist	1	The Procurement Specialist will oversee all Project contractual and procurement activities in accordance with internationally accepted standards, Government and World Bank guidelines.
Planning, M&E Specialist	1	The Planning, M&E Specialist will be the lead expert on all Project implementation planning, monitoring, evaluation, and reporting activities.
Social Safeguard Specialist	1	The Social Safeguard Specialist will be the lead expert on all Project Social Safeguard issues in accordance with Government policies/guidelines and World Bank policies/guidelines
Environmental Safeguard Specialist	1	The Environmental Safeguard Specialist will be the lead expert on all Project Environment Safeguard issues in accordance with Government policies/guidelines and World Bank policies/guidelines.
Project Area Facilitators (Facilitators)	3	Posted in the three selected Project areas Kasaba Bay, Liuwa and Source of the Zambezi, the Facilitators will be responsible for administering activities under Subcomponent 1.3 (The Matching Grant Scheme) to achieve the expected outcomes under Sub-component 1.3 and coordinate all Project activities, including any activities rising out of Subcomponents 1.1 and 1.2, Component 2 and 3 at Project sites.
Assistant Accountant	1	The Assistant Accountant will assist the Financial Management Specialist on the day-to-day Project financial management activities with a focus on accounting data entries, bank account monitoring budget controls and financial reporting.
Procurement Assistant	1	The Procurement Assistant will assist the Procurement Specialist to implement procurement activities in accordance with internationally accepted standards, Government and World Bank guidelines.
Planning, M&E Assistant	1	The Planning, M&E Assistant will assist the Planning, M&E Specialist in executing all Project planning, monitoring, evaluation, and reporting activities.
Communication Assistant	1	The Communication Assistant will support the M&E Specialist in all aspects of communication, to implement the Project Visibility and Communication Strategy (VACS).
Support Staff		
Administrative Assistant	1	The Project Administrative Assistant will be responsible for assisting in the effective implementation and management of the day-to-day administrative activities.
Drivers	2	The Project Drivers will provide secure and timely driving services to transport PIU staff and other Project partners/goods as deemed necessary.
Office Assistant	1	The Office Assistant will be responsible for assisting in the effective implementation and management of administrative activities. The Office Assistant will assume the duty of providing basic cleaning,

		refreshment, and messenger services.

Project area representation

73. Each of three Project areas are centred around protected areas - or broadly the 'protected area landscape'. In each protected area landscape, the main point of contact will be the Regional Tourism Coordinators of DoT (in Kasama, Livingstone and Ndola) working in close collaboration with the Senior Warden of DNPW, Regional Director of NHCC and the Forestry Department, Provincial and District Planning Offices (especially for alignment with local development plans and programs), as representative of the Ministry of Green Economy and Environment (MoGEE) and ZEMA regional offices[42], together with non-State actors active in the Project Areas.

74. The PIU will be permanently represented by three Project Area Facilitators (or Facilitators). They will be stationed in a town of the district that is at the heart of each Project Area: (1) Kalabo town for Liuwa Plain Project Area, (2) Nsumbu town for Kasaba Bay Project Area and (3) Ikelenge town for Source of Zambezi Project Area.

[42] ZEMA offices are far from the Project areas. ZEMA has an office in Livingstone (serving the Liuwa area), Solwezi (serving the Source of Zambezi area) and Ndola (for Nsumbu area)

5 PROJECT DESCRIPTION AND IMPLEMENTATION

5.1 PROJECT COMPONENTS AND FINANCING

75. The Project is financed by the International Development Association (IDA) of the World Bank Group for a total cost of USD 100 million. It is organized in three components as shown in the table below. Detailed costing is included in a Costab, in Annex 2.

Table 9: Project Budget by Components and Subcomponents

Components & Subcomponents	Budget (US$, million)
C1. Enabling environment for the nature-based economy	13.00
SC1.1. Destination branding, planning, tourism marketing, and licensing	*4.70*
SC1.2. Improved competitiveness of nature-based policy, regulatory, and institutional frameworks	*2.0*
SC1.3. Matching grants and technical assistance to nature-based economic activities	*6.30*
C2. Improving Climate-Resilient Destination Access and Basic Service Infrastructure	78.30
C3. Project Administration and Management.	8.70
TOTAL	100.00

5.2 COMPONENT 1. ENABLING ENVIRONMENT FOR THE NATURE-BASED ECONOMY (US$13 MILLION)

76. The objective of this component is to improve the enabling environment for the nature-based economy, focusing on tourism but including compatible nature-based sectors that operate in the same landscapes and contribute to their economic, social, and environmental resilience. The following enabling environment priorities are targeted under the Project: (a) national tourism marketing and branding, (b) tourism regulations and licensing, (c) enhanced coordination in planning for destinations, (d) improved governance and technical capacity for the nature-based economy, (e) improved frameworks for concessions and collaborative management partnership, and (f) incentives for innovation and investment in alternative nature-based economic activities such as conservation or restoration to generate carbon credits.

77. Component 1 is organized in three subcomponents:

- 1.1. Destination branding, planning, tourism marketing, and licensing

- 1.2. Improved competitiveness of nature-based policy, regulatory, and institutional frameworks
- 1.3. Matching grants and technical assistance to nature-based economic activities

Coordination arrangement for Subcomponents 1.1 and 1.2

78. Subcomponents 1.1 and 1.2 are coordinated by the PIU Coordinator, Head(s) of Component, and supported by the various PIU specialists (planning, M&E, procurement, financial management, and if needed safeguards).

79. The specific implementation arrangement of each Task will require development and signing of either (a) a Task Implementation Instruction ("Instruction" - which will be a letter from MoT to the department/agency head with an Annex that details the task) for Task Agencies which are under the MoT, or (b) an MoU between the MoT and Task Agencies who are under another ministry. The task - described in the Instruction Annex or in the MOU - will simply outline the task objectives that can then guide the development of Task Concept Documents. In some cases, a Task Agency may implement more than one task. In such a case, a single Instruction or MoU will refer to all the tasks but each task (because they may have different scopes and timelines) will require its own Task Concept Document.

Table 10: List of SC1 and SC2 Task Agencies responsible.

Subcomponents	Task	Task Agency
1.1 Destination branding, marketing, tourism licensing	1.1.1. Improve tourism national marketing	ZTA
	1.1.2. Streamline tourism licensing	ZTA
	1.1.3. Improve tourism data and market intelligence.	ZAMSTAT
1.2 Improving competitiveness of nature-based policy, regulatory and institutional frameworks	1.2.1. Destination Planning and Strategic Environmental and Social Assessment.	PIU
	1.2.2. Concessions Framework and Collaborative Management Partnerships across landscapes.	DNPW
	1.2.3. Green economy in tourism, biodiversity taxonomy and carbon market expertise development.	DGECC
	1.2.4. Building capacity at key government institutions to support the nature based and green economy.	PIU & each Task Agency

80. To implement these tasks, the Task Agencies as listed in Table 7 (ZTA, ZAMSTATS, DNPW and DGECC) will either (a) sign a Memorandum of Understanding (MoU) with the MoT or (b) receive a Task Implementation Instruction from the PS, MoT. Each MoU/Instruction will describe the expected outcome, the respective tasks and responsibilities of each party, and the procedures through which they can access support from the Project and include measures for information sharing/accountability/performance/rule of law as required by the GAAP. The MoU, and the annex to the Instruction, will require clearance by the PSC and the World Bank. A template of such MoU, and of the annex to an Instruction are provided in Annex 3 and 4 of the PIM Volume 1.

81. Each Task Agency will appoint a Focal Point Person. The Focal Point Persons will lead the task and closely collaborate with the PIU.

82. The Task Agencies, within two months of signing the MoU or receiving a Task Implementation Instruction, will submit a Task Concept Document describing the activities, budget, implementation details and process through which it plans to achieve the task and deliver its intended outcome. The PIU will support the operating or consulting services costs that the Task Agencies may require for the design of the Task Concept Document. A template of such Task Concept Document is in Annex 5.

83. The Concept Document will require the approval of the PSC and the World Bank. Once the Concept Document is approved, its proposed activities will be entered the AWPB and implemented.

Subcomponent 1.1. Destination branding, planning, tourism marketing, and licensing (US$4.7 million)

84. Zambia's tourism sector has a relatively weak brand identity among competitor countries. The weak brand is further compromised by inadequate strategic planning. The absence of data and a methodical data collection system underpins the weak strategy and identity. Further debilitating the sector is the protracted process and multiple overlaps in the administration of licenses and fees that deter investment and undermine business operations in the sector. Activities of SC1.1 will inform and shape the programs to build the capacity of SMEs and the industry (e.g., raising standards possibly through introduction of certifications and training) to be implemented under Task 1.2.4 on capacity building (see below).

Task 1.1.1. Improve tourism national marketing, Task 1.1.2. Streamline tourism licensing.

85. ***Description.*** The paragraphs below describe tasks 1.1.1 and 1.1.2.

86. Task 1.1.1. Improve tourism national marketing**.** The subcomponent will finance (a) validation and prioritization of target tourism audience; (b) a demand-product matching exercise to categorize portfolios of products (across all segments including nature, MICE, culture, and so on) to appeal to target audiences in consonance with priority and emerging TDAs and tourism circuits; (c) the development of a medium-term national branding and marketing strategy, delivery framework, and investment allocation, in consultation with the private sector; (d) capacity building for all relevant implementing entities of the strategy (ZTA, Zambia Airports Corporation Limited (ZACL), Convention Bureau, DNPW, other government agencies) as well as professional associations and private investors (e.g. tour operators, lodge owners, transport agencies), notably in digital marketing, collaborative community marketing, and creation and accessibility of content; (e) design of a return on investment monitoring framework (led by the

ZTA), and (f) conduct a market and viability assessment that evaluates the cost/benefit of investing in MICE in a post-COVID pandemic era[43].

87. Task 1.1.2. Streamline tourism licensing. This subcomponent will also finance activities to support tourism sector licenses reforms: (a) mapping of tourism sector licenses, requirements, process flows, costs, and time taken, with an emphasis on mapping particular hurdles for smaller businesses, and taking into account initial licenses and renewals; (b) multi-stakeholder consultations on prioritization and phasing of licensing reform including effectiveness of use of digital platforms (by the DoT, DNPW, ZTA, Business Regulatory Review Agency, and local authorities); (c) design and support to adoption of reforms ensuring maximum efficiency, cost and time savings to the private sector, and monitoring of the inclusion of small informal enterprises; and (d) industry communications, training, and equipping officers at subnational levels to process tourism licenses through the Government's online service platform[44]. This subcomponent will build on the single licensing pilot that is currently being implemented by the GRZ in Livingstone and will be rolled out nationally.

88. ***Implementation***. These tasks are led by the DoT and ZTA. ZTA role is to market and promote Zambia as a tourist and travel destination of choice and regulate tourism industry. All tasks require significant and broad consultation, with a special involvement of the private sector through their various associations such as TCZ.

Task 1.1.3. Improve tourism data and market intelligence.

89. Task 1.1.3 finances activities that will inform evidence-based planning and marketing: (1) to design a new data collection and analysis framework (Tourism Satellite Account) to the extent appropriate increase compatibility with the Tourism Natural Capital Accounts framework, and (2) the installation of and training on the district- and site-level data collection systems and procedures; and (3) the demonstration of data use for effective planning and marketing.

90. This task is led by DoT jointly with ZAMSTAT. On the data collection framework, DGECC (MoGEE) and the Working Group on Tourism Natural Capital Accounts will be approached for knowledge sharing on the natural capital accounts. This task will be carried out in consultation with all relevant stakeholders (airports authority, DNPW, ZTA, Tourism Natural Capital Technical Working Group on Wildlife Protected Area Account, and TCZ.

[43] Provided that the market and viability assessment is positive, the activity may also support the establishment of a Conventions Bureau to develop the MICE sector as an anchor demand driver with spillovers to the wider tourism economy.

[44] "Government Service Bus" is an online platform created by the Government where government services can be accessed (https://zamportal.gov.zm). The platform is currently operational, and some government services are being accessed and paid for through this platform. The ministry has procured workstations and computers, which are able to process 26 licenses issued by the DNPW and DoT.

Subcomponent 1.2. Improved competitiveness of nature-based policy, regulatory, and institutional frameworks (US$2 million)

91. Scaling investment in the nature-based and broader green economy is hampered by a variety of regulatory and coordination constraints. These include an opaque concession framework, inefficient permit issuing processes, inability of investors to access land for appropriate duration, a poorly functioning collaborative management partnership model, lack of a genuine community empowerment and equitable benefit-sharing mechanism, and the absence of a carbon development framework and expertise.

Task 1.2.1. Destination Planning, Strategic Environmental and Social Assessment (SESA)

92. ***Description***. Task 1.2.1. will pilot local Destination Planning in the three targeted emerging destinations being concomitantly developed along with a Strategic Environment Social Assessment (SESA) for the DP. The DP /SESA work will balance sector knowledge and technical information with local knowledge obtained through stakeholders' consultation with emphasis on local benefits. SESA, in particular, will examine the gender dimension - women's current and potential role in nature-based economy - to inform Project activities. The DP/SESA outputs will comprise firstly a plan and an assessment (per Project area) that are based on evidence and participatory input; and secondly *action plan(s)* to implement the recommended directions derived from the DP/SESA. These outputs together will be adopted by the local constituencies and guide the activities of GREAT-TDP in the project area, especially the destination branding (SC1.1), matching grant activities (SC1.3), and infrastructure investments (C2). Ideally, the outputs will also guide the broader local development of nature-based economy and tourism beyond the project.

93. The Destination Plans will aim to be well integrated with existing development plans (National Park General Management Plans, the Integrated District Development Plan, the Tourism national Master Plan, etc.) and entail contents envisioned as below:

    a) Review the proposed interpretation of nature based economic activity proposed in Volume 3 of the Project Implementation Manual in the context of the TDA for the purpose of the plan, drawing from best practice literature (notably the European Commission).
    b) Review and analyse for adequacy and gaps all pre-existing local planning frameworks of relevance, including the coordinated governance and management of the TDA.
    c) Map local stakeholders including communities, NGOs, local governance structures, private sector, and others of relevance, analysing their existing activities, optimal future role or influence in the nature-based economy of the TDA, and coordinating a defined vision for the development of the nature-based economy in the TDA.
    d) Map and analyse existing and potential tourism and wider nature-based economic enterprises, activities, and future opportunities (including existing infrastructure for connectivity, power access, size, location, ownership/management, revenues, market viability/competitiveness and impact) in the TDA over a defined period.

e) Organise the inventory of stakeholders into categories or sub-sectors, determine demand drivers and target markets and map all products, services, and physical, cultural, nature-based, financial, economic assets (including undeveloped assets) to each category.
f) Provide high-level economic analysis for each of the categories in terms of their present and potential relative contribution to the local economy, including job creation, revenue generation, growth potential, competitiveness, and other impacts relevant to the Results Framework of the Project.
g) Analyse and make recommendations on the overall enabling environment to improve future viability and success of the nature-based activities in the TDA (parameters of success to include economic, social or conservation as relevant), in particular the categories of greatest overall potential.
h) Make recommendations on the specific and indirect interventions and investments needed to catalyse tourism and nature-based economic development in the TDA in general (for all categories of activity), as well as specific interventions that may advance the development of anchor or catalytic projects/activities which high economic potential. These are to include detailed infrastructural projects, product development, training, marketing, and investment opportunities (with budget implications and associated future revenue projections).
i) Propose, in an accompanying action plan, phased interventions, with responsibilities and estimated budgets, that includes (amongst other outputs):

    i) an infrastructure investment plan (evidence-based wish-list with prioritised hierarchy (criteria to be proposed and agreed with client) and workshopped locally,
    ii) a Technical Assistance Needs Assessment,
    iii) a TDA marketing/branding plan that demonstrates proposed identity, clear target markets, and market positioning (for all main sectors of relevance, with focus on tourism)
    iv) an investment promotion component to attract and secure private investments in the destination that benefit the economy, the natural landscape, and local communities, and
    v) a TDA management and governance framework (encompassing the nature-based economy including tourism), drawing from relevant parallel processes as relevant.
    vi) community and vulnerable groups inclusion plan to maximise meaningful participation in the nature-based economy.

94. The **SESA** work will be concomitant with, and influence the content of, the Destination Planning task and provide upstream guidance to the separate task of selecting specific infrastructure investment. The work will follow closely the SI48 of 2021 to guide its assignment and consider other good international SESA practice/guidelines.

95. The concomitant SESA and DP work is to aim for strategic ways of avoiding decisions with potential harmful impacts and promoting directions that promise positive impacts. At minimum, the SESA would provide a backstopping measure, ensuring the various activities and interventions proposed in the DP will avoid, minimize, and mitigate/offset the potential negative impacts identified in the geographical scope under the SESA. Its analytical

assessments and evaluations would be providing upstream knowledge and guidance to the downstream investment-specific ESIAs of the activities and interventions - some of which will be financed by GREAT-TDP.

96. ***Implementation***. The PIU will lead this task with Consulting Firms (one firm for each of the three Project areas). It will work in close collaboration with the Provincial Planning Units (PPU, Provincial Ministries) of each of the three targeted Provinces. The task is to be carried out in close cooperation with a public-private working group with representative of the managers of protected areas, tourism investors and other tourism value chain stakeholder that is mandated or set up for this purpose by the Ministry of Tourism based on recommendation by the PIU and the consulting firms entrusted with this task. Inputs for this analysis will be sourced through such working group, with extensive consultation and workshops at the TDA-level, and particular attention to local government, enterprise and activity operators, and land-managers (see further below para 98). PIU in leading this task will implement the actions identified in the GAAP for a transparent, participatory, and accountable process in planning.

97. The completion of this task by the end of year 1 of the Project is critical because (a) it creates the condition for Infrastructure Investment Planning (IIP), a requirement to implement Component 2, (b) it includes an Action Plan that will guide the implementation of the MGS. Even more important, the Destination Plan is meant to guide all of the nature-based public and private investments in its target area. The task is complex requiring multiples skills. It will be divided into three contracts to be entrusted to separate consulting firms, one for each of the destinations.

98. The DP/SESA task requires extensive consultation. At national and provincial levels, the PIU and the Consultant will work with associations of community groups and private businesses involved in nature-based economy including tourism and public agencies from the MoT (DP, DoT, DNPW, NHCC, ZTA, etc.), MoGEE (Department of Forest (DoF), DGECC, ZEMA, etc.), Ministry of Infrastructure, Housing and Urban Development (MIHUD), Road Development Agency – (RDA), Ministry of Transport and Logistic (MTL), Civil Aviation Authority – (CAA) among other sectors prominent in protected area landscapes and nature-based economy. At destination-level, the DNPW Regional Warden - with lead CMPs organizations where present - will assume the role of focal points, working with the PPU, and DPSC, and the Consultant Firms to convene local stakeholders.

99. In all TDAs, the task will assess important linkage areas for nature-based economy (e.g., ecological contiguity and tourism connectivity) and specific investment which might be funded by the Project to unlock nature-based economy and tourism source markets; and the task may advise on relevant transboundary connectivity and impact management. In the Source of Zambezi River Project Area, the task may also advise NHCC and FD collaboration over the Project Areas for improved boundaries, management planning and management of their respective areas of concern. *In the Nsumbu TDA,* the task should incorporate in the analysis the transboundary / international waterbody dimension, impact.

Task 1.2.2. Concessions Framework and Collaborative Management Partnerships (CMPs) across landscapes.

100. ***Description***. This task will support improvement of the frameworks – regulations, guidelines, and procedures - governing concessions for natural and cultural assets, CMPs in the public natural landscapes and community and private wildlife and forestry estates. The rationale is to enhance opportunities for nature-based economic activities including tourism by producing statutory instruments and guidelines. The Task would aim to (a) identify and carry out analytical studies to support in depth review or improved frameworks; (b) create a transparent, standardized process for awarding concessions and CMPs (natural and cultural), including the unbundling of concessions and the ability to evaluate unsolicited bids, leading to successful agreements for concessions and CMPs that will generate outcomes for sustainable landscape management; (c) reduce concession and CMP agreement processing delays; (d) promote usage of concessions for biodiversity and habitat conservation, including carbon benefits; (e) explore the growing role that CMPs play in revenue-generating activities and develop appropriate frameworks to manage and support this, where beneficial, (f) promote policy dialogue around encouraging investment projects to apply the mitigation hierarchy toward no-net-loss outcome for biodiversity; and (g) institutionalize and improve benefit-sharing mechanisms in concession and CMP frameworks which can address human-wildlife conflict and improve livelihoods or overall quality of life of rural communities living in or around NBT assets.

101. ***Implementation***. This task is directly implemented by DNPW. DNPW will closely collaborate with the other agencies such as the National Heritage Conservation Commission (NHCC) and DGECC (MoGEE) - for aligning protected area priorities and opportunities with climate goals and evolving carbon trade regulations, Department of Forests (DoF) - for facilitating streamlined approach to ecosystem-level conservation, governance, and management, and the Zambia Environmental Management Agency (ZEMA) - for more effective safeguarding of protected areas.

102. DNPW will also convene, and set the agenda for, a focus group (or public-private dialogue platforms) comprising governmental, private sector, non-governmental and community-based entities working across various land management regimes (under Wildlife Act, Forestry Act, Heritage Act).

103. Once the concession and CMP guidelines or procedures are in draft, DNPW and possibly DoF or National Heritage Conservation Commission will carry out pilot testing at various sites. When piloting becomes ready, these agencies will mobilise the available budget where needed.

Task 1.2.3. Green economy in tourism, biodiversity taxonomy and carbon market expertise development.

104. ***Description***. Task 1.2.3. will support the MoGEE as a new ministry to plan and execute its initially mandated tasks for nurturing green economy. It will finance (1) the development and

promotion of a tourism industry guideline for mainstreaming green and climate-resilient growth, as a voluntary improvement framework for the sector to consider the most pertinent climate risks and the options of available adaptation and mitigation measures; (2) the adaptation to the Zambia context of the biodiversity taxonomy provided in IFC's Biodiversity Finance Reference Guide (https://www.ifc.org/en/insights-reports/2022/biodiversity-finance-reference-guide); and (3) support to MoGEE to oversee the development of a technical skills program aimed at upskilling Zambian professionals in the emerging carbon and biodiversity markets. A modular skills program will be developed or sought in partnership with existing qualification providers nationally, regionally, or internationally. Modules will be identified based on a skills gap assessment, to be undertaken at the onset of the Project, and may include areas such as Measurement, Reporting, and Verification; carbon finance; biodiversity valuation; or feasibility. Relevant departments of select higher education institutions will nominate trainees for this program, optimally as internship requirement toward the degree. The beneficiaries of the training will also include regulators dealing with carbon projects—for example, ZEMA and departments in charge of forests, national parks and wildlife, and national natural heritage.

105. ***Implementations***. Task 1.2.3. is led by the DGECC (MoGEE). Technical assistance is expected from other donor-funded consultants (e.g., BIOFIN, SPAR6C, etc.). The mainstreaming guideline will incorporate the biodiversity finance taxonomy that supports the financial sector engagement in the conservation-compatible tourism sector as well as the broader nature-based economy. DGECC will recruit a team of international and national advisors to help build DGECC and the Working Group capacity on the biodiversity finance taxonomy and facilitate outreach with the banking sector. DGECC will catalyse building human resource pool for green economy through carbon knowledge and technical expertise. This task will closely interact with carbon technical advisor to train, mentor, and deploy trainees to various activities under this Project around GHG accounting and MRV. DGECC will convene a select group of interested academic institutions (e.g., Mulungushi University, University of Zambia, Copperbelt University, and vocational training schools) to identify nominated participants as well as to explore development of training curricula towards a professional certification program. While working on development of "carbon specialists", DGECC will also improve their capacity in managing carbon trade projects by providing oversight and cross-support to other components.

Task 1.2.4. Building capacity at key government institutions to support the nature based and green economy.

106. ***Description***. Task 1.2.4. will support improving the capacity at the DoT, DNPW, ZTA, ZAMSTAT and DGECC and other relevant institutions that implement Component 1 or that contribute to the outcome of Component 1. Capacity building may include technical assistance and staff training to public agencies and professional associations on topics that support the nature-based economy such as tourism branding, marketing, data collection, nature-based

activity or business planning, development, management, green public procurement, etc. Already, the need for a high-level strategic advisor to the MoT has been identified.

107. The task will also support technical assistance to SMEs involved in the nature-based economy in the three Project areas. The rationale is to improve the performance and viability of these pioneer investors if any. The year 1 Destination Planning exercise will produce a list of enterprises, including SMEs, which are involved in the value chains as well as an assessment of their needs be it in advisory services or training.

108. ***Implementations***. Implementation of task 1.2.4 will be carried out by each respective Task Agency that have signed an MoU with MoT. They will incorporate in their Task Concept Document a section on capacity building and report on these action as part of Task 1.2.4. In addition, the PIU may directly support eligible and relevant technical assistance and training requested by other agencies, private sector associations, etc.

109. Finally for the Project areas, based on the Destination Planning assessment and in consultation with the identified enterprises, the PIU will develop and contract a package (or packages) of suitable technical assistance. Contracts may be implemented through the Zambia Institute for Tourism and Hospitality Studies (ZITHS), consultants or NGOs depending on the required expertise.

Subcomponent 1.3. Matching grants for nature-based activities and businesses (US$6.3 million)

110. Subcomponent 1.3 will administer a Matching Grants Scheme (MGS). Due to its specific procedures and the need to work closely with community-based applicants, and other parties, this subcomponent requires a specific manual, which is Volume 3 of the PIM. Below is a general description of the subcomponent and its implementation.

Description.

111. The specific objective of the MGS is *to support the emergence and strengthening of community-based entities and, through partnerships with them, attract private investors to contribute to a nature-based economy in the Project Areas.*

112. ***Nature-based activities or businesses***. The MGS supports the development, upgrade, and strengthening of nature-based activity (NBA) and Nature-based businesses (NBB) that support nature-based solutions (see Volume 3 of the PIM) which (a) shows economic, social and ecological profitability, (b) be designed to contribute to the development objective of the Project, (c) demonstrate compliance with the GAAP and Safeguards, and (d) preferably show consistency with, and contribution to, the Destination Plan prepared under SC1.2.

– The NBA is the development or improvement of the management, conservation, sustainable use, regeneration, or restoration – and any other natural solution -- of natural resources

(forests and freshwater habitats, natural trees, NTFPs, wildlife including fish, biodiversity, carbon, etc.) in areas such as portions of national parks, GMA, Community Forest Areas, Game Ranch, Conservancies, communal fish reserves or equivalent. The NBA may include elements of cost recovery.

- The NBB is the development or improvement of the commercially and ecologically profitable use of wild commodities and services. The NBB will emphasize supporting nature-based solution value-chains that do not negatively affect but benefit the natural ecosystem, such as nature-based tourism (and downward linkages), beekeeping, natural fisheries, carbon trade, farming transition to unequivocally sustainable nature-based farming solution, renewable energy generation, water management, etc.

113. ***Parties***. The key parties are: (a) an Applicant, i.e., a Community-based Entity (CBE), (b) a Mentor - such as a not-for-profit company that supports the community, and (c) a Co-investor - such as a for-profit company / investor that is in business-relationship with the community.

Applicant

This must be a CBE (or a 'prospective CBE', which is a group of people from a community that is aspiring to become a CBE). A CBE is defined as a registered legal entity issued from the Community. By this definition, CBEs include by default Community Forest Management Groups (CFMGs, under Forest Act), Community Resources Boards (CRB, under Wildlife Act), as well as any registered association, cooperative (under Cooperative Societies Act), companies (under Companies Act) or other legal entity that meet the description. To be eligible for a Matching Grant, a CBE must have all members, trustees, or shareholders (i.e. the ownership body) issued from the Community and be broadly recognized in the territory in which it operates as being 'community-based'. Women inclusion, especially leadership, in CBE ownership, governance or staff is strongly encouraged; such applicants will be evaluated favourably in line with the Project aim to have at least 30% of beneficiary CBE be women-led or -owned. As part of the SESA, a rapid women-in-green-business assessment will be conducted in Year 1 of the Project to better tailor the matching grants support to closing the gender gap.

Mentor

This is a qualified and reputable Non-profit organization or Government agency already working in the area on a theme relevant to the Project and who is preferably familiar with the community or CBE. Mentors are meant to accompany and support the CBEs (or the prospective-CBEs) as an opportunity to further their own strategy and plan. As such, Mentors are not eligible to be a contracted service provider. A Mentor may, however and in agreement with the Applicant, include a less than 10% cost-recovery features in the budget of the Matching Grants. The relationship must be formal either through a Memorandum of Understanding (see Annex 2 in Volume 3 of the PIM) or a suitable alternative legal instrument.

Co-investor

This is a qualified, reputable, and solvent private entity. While this is not a requirement, it is anticipated that applicants to NBA Matching Grants would be partnering with non-profit entities, while applicants to NBB matching grants would be partnering with for-profit entities.

The Co-investor must establish a formal joint venture with the CBE and at least match the Transformational Matching Grant (Window 2) with its own capital investment. The joint venture must be formal either through a Memorandum of Agreement (see Annex 2 in Volume 3 of the PIM) or a suitable alternative legal instrument.

114. ***Windows***. For an eligible NBA or NBB – an Applicant can access a Matching Grant through two Windows described in this section. As its name indicate, the grant needs to be matched. The Matching Grant Manual (PIM Volume 3) gives details for the level and source of matching for each of the windows. The windows of Matching Grants are described below:

Window 1: Enabling Matching Grant.

Any Subproject under Window 1 anticipates a total size in the range between $5,000 and $50,000, although there is no maximum; Project matching will provide 80% of the subproject amount up to $40,000.

An Enabling Matching Grant supports the provision of advisory service to: (a) help community members register into a legal entity as CBE, (b) provide coaching and mentoring to build governance and capacity to a new or prospective CBE, (c) help an existing CBE secure rights and access to land and/or natural resources, (d) build the capacity of an existing CBE in terms of governance, procedures, instruments, member and staff roles and capacity, (e) help a CBE set the contours of the NBA or NBB idea and improve it to become a full Activity Plan or a Business Plan (i.e., a plan with identified responsible entities and their roles, realistic timeframe and milestones to become a self-sustaining activity/business) and/or conduct feasibility study of the Activity/Business Plan, (f) help the CBE identify a Co-investor and establish a professional relationship and formal joint venture with Co-investor, (g) advise an CBE, especially SME recipients, to access financing in particular the financing opportunities specific to those generating favourable biodiversity, climate, and social outcomes (green/sustainability-linked loans and credit guarantee schemes for SMEs), and (h) develop an application for a Transformational Matching Grant (Window 2).

Windows 2: Transformational Matching Grant.

Any Subproject under Window 2 will have a total size at least $50,000, and there is no maximum; The MGS will fund 50% of the subproject amount up to $250,000 and beyond this, 25% of the subproject amount up to a maximum of $500,000.

A Transformational Matching Grant supports the provision of capital investment to a CBE toward the initiation, development, or upgrade of an NBA or an NBB subproject, for example technical assistance, training, equipment, or construction. An exclusion list ensures that harmful activities are not financed.

Implementation.

115. This Subcomponent is implemented by the PIU under the coordination of the Head for Component 1, who will support the three Project Area Facilitators (one in each Project area). The Facilitators will lead the day-to-day facilitation of the matching grant schemes.

116. To support the Facilitator in the Application evaluation process, the PIU will convene quarterly Independent Evaluation Panels (IEP). This will be optional for Window 1, but always true for Window 2 applications. The members of the IEPs will be individuals identified and mobilized from the Project areas and at national level, based on their familiarity with the area and the Communities, and their technical qualification in relevant discipline such as tourism, rural development, natural resource management, or green enterprises, and who have been cleared for a basic due diligence against any conflict of interest (if deemed necessary by PIU during implementation, a procedure may be adopted to guide IEP members selection to avoid controversy).

117. The details of the Matching Grant screening, selection, and implementation process and all the required templates and forms are provided in the Matching Grant Manual (see PIM Volume 3).

5.3 Component 2. Improving Climate-Resilient Destination Access and Basic Service Infrastructure (US$78.3 million)

118. This component aims to provide better accessibility and tourism-related infrastructure within selected emerging destinations of the Northern and Southern Circuits (see Project target area below). This will enable these destinations to compete and extend their market outreach.

119. The component will finance the preparation and installation/construction of a range of infrastructure including roads, airstrips, airport facilities, river transportation, telecommunication network, and off-grid power supply among others. This component will also finance the design and construction of visitor centres as well as the provision of ancillary works such as game loops, interpretative signage, and protection fencing for special sites. Most of the work will be within the targeted TDA. Although, because these TDAs are emerging destination, connectivity with source market is essential. Therefore, some financing is reserved to support infrastructure in additional TDA to increase the size of the source markets or improve transports from them.

120. ***Oversight.*** This Component is implemented by the PIU under the direction of the Head for Component 2. If necessary, the Component Head may be assisted by consultant engineers. Following the GAAP to ensure strong information system, accountability, public service, and rule of law - the PIU will implement a specific protocol to collecting and disseminating data, information, and intermediary outputs - such as minutes of meetings, preliminary prioritized list of infrastructure, the process of multi criteria analysis leading to the IIP.

121. ***Project Area level.*** At Project Area level, the main point of contact will be the Facilitators and the Regional Tourism Coordinators who would be working closely with the Planning Officers under District and Provincial Planning Sub-Committees (DPSC and PPSC) as well as with the relevant ministerial departments, technical agencies, and partners representative.

122. ***Planning Coordination with GRZ Agencies***. For all aspects related to the upstream work to Component 2 – the Destination Planning and SESA, which will include developing a prioritized list of infrastructure needs (cf. Task 1.2.1.) -- the PIU will work with MoT, MoIHUD, MoGEE and with Government agencies responsible for infrastructure development such as RDA, CAA, ZAMTEL, REA, etc.

123. ***Infrastructure Investment Planning***. The IIP process will be led by the PIU with a Consulting Firm. It involves a rigorous multi-criteria analysis on the list of priority infrastructure needs identified from DP/SESA (Task 1.2.1). The Consulting Firm for IIP will conduct the multi-criteria analysis. A preliminary list of priority infrastructure needs has been tentatively pre-identified in the table below. This list will contribute to guiding the DP/SESA and IIP exercise, although other infrastructures identified as part of the DP may raise as a higher priority during the multi-criteria analysis.

Table 11: Estimated Costs of Proposed Infrastructure in Project Areas

Pre-identified infrastructure for Destination Planning, SESA and IIP input	Preliminary Budget (US$, millions)
Construction or upgrade of roads and all-season game loops (preliminary estimate: 800 km)	52.0
Rehabilitation and upgrade of air facilities (preliminary estimate: 3 airstrips)	15.0
Off-grid solar power stations (preliminary estimate: 2 stations)	5.0
Rural water supply systems (preliminary estimate: 5 units)	2.0
Installation of cellular telecommunication towers with supporting substations (preliminary estimate: 3 towers)	2.5
Construction of Visitors Information Centre Office space and Crafts and Curio Centre for all the selected TDAs	1.5
Ancillary works such as interpretative signage, and protection fencing for specific sites	0.3
Total	**78.3**

124. ***Multi-Criteria Analysis.*** The criteria that will be used on analysing the prioritized list from DP/SESA (Task 1.2.1) for arriving at the final IIP to be financed by the Project. The criteria are: (a) enhanced links between and within markets (for example, logistics centres or tourism circuits); (b) acceptable economic feasibility; (c) compliance with social and environmental standards; (d) potential for minimizing negative and, where possible, enhancing positive environmental and social impact; (e) compliance with the World Bank Operational Policy on International Water (OP7.50)(see also Chapter 8) and (f) potential for minimizing GHG emissions and maximizing climate resilience. The draft IIP prepared after the Multi Criteria Analysis, will be subject to validation by local stakeholders and submitted to the PSC and World Bank for approval.

125. The IIP work requires that the candidate infrastructure and civil works in the prioritized list is relatively detailed so the Multi Criteria Analysis can be effective and lead to decisions that can be operationalized rapidly. Among the details would be overall parameters (type, size, outputs, and so on) that are assessed based on the forecast use of these facilities. For example, details will include the number and capacity of the clean water supply systems, the size and output of the off-grid solar power stations, technical specifications of the telecommunication towers, specific interventions, and length of roads to be implemented, and specific elements of air facilities (air strip, terminals, control towers, safety, and navigation equipment) to be developed under the Project. The final design will be carried out after selection and will be led by Task Agencies (see the following paragraphs on Task Distribution and Infrastructure Design).

126. ***Task Distribution***. Once the IIPs are approved, individual or appropriate grouping of the selected infrastructure / civil works will become Tasks that are attributed to various Task Agencies (i.e., Government agencies according to their mandate: RDA for roads, CAA for airstrips, etc.),. These Task Agencies will sign an MoU with the MoT that defines the roles and responsibilities of both parties (a template MoU is in Annex 3).

127. ***Infrastructure design***. The works will commence with each Task Agencies organizing the final feasibility, engineering design and an Environment and Social Impact Assessment (ESIA) of the proposed infrastructure that falls under its purview. In most cases, this will require the recruitment of architecture or engineering firms. Some of these firms will remain under contract and work supervisors during construction.

128. The Task Agencies, in close collaboration with the PIU, will work with MoFNP's Public Investment and Planning Department, ZEMA, RDA[45], and Zambia Public Procurement Authority (ZPPA) to subject each infrastructure investment (concept, feasibility studies, design, ESIA) to Government regulations. To facilitate the climate-resilience and other aspects of reducing GHG and other pollution about Component 2, the ZPPA will help inform on the green procurement and Ministry of Infrastructure, Housing and Urban Development (MIHUD) will help inform on the standards and codes for climate resilient roads and buildings.

129. ***Construction or installation.*** Subject to completion of a separate ESIA, some of the selected works (particularly for roads) may be designed, constructed, and maintained by the contractor. This will be done using the Output- and Performance Based Road Contract (OPRC) contracting methodology. This methodology combines rehabilitation and maintenance works (for a specific period) under one contract, which focuses on outputs and not inputs. The methodology measures outputs based on actual performance. The contract would typically include the design activities. The RDA is familiar with the approach, as it implemented three generations of the OPRCs in Zambia, under World Bank finance. The first of these contracts is expected to be launched in Year 2 of Project implementation.

[45] For verifying compliance with Green and Climate Resilient Standards and Codes for Roads.

130. Most infrastructures, other than roads, will be tendered for construction once the design, ESIA and BoQ are completed. The Consultant engineers, contractors or suppliers will be directly supervised by the Task Agencies responsible to review reports and quality assurance before certificates are delivered and payment carried out by the PIU. The PIU may send representatives to participate and contribute to any supervision or field inspection of the construction processes, especially as part of implementation of the GAAP.

5.4 Component 3. Project Administration and Management (US$8.7 million)

131. This component will finance activities related to overall Project coordination, planning, financial management, audits, procurement, environmental and social risk management, M&E, reporting, communications, stakeholder coordination, basic training of activity implementing teams and beneficiaries, and mobilizing of external support and technical specialists. As necessary, the component will support various capacity building activities or provision of technical assistance (e.g., the development of tourism planning capacity in the PPUs and DPUs as well as their participation in Project support mission in the Project areas, etc.).

6 FIDUCIARY PROCESSES

6.1 Monitoring and Evaluation (See also Volume 2 of the PIM)

132. The Project has been designed for the period 2023 – 2030. A results framework and monitoring and evaluation framework have been developed and provides the basis for monitoring and measuring achievement of the objectives of the Project at PDO and Outcome level (see Section 3.3 and Volume 2 of the PIM. The purpose of monitoring and evaluation is to ensure better planning, targeting, implementation and timely decision making of Project components through efficient and reliable feedback of information to relevant stakeholders.

133. The Project represents new approaches to increasing nature based economic opportunities in three main Project areas as well as other key TDAs which are important to creating linkages between and within circuits. M&E is therefore critical, both as a management information tool, providing feedback to managers for refining Project implementation, and as a longer-term learning process, in prioritizing and managing natural resources and climate resilience interventions.

134. The Planning, M&E work is financed under Component 3. It includes the monitoring of the GAAP and the ESCP implementation. Especially for the purpose of ensuring strong information system and accountability mechanism, the M&E reports will be disseminated in a timely manner to all stakeholders using diverse platforms and dedicated PIU efforts to receive feedback from the stakeholders.

135. Another aspect in line with GAAP is the Project measure to have strong public service performance system. This will be implemented by the development, monitoring, and reporting

of all implementers - including performance monitoring of the PIU staff and the PSC with a functional capacity indicator.

6.2 PROCUREMENT (SEE ALSO VOLUME 4 OF THE PIM)

136. The PIU and other stakeholders commit that Procurements under the Project will be guided by the following core value principles; (1) transparency, (2) fairness, (3) value for Money, (4) economy, (5) integrity, (6) fit for Purpose and (7) efficiency.

137. The GAAP (see Chapter 8) identified specific risk of weak accountability mechanism for procurement, with mitigation actions to conduct training of staff and consultants and to report on semesterly evaluation including on the results of spot monitoring. In line with GAAP and ESS10 (standard on stakeholder engagement and information disclosure) to build strong information system, the reports will be subject to timely public disclosure and proactive dissemination.

138. ***Applicable Procurement Regulations***. Procurement activities proposed under the Project will be carried out in accordance with the World Bank's 'Procurement Regulations for IPF Borrowers', 4th edition dated November 2020. Which is also referred to as 'Procurement Regulations' and the provisions of the World Bank's 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, revised in January 2011 and July 1, 2016, and other provisions stipulated in the Financing. Procurement carried out using national Bidding procedures will be implemented using the Government of Zambia Public Procurement Act of 2020 and its accompanying Procurement Regulations of April 2022 subject to modifications to make them acceptable for us under Bank financed projects in accordance with provisions of Paragraph 5.3 of the Banks Procurement Regulations. All procurement will as necessary be implemented with due regard to complying with the Project ESMF.

139. ***Procurement in greening public investment*** was raised as important to ensure Component 2 infrastructure works adopt procedures and process to enhance environmental performance of the public investment. Information on greening public investment will be obtained from ZPPA and the World Bank.

140. ***Project Procurement Strategy for Development (PPSD).*** The PIU has prepared a Project Procurement Strategy for Development (PPSD) to address how procurement activities will be implemented in support of the PDO to deliver the best value for money under a risk-based approach. The PPSD provides adequate justification for procurement and selection methods and market approaches in the procurement plan (PP) that has been developed for the Project. The PPSD development informed the preparation of the initial 18-month procurement plan (PP).

141. ***Use of the Systematic Tracking of exchanges in procurement (STEP***) system during implementation. The World Banks Online STEP system will be used as a planning, data

management and filing and procurement management tracking system which is also enabled to publish the procurement plan, bidding notices and contract award information on the World Bank's external website and UNDB Magazine online.

6.3 Financial Management and Disbursement (See also Volume 5 of the PIM)

142. ***Financial commitment and payment initiations***. Once the AWPB is approved and based on Concept Notes (see PIM Volume 2 Planning, and M&E and PIM Volume 5 Financial Management and Disbursement), the FM will issue a fund commitment and as requested by the activity initiator, proceed with payments based on service or work completion, good delivery, imprest retirement evidence, etc.

143. ***Accounting arrangements and periodic financial reporting***. The Project's audited financial statements will be prepared using International Public Sector Accounting Standards and audits will be conducted in accordance with Internal Standards of Supreme Audit Institutions. The PIU will maintain adequate financial records in accordance with accepted international accounting standards and practices as well as the PIM, especially Volume 5 on disbursement and financial management.

144. The PIU will submit quarterly unaudited interim financial reports (IFRs) to the Bank within 45 days after the end of the calendar reporting period. The Office of the Auditor General will audit Project accounts based on terms of reference reviewed and cleared by World Bank and the audit will be carried out in accordance with International Standards on Auditing. The Internal Audit Unit of the MOT will carry out internal Audit of the Project to ensure effective internal controls, compliance with procedures as documented in the PIM and occasional transaction reviews. The audited financial statements will be submitted to the Bank within six months from the end of the fiscal year.

145. In line with the GAAP and ESS10 (standard on stakeholder engagement and information disclosure), results of the audits will be subject to timely public disclosure and proactive dissemination.

146. ***Disbursement and Funds Flow Arrangements***. This Project will use advances to replenish funds, and document expenses on a quarterly basis using unaudited IFR supported by statements of expenditure (SOEs). The disbursement letters will specify the disbursement arrangements, including designated accounts (DA). The Project will use the IFR disbursement method for requesting funds from the World Bank. Funds will be disbursed through a Designated Account denominated in United States Dollars (USD) at the Bank of Zambia (BOZ).

147. The PIU will transfer funds from the DA to the ZMW Project Operational Account held at the Bank of Zambia and to the USD Project Operational Account held at the Commercial Bank. From the ZMW Project Operational account all local currency payments would be made through the Mirror Account (zero balance) held at a commercial bank. However, for USD

denominated payments, transfers or cheques will be processed from the USD account opened at the commercial bank. All the bank accounts that will be involved in the flow of funds will be reconciled monthly.

148. All costs relating to programs shall be managed centrally from the PIU. The Project will initially submit a cash flow forecast projection for six months to receive the initial deposit in the US dollar DA. Subsequent withdrawal requests will be made on a quarterly basis according to forecast cash flow for the next two quarters less bank balances as at the end of the quarter. Other methods of disbursement that will be available to the PIUs include direct payments, reimbursements, and special commitments. If ineligible expenditures are found to have been made from the designated and/or operating bank accounts, the PIUs will be obligated to refund the same. If the designated account remains inactive for more than six months, the Project may be requested to refund IDA amounts advanced to the designated account.

7 ENVIRONMENTAL AND SOCIAL SAFEGUARDS

149. The PIM provides a short overview of the Environmental and Social Safeguards (ESS) applicable to the Project through the various instruments that have been adopted and are referenced in Section 1.1 of this PIM.

150. To avoid the risk of duplication, a minimal treatment of ESS is provided in the PIM and, in case of contradiction between this PIM and the adopted ESS instruments, the ESS instruments prevail.

151. This section of the PIM presents (a) the summary of the ESS under the Project, (b) a summary of the environmental and social risks associated with the Project and how they have been classified by the World Bank, (c) the relevant applicable Government policies and World Bank ESS, (d) a one-paragraph description of each adopted instruments, and (f) implementation arrangements (referring to other relevant sections of the PIM.)

7.1 IMPLEMENTATION ARRANGEMENT

152. As described in Section 4.2, the PIU will include a full-time Environmental Safeguards Specialist and a full-time Social Safeguards Specialist. All PIU staff will receive training on all Project instruments including safeguards. In the Project Area, the Facilitators will be tasked to screen Matching Grant application, so they meet the approved ESS instruments and then monitor implementations. The Task Agencies who will lead the various infrastructure work already have units or staff with safeguards responsibilities. Those units or staff will receive additional training prior to signing the MoU with MoT.

7.2 Objectives of Environmental and Social Safeguards

153. The main objective of the Environmental and Social Safeguards (ESS) is *to guide identification, screening, assessment, management and monitoring of environmental and social risks and opportunities during the implementation of the Project*.

154. Important dimensions of an effective ESS are stakeholder engagement, proactive dissemination of the findings and incorporation of findings in implementation design and planning as part of AWPBs, MoUs, technical specifications, and progress reports.

155. The Project ESS contributes to the mainstreaming and strengthening the national ESS tools and processes into economic and development planning. For example, the PDO under pillar three (Environmental Sustainability) of the 8NDP contributes to socio-economic transformation for improved livelihoods. *Mainstreaming and strengthening* ESS is integrated in the Project spatial, institutional, and sectoral planning with (a) organizing a SESA at each Project area (b)_improving business/policy/institutional environment, (c) catalysing partnerships for nature-based economy, and (d) incorporating biodiversity impact and climate resilience into infrastructure planning and design.

7.3 Potential Environmental and Social Risks and Impacts

156. The potential environmental and social risks, including risk of sexual exploitation, are identified, and described in the ESMF Section 5.2 and in depth in Chapter 6. As expected, because the Project seeks positive environmental and social outcome, the ESMF also identifies potentially positive impacts.

157. However, the risks of a negative environmental or social impact remain high and are rated "Substantial". This is because the implementation of proposed activities under Component 2 such as construction of roads, airstrips, bridges, visitor information centres, cultural centres, water and sanitation systems, solar electricity mini grids, telecommunications and other minor civil works, and provision of matching grants under Subcomponent 1.3 may produce substantial negative environmental and social outcomes and impacts.

158. ***Likely environmental risks*** due to Project activities identified and detailed in the ESMF are: (a) Construction related impacts from Component 2 activities such as elevated dust and noise levels, raw material extraction, natural resource use, the generation and inadequate management of solid, construction and hazardous waste; (b) Impacts on biodiversity and habitats through land conversion, pollution to land and waterways and land degradation from natural resource extraction; (c) Infrastructure designed and built using inadequate building and fire codes resulting in climate susceptible and unsafe buildings; (d) The indiscriminate disposal of small amounts of e-waste generated from the proposed digitization activities when irreparable or at end of life.

159. ***Potential social risks*** identified and detailed in the ESMF, include: (a) Risk of exclusion of or discrimination against women, youth, and people living with disabilities in the engagement of sub-project workers and selection of matching grant beneficiaries; (b) Risk of land acquisition and involuntary resettlement due to activities under Component 2; (c) Labour and working conditions risk due to failure to abide by national legislation on working hours, wages, overtime, compensation, or benefits; (d) Risk of child labour on sub-project activities; (e) Challenges in organizing or obtaining access to grievance redress and referral processes; (f) Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) among Project workers and with local communities and/or stakeholders as the Project activities will take place in rural areas where they may be limited awareness on SEA/SH and difficulties in ensuring adequate supervision of SEA/SH-related measures; (g) Inadequate implementation, supervision, and management of Occupational Hazard Standards on all sites including construction leading to worker and community incidents and accidents; (h) Risk of child sexual abuse tied to child labour in the small agriculture enterprise; and of sexual exploitation of beneficiaries in exchange for job opportunities and accessing matching grants.

7.4 WORLD BANK ENVIRONMENTAL AND SOCIAL RISK CLASSIFICATION

160. The Project is classified as having ***Substantial*** level of Environmental and Social Risks and impacts. This is the second tier in the World Bank Environmental and Social Risk Classification system, which comprises *High, Substantial, Moderate,* and *Low*. Given the risk category that the Project falls under, the Project will only support any subprojects (e.g., matching grants under Component 1.3 and individual Tasks especially under C2) with substantial, moderate, or low environmental and social risks and impacts. Mitigation and management approach will consist of realistic and achievable measures to avoid, reduce, and redress the potential adverse risks and impacts that shall be associated with the implementation of the Project. In addition, the Project will strive to enhance the positive environmental and social impacts associated with all Project activities.

7.5 GOVERNMENT OF THE REPUBLIC OF ZAMBIA SAFEGUARD POLICIES

161. The relevant Government policies, regulations and conventions that have a bearing on safeguard and will guide the implementation of the Project are listed in Chapter 4 of the adopted ESMF. The most immediately relevant policies and legislations to ESS are : (a) the National Policy on Environment (2007), (b) The Environmental Management Act No. 12 of 2011 and its subsidiary regulations, (c) The Environmental Impact Assessment Regulations of 1997[46] as well as (a) The Forests Act No. 4 of 2015, (b) the Lands Acquisition Act Cap 1989, (c) the Employment Code Act No. 3 of 2019, (d) the Public Health Act Chapter 295 of the Laws of Zambia, (e) the Occupational Health and Safety Act No. 26 of 2010, and (f) Zambia Wildlife Act No. 14 of 2015. For a more comprehensive treatment of these please refer to the ESMF.

[46] The 1997 regulation on ESIA still prevails since no newer regulations were issued under the Environmental Management Act No. 12 of 2011.

162. Chapter 4 of the ESMF also describes the institutional framework relevant to ESS for the Project and Section 5.3 carries out a gap analysis comparing the World Bank ESS instruments to those available in the Zambia policies and legislation. Significant gaps were observed on all ESS, therefore the ESMF concludes that the World Bank standards must be used.

163. The Zambia equivalent-ESS function is with the MoGEE and especially with the Zambia Environmental Management Agency (ZEMA). The Environmental Management Act establishes ZEMA. It is a statutory body, whose main functions are: (a) Integrated environmental management and the protection and conservation of the environment and sustainable management and use of natural resources, (b) prevention and control of environmental pollution and environmental degradation, (c) Assuring public participation in environmental decision making and access to environmental information, and (d) Undertaking environmental auditing and monitoring. In relation to this development, some of the functions of ZEMA are to review environmental impact assessment reports and undertake environmental auditing and monitoring (see also Section 4.3.16 of the ESMF)

7.6 TRIGGERED WORLD BANK ENVIRONMENTAL AND SOCIAL STANDARDS

164. During Project preparation and appraisal, eight (8) out of ten (10) World Bank Environmental and Social Standards (ESS) were triggered. The triggered ESSs are listed and analysed in detail in Chapter 5 of the ESMF. A summary is highlighted in the table below.

Table 12: Overview of World Bank Environmental and Social Standards (ESS)

E&S STANDARDS	DESCRIPTION	ESS TRIGGERED
ESS 1	**Assessment and Management of Environmental and Social Risks and Impacts**. This Environmental and Social Risks and Impacts Standard was triggered by default as for all Bank financed projects. ESS1 sets out the Project's responsibilities for assessing, managing, and monitoring environmental and social risks and impacts associated with each stage of a Project in order to achieve environmental and social outcomes consistent with the ESSs.	Triggered
ESS 2	**Labour and Working Conditions**. This Environmental and Social Standard was triggered because the design of the Project involves direct workers, employed, or engaged directly by the PIU and consultants, contractual workers, and government workers. Further, this Standard provides guidelines on forced labour/ child labour which might occur in the Project.	Triggered
ESS 3	**Resource Efficiency and Pollution Prevention and Management**. This Environmental and Social Standard on Resource Efficiency and Pollution Prevention was triggered because during Project implementation, major civil works will involve construction, operation and decommission phases, activities that generate dust, solids, hazardous electronic and liquid waste that may contaminate the physical, biological, and socioeconomic environment. Some of these impacts may be localised whilst some of the impacts may be cumulative.	Triggered

ESS 4	**Community Health and Safety**. This Environmental and Social Standard on Community Health and Safety was triggered because during Project implementation, harm may be caused on communities through increased dust generations, discharge of untreated effluent into nearby streams and water bodies; transmission of communicable diseases such as COVID-19, disposal of hazardous materials, increased vehicular movement that may cause road traffic accidents and potential security risks on the surrounding communities. The Project is also likely to support investment activities that may involve construction of infrastructure that will need to comply with national construction standards and codes.	Triggered
ESS 5	**Land Acquisition, Restriction on Land Use, and Involuntary Resettlement**. This Environmental and Social Standard on Land Acquisition, Restrictions and Involuntary Resettlement was triggered because some Project activities may require additional land adjacent to their existing localities and for possible expansion and possible loss of access to protected areas resources.	Triggered
ESS 6	**Biodiversity Conservation and Sustainable Management of Living Natural Resources**. The Project involves the development of infrastructures and tourism activities in critical natural terrestrial, aquatic, and wetland habitat in at least two national parks and three Game management Areas.	Triggered
ESS 7	Indigenous People, Sub-Sahara African Historically Undeserved Traditional.	Not Triggered
ESS 8	**Cultural Heritage**. The potential cumulative, direct and indirect impacts of the Project on cultural heritage could include (i) accidental destruction of sites by land clearances for construction (ii) looting, vandalism and illegal exportation of antiquities (iii) poor quality management of cultural resources (iv) pollution and over exploitation of groundwater (source of the Zambezi) (v) conflict between development and conservationism (vi) a lack of resources for heritage management and (vii) increased population pressure on sites.	Triggered
ESS 9	Financial Intermediaries	Not Triggered
ESS 10	**Stakeholder Engagement and Information Disclosure**. As the Project has considerable focus for physical construction of access infrastructure, improvement of tourism sites, promotion of borrowing incentives, engaging local and national stakeholders to advance the objectives of the Project will be critical. There will be need for full disclosure of both positive and negative impacts related information on the Project.	Triggered

7.7 Environment and Social Standards Instruments

165. The Government has prepared several ESS instruments. Some have been adopted prior to effectiveness starting with the ESCP (commitment document) and the SEP, ESMF and the LMP (substantial documents). Other instruments are in the process of review and improvement and will be disclosed and adopted within 6 months of effectiveness (the PF, the RPF). Note that for five of the eight triggered ESSs (#1,3,4,6,8), the approved ESMF provides framework guidance for developing specific plans and addressing relevant risks as the need arises during the course of project implementation. For the three of the eight triggered ESSs (#2,5,10) specific plans have been produced (#2 - LMP and #10 - SEP) or are underway (#5 - RPF and

PF). Below is a summary of the content of these instruments for the purpose of informing the PIM. Please use these instruments (and not the summary below) when implementing them under the Project.

Environmental and Social Commitment Plan (ESCP)

166. The ESCP, which is adopted by the Government, is a commitment to implement the World Bank ESS. To this effect, the ESCP sets out the Environmental and Social instruments that shall be adopted by the Government and implemented under the Project. All of them are subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the World Bank. These instruments are the ESMF, the LMP, the SEP, the PF and RPF. These instruments may be revised from time to time with prior agreement by the World Bank. The ESCP also sets out measures and actions that the MoT shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring, and reporting arrangements, and grievance management.

Stakeholder Engagement Plan (SEP)

167. The SEP provides the below table that indicates roles and responsibilities of institutions and lead persons for the implementation of the SEP. It provides procedures and mechanisms to help ensure effective and meaningful consultations with the stakeholders, and timely disclosure of information related to the Project implementation.

Table 13. Institutions engaged in SEP and responsibilities.

Institution /Lead Person	**Responsibility**
Project Steering Committee	• Oversight responsibility for entire project implementation.
Project Technical Committee	• Technical support of the implementation of the SEP and resolution of grievances.
MoT (Social Safeguards Specialist- PIU)	• Overall coordination of project activities and implementation of the SEP. • Ensure effective implementation of GRM. • Document the performance of SEP implementation. • Initiate and coordinate stakeholder engagement activities. • Assign staff to keep written records on stakeholder engagement activities and on grievances. • Ensure the involvement of other implementing partners in the monitoring of SEP activities.
Focal Point (Provincial Planning Unit)	• Receive and record the complaints from the District Council • Keep written records on stakeholder engagement activities and on grievances. • Deal with the received grievances, if not resolved, escalate them to Project Implementation Unit.

	• Ensure the involvement of other implementing partners in the monitoring of SEP activities.
Focal Point (District Council)	• Receive and record the complaints from the clients • Keep written records on stakeholder engagement activities and on grievances. • Deal with the received grievances, if not resolved, escalate them to Provincial Planning Unit. • Ensure the involvement of other implementing partners in the monitoring of SEP activities.

168. **Grievance Redress Mechanism**. The SEP stipulates a three-tiered Grievance Redress Mechanism (GRM) for the Project with provisions for receiving grievances, processing, and resolution, and reporting back to complainant. The GRM incorporates a systematic escalation procedure of a grievance if the complainant remains unsatisfied with the resolution and seeks to appeal.

169. ***Budget and M&E***. The SEP identifies the budget required for implementing SEP activities for the whole Project lifecycle and this budget has been incorporated in the Project Cost table in Annex 2. The SEP also clearly lays out a monitoring mechanism to ensure effective implementation of the activities and to enable the Project to take corrective measures if required.

170. ***COVID-19 pandemic***. The SEP should be read in context of the COVID-19 environment or any other pandemic, and the restrictions under COVID-19 which may impact the ability to carry out stakeholder engagement activities as currently envisaged. Some considerations for undertaking stakeholder engagements during the context of COVID-19 has been provided. Where circumstances related to COVID-19 change such that this stakeholder plan cannot be carried out as planned, the SEP will be updated based on changes in the operating environment or unforeseen factors and re-disclosed.

Environmental and Social Management Framework (ESMF).

171. The PIU, through the safeguard specialists, and all Task Agencies must comply with and implement the ESMF. For five of the eight triggered ESSs (#1,3,4,6,8), the approved ESMF provides framework guidance for developing specific plans and addressing relevant risks as the need arises during the course of project implementation.

172. ***ESS1.*** The ESMF – for Subcomponent 1.3 (Matching Grants) and Component 2 (Infrastructure) – sets rules and procedures for screening environmental and social risks. When necessary, the impact assessment shall be conducted to produce site specific Environmental

and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP).

173. ***ESS3.*** In compliance with ESS3 (Resource Efficiency and Pollution Prevention), the ESMF describes the management and mitigation measures of potential pollutants arising from air pollution, hazardous and non-hazardous waste, and chemicals and hazardous material as outlined in the ESMF.

174. ***ESS4.*** In compliance of ESS4 (Community Health and Safety), for sub-projects to be financed under the MGS (Component 1.3), the Project's ESMF addresses sub-project activities that may pose community health and safety risks and identify mitigation measures to be applied through ESMPs where applicable. The Matching Grant application, screening and monitoring processes requires that such issues are identified, addressed, and mitigated.

175. ***ESS6.*** In compliance of ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), for sub-projects to be financed under the MGS (Sub-Component 1.3), especially Component 2 (infrastructure), the Project's ESMF requires that impact assessment is conducted to produce site specific Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP). The Matching Grant application, screening and monitoring processes requires that such issues are identified, addressed, and mitigated. Also in compliance with ESS5, when critical natural habitat is potentially affected, the proposed infrastructure will be modified or cancelled to avoid any irreversible damage. This measure applies as well to associated infrastructure projects.

176. ***ESS8.*** In compliance of ESS8 (Cultural Heritage), for Component 2 (infrastructure), the Project's ESMF requires that the ESIA and ESMP that will be prepared includes an investigation on cultural heritage standards and implement a chance find procedure.

Resettlement Policy Framework (RPF) and Process Framework (PF)

177. This Project may have land acquisition and, possibly, resettlement due to construction activities especially in component 2. However, the magnitude of resettlement impacts is not expected to be large as much of the works are expected to be done in the existing localities. To avoid land acquisition as much as possible, the Project will opt for sites that are already owned by the government and free of leaseholders. In compliance with ESS5 (Land Acquisition, Restriction, and Involuntary Resettlement), an RPF has been prepared. It provides guidance on how to screen for any land acquisition and resettlement. In addition, some of the sub-project may involve the improvement of protection of protected area land against illegal uses. A Process Framework has been prepared to provide guidance on how to identify affected parties and provides a process toward ensuring that their loss of access to protected areas resources is compensated by measures included in the sub-project.

Labour Management Plan (LMP)

178. In compliance with the requirements of ESS2, a Labour Management Plan (LMP) has been developed and will facilitate planning and implementation of the Project. The LMP identifies the main labour requirements and risks associated with the Project and guides the Project on addressing labour issues.

8 TRIGGERED WORLD BANK LEGAL OPERATIONAL POLICIES

8.1 OPERATIONAL POLICY 7.50 ON PROJECTS ON INTERNATIONAL WATERWAYS

179. The Project triggers the OP 7.50 on Projects on International Waterways. The OP7.50 covers the following types of international waterways: *"(a) Any river, canal, lake, or similar body of water that forms a boundary between, or any river or body of surface water that flows through, two or more states, whether Bank members or not; (b) any tributary or other body of surface water that is a component of any waterway described in (a) above; and (c) any bay, gulf, strait, or channel bounded by two or more states or, if within one state, recognized as a necessary channel of communication between the open sea and other states – and any river flowing into such waters.*" The Policy is also applied to transboundary aquifers and aquifers connected to international waterways.

180. The OP7.50 is applicable to this Project because the activities may involve the use and potential pollution of the Zambezi River system (shared by Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia, and Zimbabwe), Congo River system (shared by Angola, Burundi, Cameroon, Central African Republic, Democratic Republic of Congo, Republic of Congo, Rwanda, South Sudan, Tanzania, and Zambia) and Lake Tanganyika (shared by Burundi, Democratic Republic of Congo, Tanzania, and Zambia).

181. However, paragraph 7 of the OP7.50 specifies three exceptions to the requirement that the other riparian states be notified of the Project. The exception under paragraph 7(a) applies: "*For any ongoing schemes, projects involving additions or alterations that require rehabilitation, construction, or other changes that in the judgment of the Bank (i) will not adversely change the quality or quantity of water flows to the other riparians; and (ii) will not be adversely affected by the other riparians' possible water use. This exception applies only to minor additions or alterations to the ongoing scheme; it does not cover works and activities that would exceed the original scheme, change its nature, or so alter or expand its scope and extent as to make it appear a new or different scheme (…*)"

8.2 COMPLIANCE PROCESS

182. Under subcomponent 1.3, the MGS activities are not yet defined, however, investment proposals and selection process will be guided by a set of eligibility criteria adopted in Volume 3 of the PIM (Matching Grant Manual). These include (a) a negative list clarifying that no new schemes that would have an impact on international waterways (i.e., Zambezi River system,

Congo River system, and Lake Tanganyika) will be financed under this subcomponent and (b) that eligible activities that may rely on international waterways will be limited to small-scale upgrading and rehabilitation of existing schemes which will not adversely change the quantity and quality of water flows to other riparians. This set of criteria is reflected in the Environmental and Social Management Framework (ESMF).

183. Under Component 2, the Project will finance selected service infrastructure. Although these activities have not been determined yet, some eligible structures -- such as rehabilitation or improvement of rural water supply systems and water access systems -- may rely on small abstractions of groundwater through boreholes, which may be connected to the Zambezi River system, Congo River system, and Lake Tanganyika. These activities will be limited to small-scale rehabilitation of and minor additions to existing schemes and will not include investments in new schemes.

184. Component 2 may also support the improvement of river transportation routes that may be located on the listed international waterways. These works will be limited to routine maintenance (including dredging) of existing navigable routes either by way of providing the necessary equipment to the relevant government entities or through small-scale community maintenance work.

185. The exact size and number of the relevant investments and will only become clear when the IIP is prepared. The TORs of the SESA and of the IIP (especially its multicriteria analysis) and the ESMF include eligibility criteria clarifying that (a) no new schemes that would have an impact on international waterways (i.e., Zambezi River system, Congo River system, and Lake Tanganyika) are eligible to be financed under this Project and that (b) eligible activities that may rely on international waterways will be limited to small-scale upgrading, rehabilitation, and expansion of existing schemes which will not adversely change the quantity and quality of water flows to other riparians.

186. The assessments and management of environmental risks and impacts will be proportionate to the sensitive nature of the subprojects and will follow the ESMF. The ESMF includes a set of criteria for screening of potential risks/impacts Any potential negative impacts on water quality due to the proposed civil works will be addressed through appropriate mitigation measures identified and reflected in the ESMF and site/activity specific instruments.

187. Since the list, scale and type of infrastructure will be determined during the Project in the IIP, the OP7.50 exception will be confirmed or revisited based on the conclusion of the SESA and IIP of the three Project Areas

9 GOVERNANCE ASSESSMENT AND ACTION PLAN

9.1 INTRODUCTION TO THE GOVERNANCE ASSESSMENT AND ACTION PLAN

188. The purpose of the GAAP is to identify risks and to devise actions to proactively prevent them from undermining the investment and the efforts to achieve the PDO. To be effective, the GAAP is closely linked with the Project operation. At the broadest level, the risks and actions would include those relating to the Sector for which the Project's PDO has been defined - and at the most specific level, those relating to the Sub-component tasks planned under the Project. Finally, GAAP also prepares for unforeseen risks that arise during implementation.

189. ***Approach to identifying risks***. The risks are identified by scanning the full spectrum of the Project with the intention to populate a list of risks. For taking a methodical approach, four types of Governance issues are considered: information system, accountability mechanism, public service performance management system, and rule of law (from GRZ 8NDP Governance Pillar). Hence, the questions are posed as, "Considering the Project's broad objectives / outcomes pursued / activities planned - are their successes critically curtailed by the weaknesses known (or likely) in -

- Information system, described as system to facilitate reliable flow of accurate information to key stakeholders in transparent and timely manner;
- Accountability mechanism, described as mechanism to identify precise causes of underperformance or malpractice and facilitate timely and material remedy to the cause;
- Public service performance system, described as systems designed to "regularly and objectively evaluate ministerial departments and agencies' performance" in fulfilling their duties and mandates, providing for penalizing and incentivizing schemes to promote better performance;
- Rule of law, described as system of principle and practice to subject all State institutions to the same laws as with all citizens and entities.

190. ***Approach to devising actions***. The actions are devised by considering the various operational apparatus of the Project with the intention to design actions that are integral to Project implementation and can manifest in material ways to reduce governance and accountability risks, such as actions that PIU/MOT can take, guidance that the PSC can provide, and making use of Project implementation stages. These would include actions such as devising terms of reference, negotiating and signing MOU / Task Concept / and other agreements with Task Agencies, conducting technical studies, mobilizing specific stakeholder engagement activities, commissioning financial audits, and using well-planned communications as way of addressing governance issues.

191. Important to note about the approach to devising actions is that the Project is designed as a 'framework project'. Meaning, having determined a PDO and a Results Framework, the specifics Project activities are identified during implementation. Such specifics will be developed through the mechanisms described in the PIM such as the MGS or Task Agencies

(i.e., ministerial departments and agencies) producing and implementing Task Concept Documents or as per the IIP derived from the Destination Planning process. Hence at this launching stage, the GAAP focuses on using the PIM's instruments that are geared to lay the groundwork for Task development.

192. Because Year-1 will see the development of the Tasks into full set of specific activities and stakeholders - the actions in this version of the GAAP will need to be updated during Year-1.

9.2. GOVERNANCE CONTEXT IN A TRANSITION TO GREEN ECONOMY

193. The Project and its Governance Assessment and Action Plan (GAAP) support the 2030 Vision and 8NDP. Both aim to promote the Government policies and development goals. Zambia's vision of attaining a prosperous middle-income status by 2030 emphasizes development that is anchored on sustainable environment, ecosystems, and natural resource management principles. The five-year 8NDP is closely supported by the following:

- The Project investment directly support the 8NDP's key Strategic Development Area (SDA) for economic transformation and job creation, whose four driver sectors include the tourism industry.
- The Project supports the 8NDP agenda for environmental sustainability - which includes transition to a modern green economy. The Project helps to develop nature-based economy, including nature-based tourism, which is a subset of green economy.
- The GAAP supports the 8NDP, recognizing that good governance is an important precursor for transforming the economy, sustaining economic growth, and promoting human dignity, thereby safeguarding lives and livelihoods.
- The GAAP supports the SDA of the 8NDP for good governance environment - which includes strengthened information systems, accountability mechanisms, public service performance management system, and enhanced rule of law.
- The GAAP helps the Project's public investment, and its implementing institutions adhere to, and contribute to, building good governance environment.

194. Nature-based economy, including nature-based tourism, has complex dimensions of governance and accountability such as:

- Tenure – ways by which people gain legitimate access to resources for the purpose of management, extraction, use, and disposal – is both formal (statutory) and informal (customary).
- Different rights about a natural resource can be distributed across multiple right-holders.
- Delimiting the scope of product and services offered by nature and natural resources can be unclear.
- Periodic reshuffling of public institutions around natural resources (land, forests, water, and wildlife) contributes to persistent coordination challenges across policymaking and regulating public offices.

195. More broadly, the pursuit of a green economy – defined as economic activities, infrastructure, and assets that allow reduced carbon emissions and pollution, enhanced energy and resource efficiency, and prevention of the loss of biodiversity and ecosystem services – is commonly concerns with governance and accountability priorities such as: (a) fair share of bearing the transition burden, (b) equitable access to emerging opportunities, and (c) adequate mechanisms to measure and uphold the integrity of being 'green'.

9.3 GOVERNANCE AND ACCOUNTABILITY RISKS TO THE PROJECT

196. ***Project Development Objective*** is to strengthen the enabling environment, access to resilient infrastructure and economic opportunities in emerging tourism destinations in Zambia.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System ( )	Accountability Mechanism ( )	Public Service Performance Syst. (✓)	Rule of Law (✓)

197. Risks to nurturing healthy nature-based economy are weak rule of law and public service performance system. These risks can be in the form of overlooking breach of regulations on protected areas, allowing conflictual title deeds in areas designated for community wildlife and forest management, neglecting command of impact management tools, prolonging court hearings etc. as seen in legal disputes and public grievances incompatible and disputed investment activities in protected areas and community-managed areas. Example cases are land reallocation for industrial agriculture in Kafinda and Mukungule GMAs; mining in Lower Zambezi and Lochinvar National Park; hydropower and other infrastructure interests in Nsumbu National Park. Possible impact on the PDO is that these risks may lead to continued erosion of investors, partners, and communities' trust and confidence in the systems to promote nature-based economy may prevent PDO achievement.

198. ***Sub-Component 1.1.2 task on streamlining licenses*** - is part of concerted efforts to improve destination planning, planning, marketing, and licensing to create an enabling environment for nature-based economy.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System (✓)	Accountability Mechanism ( )	Public Service Performance Syst. (✓)	Rule of Law ( )

199. Risks to effective reform of licensing process towards efficiency and transparency are compromised public service performance system and weak information system. These risks can be in the form of political or administrative resistance and delays in reviewing the policies/practices aimed at reducing the process time given potential rent-seeking practices for issuing or renewing licenses. Prolonged and opaque license processing and policy review process may diminish the investment climate.

200. ***Sub-Component 1.2.1 task on destination planning*** - is part of improving the competitiveness of nature-based policy, regulatory, and institutional frameworks to create enabling environment for nature-based economy.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System (✓)	Accountability Mechanism ( )	Public Service Performance Syst. ( )	Rule of Law ( )

201. Risk to participatory and assessment findings-based destination planning is weak information system. Such risk can be in the form of haphazard, inconsistent, and incomprehensive dissemination and collection of information from across remote communities, current investors, sector authorities and diverse stakeholders that may have varying views. Irregular and incomplete information exchanges may skew assessments, lead to stakeholders' disregard of the output generated.

202. ***Sub-Component 1.2.2 task on improving concession and CMP process*** - is part of improving the policy, regulatory, and institutional frameworks for nature-based economy.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System ( )	Accountability Mechanism (✓)	Public Service Performance Syst. ( )	Rule of Law (✓)

203. Risks to improving the concessions and collaborative partnership agreement processes are weak rule of law and accountability mechanisms including transparency. Risks can be in the form of opaque decision-making or unreliable process, as seen in the recent hunting concession mishap. Failure to demonstrate strong reform and improvement in the process may exacerbate the investment climate and prospects for partnerships in tourism and more broadly the nature-based economy sector.

204. ***Sub-Component 1.2.2 task on improving benefit sharing*** - is part of improving the policy, regulatory, and institutional frameworks for nature-based economy.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System ( )	Accountability Mechanism (✓)	Public Service Performance Syst. ( )	Rule of Law (✓)

205. Risks to improving equitable benefit-sharing among stakeholders are weak information system and public services performance system. Risks can be in the form of: (a) lack of reliable information access platform with and among remote communities; and (b) lack of adequate public service outreach to these communities as demonstrated by common grievance on benefit sharing and lawsuit by the CRBs association on revenue loss due to concession mishap. Perceived and real limitation of equitable benefit-sharing may generate and exacerbate conflict and mistrust among stakeholders (communities, investors, partners, public agencies).

206. ***Sub-Component 1.2.4 task on improving institution capacities and carbon related technical expertise*** - is part of improving the policy, regulatory, and institutional frameworks for nature-based economy.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System ( )	Accountability Mechanism (✓)	Public Service Performance Syst. (✓)	Rule of Law ( )

207. Risks to building competent and sustainable public institution capacity, especially on regulating and servicing carbon credit trade are weak public service performance system and accountability mechanism. Risks can be in the form of unrestrained rent-seeking behaviour and culture that do not reward or disincentivize integrity, as seen in lax enforcement of environmental standards. Lacking the system to attribute performance and accountability may lead to technical negligence or compromised integrity in public standards and certifications.

208. ***Sub-Component 1.3. Matching Grants to CBEs*** – is part of creating the enabling environment for the nature-based economy.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System (✓)	Accountability Mechanism (✓)	Public Service Performance Syst. (✓)	Rule of Law ( )

209. Weak information system and accountability mechanism, pauses a risk to technically sound Matching Grants. Risks can be in the form of lack of transparency in the process of identification and due diligence of co-investors and in the evaluation of the applications. Opaque process and weak due diligence may lead to matching grants that are not aligned with the Subcomponent aim to support sustainable partnerships for nature-based economy.

210. Weak public service performance system pauses a risk to mobilizing commitment for nature-based activities from communities, civil societies, or investors. Risks can be in the form of unclear lawmaking process and lack of signalling to address and reform public grievances, as seen in the lawmaking and review process on climate change and for National Parks and Wildlife Act and grievance over natural resource and land uses (examples listed in Governance Risks on PDO). Prolonged lack of clarity in legal frameworks and institutional resolve may diminish motivation and trust among communities, civil societies, and investors in nature-based economy.

211. ***Component 2*** is about improving climate-resilient access and basic service infrastructure.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System ( )	Accountability Mechanism (✓)	Public Service Performance Syst. ( )	Rule of Law (✓)

212. Risks to decision-making based on technical and participatory input are weak accountability mechanism and rule of law. Risks can be in the form of Political or administrative influence in selecting infrastructure investments and discouraging environment for whistleblowing. A weak system to protect against non-technical influence in investment design may lead to low economic return, unreasonable social and environmental impact, insufficient resilience to climate change or irrelevance to the PDO.

213. ***Component 3*** is about Project administration and management.

Key relevant dimensions of the 8NDP Good Governance Environment			
Information System (✓)	Accountability Mechanism (✓)	Public Service Performance Syst. (✓)	Rule of Law (✓)

214. *Weak accountability mechanism and rule of law* pauses risks to Project administration and management. Risks can be in the form of political or administrative influence, including influence to cause misapplication of Project funds. The lack of strong system to keep independence and autonomy of the Project may hamper PIU ability to meet the Project Development Objective (PDO).

215. *Weak public service performance system* pauses risks to coordination between horizontal and vertical institutions. Risk can be in the form of a lean PIU structure that only has one Facilitator in each Project area and yet faced with high demand for coordination support to compensate for Weak institutional coordination between government and non-government at national, provincial and district levels. Poor coordination may result in weak Project implementation and low efficiency and outcomes.

216. *Weak accountability mechanism* pauses risks to proper fiduciary functions (procurement, safeguards, financial management). Risk can be in the form of corrupt practices in procurement, supervision of services and construction contracts. Compromised procurement and other fiduciary procedures may lead to payment for poor quality, unfinished work, or non-compliance to safeguards.

217. *Weak information system* pauses risks for effective Project administration about comprehensive and strategic communications issue management. Absence of qualified communication specialist and the lack of a system to promote performance may lead to miscommunication, inadequate information dissemination.

218. *Weak public service performance system* pauses risks in the form of absence of qualified staff in the PIU and non-functional system to motivate good performance. Absence of qualified governance specialists and the lack of a system to promote performance may lead to ineffective management of the Project's reputation and public image, crisis management challenges, and ineffective monitoring and management of the Project's governance risks.

219. *Weak accountability mechanism, public service performance system, and rule of law* pause risks to proactivity in responding to integrity and accountability issues throughout Project administration and management. Risks can be in the form of weak Project oversight for integrity and accountability. Weak oversight for integrity and accountability may provide opportunities for fraud and corruption.

9.4 GAAP MITIGATION ACTION PLAN

220. Based on the analysis of the governance and accountability risks, an Action Plan has been adopted to mitigate comprehensively all the risks. The MoT, as Project Recipient is responsible to implement the Action or cause the DoT and PIU to implement it.

Table 14. Governance risks and mitigation action plan

S/N	Potential risk and possible impact on Project	Relevant Project Part to which the risk applies	Mitigatory Action TCD = Task Concept Document SEP = Stakeholder Engagement Plan	Responsible entity	Evidence	Timeframe	Priority Ranking
1.	**Continued erosion of stakeholders' trust and confidence in the systems to promote nature-based economy** may prevent PDO achievement	PDO. *Nurturing nature-based economy.*	- Track and report on updates of ongoing cases concerning CRBs/CFMGs/CSOs in nature-based economy (see Table 14 for initial case list). - Release high level public statement on the ongoing cases and their relevant policy directions.	- PIU - PIU/PSC	- Semester reports - Semesterly public policy statement released.	- Every semester - Every semester	High
2.	**Prolonged and opaque license processing and policy review** may diminish investment climate.	C1.1. Task on streamlining licenses. *Effective reform of licensing process towards efficiency and transparency.*	- Hold information session with parliamentary committee responsible with tourism issues on licensing and other policy issues, in SEP implementation. - Produce a brief status of (nature-based tourism) licensing policy and practices	- MoT - ZTA as Task Agency (to be confirmed in Yr1)	- Semester report - Briefing note	- Within 6 mo. of effectiveness and as needed - Within 6 mo. of MoT instruction.	High
3.	**Irregular and incomplete information exchanges** may skew assessments, lead to stakeholders' disregard of the output generated.	C1.2. Task on destination planning. *Participatory and assessment findings-based destination planning.*	- Appoint officers (or hire field assistants) or officers to collect and share DP/SESA findings and analysis and handle grievances among Project area stakeholders through field presence and telecommunication.	- PIU (possibly through local DNPW and regional tourism dev. office)	- Appointment letter (or contract) - Field reports from officers.	- Within 1 month of DP/SESA consultancy contract signing	Moderate
4.	**Failure to demonstrate strong reform and**	C1.2. Task on improving concession and	- Commission and release an independent lessons study on sector concession mishap.	- DNPW as Task Agency (to be	- Independent study	- Within 1 yr. of MoT instruction.	Moderate

S/N	Potential risk and possible impact on Project	Relevant Project Part to which the risk applies	Mitigatory Action TCD = Task Concept Document SEP = Stakeholder Engagement Plan	Responsible entity	Evidence	Timeframe	Priority Ranking
	improvement in the process may harm climate for investment and partnerships in tourism and broader nature-based economy sector.	CMP process. *Facilitating fair, competent, efficient processes for concessions and partnership agreements*	- Develop or improve an online information platform to post progress on concession and partnership agreements (to be refined in Task Concept Document)	confirmed in Yr1) for both actions	- Information platform that is posting timely updates	- (to be updated in Yr1 based on Task Concept Document)	
5.	**Perceived and real limitation of equitable benefit-sharing** may generate and exacerbate conflict and mistrust among stakeholders.	C1.2. Task on improving benefit sharing (in policy, regulation, and institution). *Improving equitable benefit-sharing among stakeholders*	- Hire or partner with a competent entity to develop and train on appropriate tools and protocol for reliable communication in remote areas (to be refined in Task Concept Document) - Collect and synthesize feedback from beneficiaries on satisfaction evaluation.	- DNPW as Task Agency (to be confirmed in Yr1) for both actions	- Tools and protocols for communication - Satisfaction survey	- (to be updated in Yr1 based on Task Concept Document) - Annually	Moderate
6.	**Lacking the carbon market framework to attribute performance and accountability** may lead to technical negligence or compromised integrity in public standards and certifications.	C1.2. Task on improving institutions capacities and carbon expertise. *Building competent public institution capacity, esp. on regulating carbon credit trade*	- Organize a training session for key institutions and community beneficiaries who are involved in carbon projects on addressing challenges and using tools for monitoring, reporting, verification.	- DGECC as Task Agency (to be confirmed in Yr1)	- Session report	- Within 1yr. of MoU signing (to be updated in Yr1 based on Task Concept Document)	Moderate
7.	**Opaque process and weak due diligence** may lead to matching grants that are not aligned to support	C1.3. Matching grants to CBE. *Facilitating technically sound matching grant.*	- Publish at Project website (a) brief summary of profile of Mentors and co-investors being considered and (b) evaluation of matching grant applications due diligence;	- PIU (especially the Facilitators and C1 Head)	- Publication on Project website	- Within 9 mo. of effectiveness and after semesterly	Low

S/N	Potential risk and possible impact on Project	Relevant Project Part to which the risk applies	Mitigatory Action TCD = Task Concept Document SEP = Stakeholder Engagement Plan	Responsible entity	Evidence	Timeframe	Priority Ranking
	sustainable partnerships for nature-based economy.						
8.	**Lack of clarity in legal frameworks and institutional resolution** will diminish motivation and trust among communities, civil societies, and investors in nature-based economy.	C1.3. Matching grants to CBE. *Mobilizing genuine and vibrant commitment for nature-based activities from communities, civil societies, and investors.*	- Publish at Project website and include in semester report progress toward the amendment of the Wildlife Act, the Climate Change bill, and other relevant legal frameworks, as monitored with parliament and government entities. - Organize training for Facilitators on governance-risks, mitigation, and handling grievances.	- PIU	- Publication on Project Website - Semester reports - Training evaluation survey	- Within 3 mo. of effectiveness and thereafter semesterly - Within 2 mo. of recruitment of Facilitators	High
9.	**Weak system to protect against non-technical influence in investment design** will lead to low economic return, negative social/environmental impact, insufficient resilience to climate change or irrelevance to the PDO.	C2. Improving Climate-Resilient Destination Access and Basic Service Infrastructure. *Making infrastructure decisions based on technical and participatory input.*	- Devise a list of technical expert pool who can advise on selection of infrastructure investments. - Appoint officers (or hire field assistants) to collect and disseminate input, output, grievances relating to Infrastructure Investment Plan under C2.	- PIU	- List with CVs - appointment letter or contract	- Within 6 mo. of effectiveness - Within 1 month of IIP consultancy contract signing.	High
10.	**The lack of strong system to keep independence and autonomy of the Project** will hamper PIU ability to meet PDO.	C3. Project administration and management. *Effective administration and Project mgmt.*	- Hold information session with Parliamentary committee responsible for tourism to inform on the Project governance issues.	- PIU	- Session summary	- Within 3 months of effectiveness, annually thereafter, or as needed	High

S/N	Potential risk and possible impact on Project	Relevant Project Part to which the risk applies	Mitigatory Action TCD = Task Concept Document SEP = Stakeholder Engagement Plan	Responsible entity	Evidence	Timeframe	Priority Ranking
11.	**Poor coordination** may result in weak Project implementation and low efficiency and outcomes.	C3. Project administration and management. C*oordination between horizontal and vertical institutions.*	- Launch a communication protocol and channel for horizontal and vertical institutional coordination with state and non-state actors at sub/national levels in a way that is consistent with the SEP and the VACS.	- PIU	- Presence of communication channel being used	- Within 3 mo. of effectiveness	Moderate
12.	**Compromised procurement and other fiduciary procedures** will lead to payment for poor quality, unfinished work, or non-compliance of safeguards.	C3. Project administration and management. *Proper fiduciary functions (procurement, safeguards, financial management)*	- Organize training(s) on fiduciary. - Summarize review of adherence to the procurement procedures, transparency in contractor selections.	- PIU	- Evaluation surveys from training - Semester report	- Within 6 mo. of effectiveness and thereafter as needed for replenishment - Every semester	High
13.	**Absence of qualified governance specialists and the lack of incentives for performance** may lead to miscommunication, inadequate dissemination, weak Project reputation and governance risks management.	C3. Project administration and management. *Effective Project administration about comprehensive and strategic communications and governance issue management*	- Monitor the PIU functional capacity score (PIM Vol. M&E), and publicly disclose on Project website. - Hire consultant to provide training to all Task Agencies on communication and governance risks.	- PIU	- Report uploaded online. - Training evaluation survey results	- Within 6 mo. of effectiveness. - Within 6 mo. of effectiveness and as needed.	Low
14.	**Weak oversight for governance and accountability** will provide opportunities for	C3. Project administration and management.	- Report to PSC semester meeting on governance and accountability action plan monitoring results	- PIU - PIU - PSC	- Semester Report (or Report to PSC) - PSC released resolution - Council of Ministers released resolution.	- Every semester - Within 2 weeks of issue raised. - Within 1 mo. of issue raised.	High

S/N	Potential risk and possible impact on Project	Relevant Project Part to which the risk applies	Mitigatory Action TCD = Task Concept Document SEP = Stakeholder Engagement Plan	Responsible entity	Evidence	Timeframe	Priority Ranking
	fraud and corruption.	*Proactively responding to integrity and accountability issues.*	- Raise any particular governance and accountability issues to PSC for a resolution - . Raise any high-level Governance and accountability issues to the Council of Ministers for a resolution. -		-		

221. Action 1 in Table 13 above is the tracking of, and reporting on, updates of ongoing cases, or issues, concerning CRBs/CFMGs/CSOs in nature-based economy. A preliminary list, which will be updated at each reporting period, is provided below. The likelihood of the court cases affecting the implementation of the Project is minimum.

Table 15. Initial list of cases to monitor

Cases, or issues, short name, and status as of 2023	Relevance and implication to GREAT-TDP
Hunting area concession mishap of 2022 (case partly resolved?)	The Project endeavors to improve concession process and improve investment climate for tourism and nature-based economy concessions.
Zambia National Community Resources Board Association claiming compensation for loss of revenue (case ongoing?)	The Project endeavors to assure equitable benefit-sharing-mechanism for communities participating in nature-based economy.
Lower Zambezi National Park Kangaluwi open pit copper mine permitting process challenged (case dismissed?)	The Project endeavors to improve enabling environment for sustainable nature-based economy, including through effective ESIA and impact management in protected areas and other lands for nature-based economy and include, as indicator, the area under improved and secured management.
Lochinvar National Park gypsum mining expansion permitting process challenged (no open court case)	
Kafinda GMAs industrial agriculture and game ranching permitting and compliance monitoring processes challenged (ongoing court case)	
Mukumbule GMAs land reallocation and industrial agriculture permitting and compliance monitoring processes challenged.	
Mosi-O-Tunya National Park tourism infrastructure permitting and concession process challenged.	

10 VISIBILITY AND COMMUNICATION STRATEGY

222. The Project approach to communication is captured in a Visibility and Communication Strategy (VACS). The VACS supplements the SEP, which is about stakeholder engagement. It also complements the work carried out under Subcomponent 1.2 on tourism marketing and branding.

223. Communication will play a key role in addressing some of the challenges associated with lack of information in tapping into the potential benefits of sustainable tourism development. The VACS seeks to raise awareness and educate various additional audiences (internal and external such as the general public) about the Project, the sector it supports and the emerging destinations.

224. The VACS includes communication methods and proposes channels to effectively reach its audiences. The methods include the general citizen engagements, public and private media; capacity building, advocacy, use of traditional and new media. This would be done in several languages and formats and illustrations. In addition, the Project will organize events using specific media and outreach strategy. These strategies will be informed by the nature of the events and the associated communication objectives.

225. The VACS deliverables will be compiled and reported in the Project Semester Reports through two indicators that measure the reach, and impact of the Project communication activities and products on target audiences.

11 CLOSURE OF THE PROJECT

226. Guidance on Project closure is provided in the World Bank Loan Handbook. The Project closure date should not exceed the date given in the Financing Agreement unless agreed between the Ministry of Finance and National Planning (MoFNP) and the World Bank. Project completion is the status of a project when all activities identified in the AWPB for the last year of the Project have been accomplished and the Project Completion Report has reflected all changes that were made at the final Project review and has been distributed to relevant parties.

227. Project completion consists of the operational aspect (i.e. operational closure) and the financial aspect (i.e. financial closure): A Project is operationally closed when all the activities identified in its last AWPB have been completed, and the Project Completion Report has been prepared and submitted to relevant parties. A Project is financially closed when all its financial transactions have been completed, all its contracts liquidated, all its assets transferred to the Government side.

11.1 OPERATIONAL CLOSURE

228. Six months prior to the end date of the Project, the PIU will develop a plan for Project completion activities. The plan may include consultations on Project results and the drafting of

the Project Completion Report (PCR). It may also include advocacy activities to disseminate Project results, share lessons learned, advocate for changes based on the successful models and success stories. The costs for these activities should be included in the estimated budget for the last quarter of the last year. Before declaring the operational closure of the Project, the PIU should ensure that the following conditions are met:

- All Technical Service Providers have fulfilled their tasks as specified in their respective TORs. The PIU has received all technical reports from the consultants/experts and distributed them to relevant parties.
- All the goods, services and/or direct outputs of procurement activities have been transferred to the MoT against the terms and conditions contained in the signed procurement contracts.
- All the training activities, conferences and workshops have been completed.

229. After meeting these conditions, the main steps for the declaration of operational closure are as follows:

- The MoT notifies in writing to the World Bank the operational closure of the Project.
- Within five working days following the receipt of the notification from the Ministry, the World Bank confirms in writing the operational closure of the Project.

11.2 FINANCIAL CLOSURE

230. Financial closure of the Program must take place within six months of the date of its operational closure. Six months before the closing date, the Government and the World Bank will decide whether there is need to extend the closing date. After the closing date passes, the Bank may stop accepting withdrawal applications from the Project. Closing dates should not pass without Bank action to either close the loan account or extend the closing date. Unless already provided for in the Financing Agreement, it shall be decided whether an additional period after the closing date is needed to process final withdrawal applications. If so, the Task Team Leader advises the Project Steering Committee that the Bank will process withdrawal applications received within the agreed period after the closing date. These apply solely to expenditures made or payments due for goods, works, and services delivered or performed before the closing date.

231. Following completion of disbursements by the Bank, the Bank will advise Government of the final disbursement position and any unused balance and the standard closure procedures shall follow, including preparation of the final financial statement and arrangements for any audit required, preparation of an implementation completion report that assesses the Project's success in meeting the development objective and intermediate outcomes, including lessons learnt.

232. Before declaring the financial closure of the Program, the PIU should ensure that the following conditions are met:

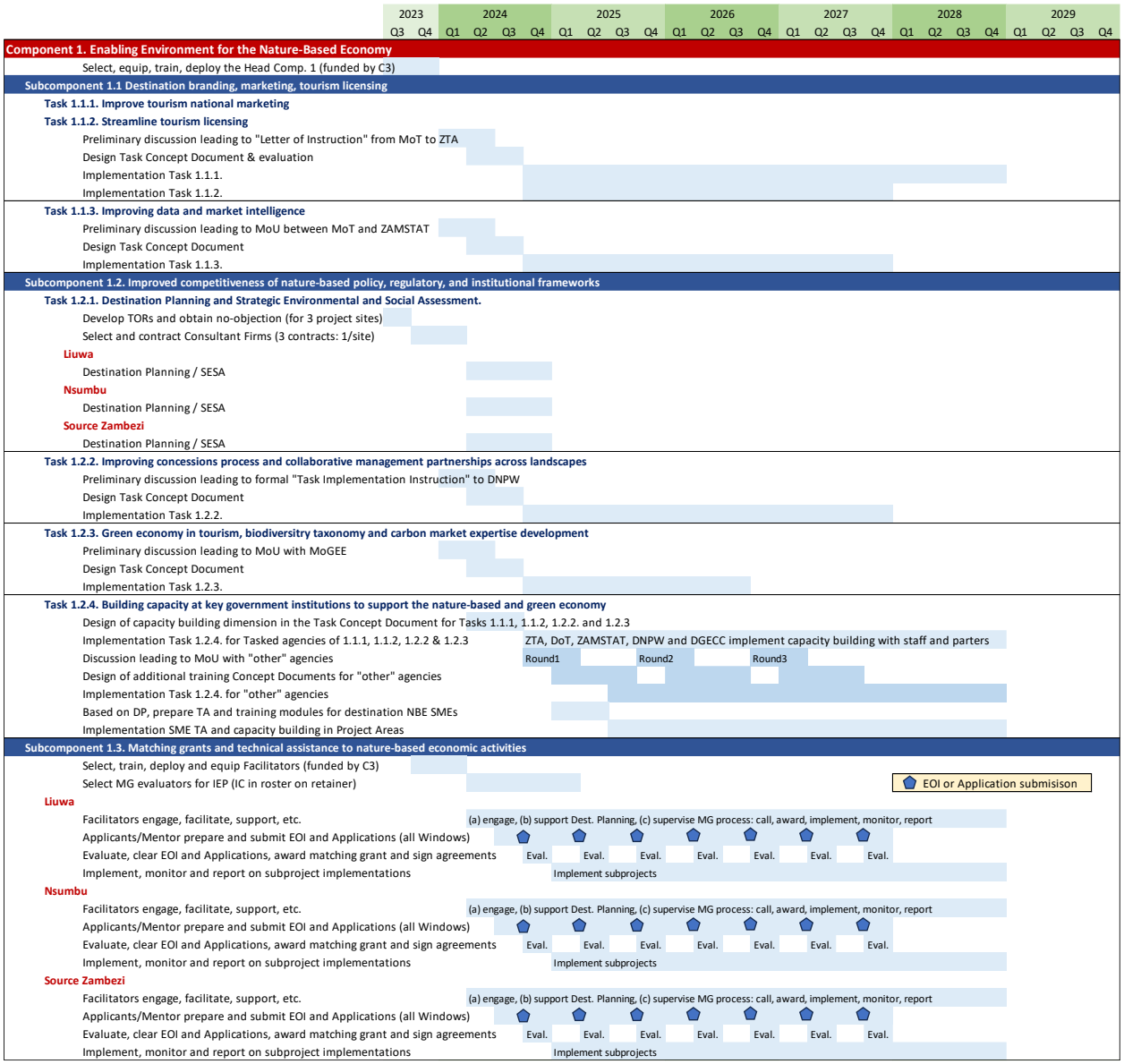
233. The last physical count of all Project assets is undertaken.

- All accounting records are closed.
- Project assets are transferred to recipient agencies in line with Government regulations decisions made by the competent authority.
- Project documents and records are classified, packed, and sent to archives in line with existing national regulations.
- The Final Financial Report for the Project is prepared and is distributed to relevant parties. With the approval and distribution of the final Financial Report, the Project is seen as fully completed.

234. After meeting these conditions, the main steps for the declaration of financial closure are as follows:

- Ministry of Tourism notifies in writing to the World Bank the financial closure of the Project and;
- Within five working days following the receipt of the notification from the Ministry, the World Bank confirms in writing the financial closure of the Project.

ANNEX 1. PROJECT 6-YEAR GANTT CHART



	2023		2024				2025				2026				2027				2028				2029			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Component 2. Improving Climate-Resilient Destination Access and Basic Service Infrastructure																										
Select, train, equip, deploy C2 head (funded by C3)																										
Engage Lusaka-based potential Tasked agencies (RDA, CAA, ZEMA, etc.)																										
Select infrastructure evaluators (IC on retainer in roster)																										
Prepare Infrastructure Invesment Plan (IIP)																										
Develop TORs and obtain no-objection (3 TDA)																										
Select and contract a Consultant Firm (1 contract for all sites)																										
Based on DP/SESA, carry out Infrastructure Invesment Planning for all sites																										
Request a specialized organization to validate climate-smart/climate-adapted standard of selected infrastructures																										
Discussion toward MoU with Tasked Agencies for implementation of the IIP																										
Liuwa, Nsumbu, Source of Zambezi and Linkage TDA																										
Engagement, supervision and monitoring by Tasked Agencies							Verify design, BOQ, organize tender, review EPB/ESIAs, monitor engineers, etc																			
Roads, game loops (linear structures in OPCR contract)																										
Prepare TORs and select work monitoring firms																										
Firm to monitor OPCR contracts							Monitor contruction and maintenance.																			
Prepare TORs/Spec. and select road contractor (OPCR contrat)																										
Contractor to carry out enginer design, ESIA, built and maintain							(a) engineering design, (b) prepare ESIA, (c) build road or game loop (d) maintain																			
Airstrips, fences, canal dredging (linear structures in normal contract)																										
Prepare TORs and select firms (enginers, ESIA, work SPN)																										
Firm to carry out enginer design, ESIA, prepare tender document, etc.							(a) engineering design, (b) ESIA, (c) tender doc, (d) tender, (e) contracts, (f) supervise contruction.																			
Prepare TORs/Spec. and select contractor																										
Contractor to carry out enginer design, ESIA, built and maintain											Construction															
Bridges																										
Prepare TORs and select firms (enginers, ESIA, work SPN)																										
Firm to carry out enginer design, ESIA, prepare tender document, etc.							(a) engineering design, (b) ESIA, (c) tender doc, (d) tender, (e) contracts, (f) supervise contruction.																			
Tender for bridges contractors																										
Build or upgrade bridges											Construction															
Buildings and signage																										
Prepare TORs and select firms (architect, enginers, ESIA, work SPN)																										
Firm to carry out architecture, enginer design, ESIA, tender document, etc.							(a) design, (b) ESIA, (c) tender doc, (d) tender, (e) contracts, (f) supervise contruction.																			
Tender for buildings contractors																										
Build or upgrade buildings											Construction															
Utilities (communication, electricity, water)																										
Prepare TORs and select firms (enginers, ESIA, work SPN)																										
Firm to carry out enginer design, ESIA, prepare tender document, etc.							(a) design, (b) ESIA, (c) tender doc, (d) tender, (e) contracts, (f) supervise contruction.																			
Tender for utilities contractors / suppliers / installers																										
Build, upgrade, supply, install utility											Construction															
Component 3. Project Administration and Management																										
Equip the PIU																										
Procure vehicle and equipment to the PIU																										
Maintain and replace equipment as necessary																										
Provide Human resources to the PIU																										
Select and contracts coordinator and specialists																										
Select and contract middle mgt, task assit. & drivers																										
Build PIU staff capacity																										
Various trainings (planning, costing, procurement, FM. Etc.)																										
Support or engage partners and stakeholders (see also C1 and C2 where the engagement takes place)																										
Secretariat to PSC																										
Engage with procurement teams in Gov agencies (DoT, RDA, etc.			As required or opportune																							
Organize consultative workshops and events			As required or opportune																							
Participate in learning/ relevant events			As required or opportune																							
Support, supervise, monitor implementation and performance																										
Prepare, discuss & obtain approval AWPB																										
Carry out regular field support, supervision, monitoring			As required or opportune																							
Prepare, discuss & obtain approval Semester Reports																										
Prepare, discuss & obtain approval Interim Financial Reports (IFR)																										
Organize, discuss & obtain approval of Internal Audit report																										
Organize, discuss & obtain approval of External Audit report																										
Organize, discuss & obtain approval of External Impact Assesssment report																										
Prepare, discuss & obtain approval Completion Reports																										

ANNEX 2. PROJECT 6-YEAR COST TABLES

Zambia
GREAT TDP
Project Components by Year -- Totals Including Contingencies
(US$ '000)

	Totals Including Contingencies						
	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**Total**
A. Enabling environment for the nature-based economy							
1. Destination branding, planning, marketing, tourism and licensing	206	1,055	1,074	1,044	1,013	-	4,392
2. Competitiveness of nature-based policy, regulatory and institutional frameworks	926	398	406	315	321	-	2,365
3. Matching grants to nature-based economic activities							
a. Liuwa Plain TDA	58	450	604	728	464	-	2,304
b. Nsumbu TDA	58	450	604	728	464	-	2,304
c. Source Zambezi TDA	58	450	450	450	309	-	1,717
Subtotal	174	1,349	1,659	1,907	1,236	-	6,324
Subtotal	1,306	2,802	3,139	3,265	2,570	-	13,082
B. Climate-Resilient Destination Access and Basic Service Infrastructure							
1. Common to all Project Areas	226	250	19	20	-	-	516
2. Liuwa Plain TDA	-	1,702	6,988	6,999	3,792	-	19,481
3. Nsumbu TDA	-	6,974	8,748	8,755	1,915	-	26,392
4. Source of the Zambezi TDA	-	6,260	6,482	6,490	607	-	19,839
5. Tourism linkage TDAs	-	2,737	3,992	3,999	1,248	-	11,975
Subtotal	226	17,923	26,229	26,262	7,563	-	78,204
C. Project Administration and Management	1,979	1,410	1,470	2,116	1,406	320	8,700
Total PROJECT COSTS	3,511	22,134	30,838	31,643	11,539	320	99,986

Zambia
GREAT TDP
Expenditure Accounts by Years -- Totals Including Contingencies
(US$ '000)

	Totals Including Contingencies						
	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**Total**
II. Recurrent Costs							
A. Civil works							
Roads and bridges	-	11,232	14,508	14,508	3,276	-	43,524
Airports and airstrips	-	2,444	5,564	5,564	1,248	-	14,820
Building structures and equipments	-	-	981	981	981	-	2,942
Utilities structures	-	1,643	2,673	2,673	1,030	-	8,018
Other infrastructures	-	250	338	328	88	-	1,004
Subtotal	-	15,569	24,064	24,053	6,623	-	70,308
B. Matching Grants	93	1,298	1,607	1,854	1,236	-	6,087
C. Services							
Staff	623	630	642	655	668	182	3,401
Individual Consultants	149	220	204	123	-	-	697
Consultant Firm	1,082	2,359	2,276	2,233	985	138	9,074
Non-profit organization	-	-	-	-	-	-	-
Other service providers	-	-	-	-	-	-	-
Subtotal	1,855	3,209	3,122	3,011	1,654	320	13,171
D. Tasks awaiting Concept	104	1,035	1,055	977	997	-	4,167
E. Training, workshop, events							
Training	85	87	35	35	36	-	278
Planning, consultation or reporting workshops	-	-	-	-	-	-	-
Stakeholder meetings	-	-	-	-	-	-	-
Other events	50	51	52	53	88	-	294
Subtotal	135	138	87	88	124	-	572
F. Equipment for invesment							
Vehicles	562	-	-	734	-	-	1,296
Other equipment	-	-	-	-	-	-	-
Subtotal	562	-	-	734	-	-	1,296
G. Equipment for the Project							
Vehicles	-	-	-	-	-	-	-
Office equipment	112	27	27	31	28	-	225
Field Equipment	21	5	5	6	6	-	43
Communication Material	-	-	-	-	-	-	-
Other equipment	-	-	-	-	-	-	-
Subtotal	133	32	32	36	34	-	268
H. Operations							
Vehicles O&M	62	95	97	99	101	-	456
Utilities	-	-	-	-	-	-	-
Labour	-	-	-	-	-	-	-
Office supplies	25	25	26	26	27	-	130
Field allowance	72	73	75	76	78	-	374
Insurance	-	-	-	-	-	-	-
Other or undefined operations	366	342	349	355	329	-	1,741
Subtotal	525	536	547	558	535	-	2,700
I. Unallocated	104	318	325	331	338	-	1,416
Total PROJECT COSTS	3,511	22,134	30,838	31,643	11,539	320	99,986

Zambia
GREAT TDP
Expenditure Accounts by Components - Totals Including Contingencies
(US$ '000)

	Enabling environment for the nature-based economy					Climate-Resilient Destination Access and Basic Service Infrastructure						
	Destination branding, planning, marketing, tourism and licensing	Competitiveness of nature-based policy, regulatory and institutional frameworks	Matching grants to nature-based economic activities: Liuwa Plain TDA	Nsumbu TDA	Source Zambezi TDA	Common to all Project Areas	Liuwa Plain TDA	Nsumbu TDA	Source of the Zambezi TDA	Tourism linkage TDAs	Project Administration and Management	Total
II. Recurrent Costs												
A. Civil works												
Roads and bridges	-	-	-	-	-	-	9,828	14,352	12,168	7,176	-	43,524
Airports and airstrips	-	-	-	-	-	-	3,744	4,056	3,276	3,744	-	14,820
Building structures and equipments	-	-	-	-	-	-	384	2,184	374	-	-	2,942
Utilities structures	-	-	-	-	-	-	2,870	3,089	2,059	-	-	8,018
Other infrastructures	-	-	-	-	-	-	718	21	265	-	-	1,004
Subtotal	-	-	-	-	-	-	17,544	23,702	18,143	10,920	-	70,308
B. Matching Grants	-	-	2,225	2,225	1,638	-	-	-	-	-	-	6,087
C. Services												
Staff	-	-	-	-	-	-	-	-	-	-	3,401	3,401
Individual Consultants	300	-	26	26	26	95	-	-	-	-	224	697
Consultant Firm	-	874	-	-	-	420	1,938	2,691	1,697	1,055	399	9,074
Non-profit organization	-	-	-	-	-	-	-	-	-	-	-	-
Other service providers	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	300	874	26	26	26	516	1,938	2,691	1,697	1,055	4,024	13,171
D. Tasks awaiting Concept	2,676	1,491	-	-	-	-	-	-	-	-	-	4,167
E. Training, workshop, events												
Training	-	-	-	-	-	-	-	-	-	-	278	278
Planning, consultation or reporting workshops	-	-	-	-	-	-	-	-	-	-	-	-
Stakeholder meetings	-	-	-	-	-	-	-	-	-	-	-	-
Other events	-	-	-	-	-	-	-	-	-	-	294	294
Subtotal	-	-	-	-	-	-	-	-	-	-	572	572
F. Equipment for invesment												
Vehicles	-	-	-	-	-	-	-	-	-	-	1,296	1,296
Other equipment	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	1,296	1,296
G. Equipment for the Project												
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-	-	225	225
Field Equipment	-	-	-	-	-	-	-	-	-	-	43	43
Communication Material	-	-	-	-	-	-	-	-	-	-	-	-
Other equipment	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	268	268
H. Operations												
Vehicles O&M	-	-	-	-	-	-	-	-	-	-	456	456
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Labour	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	-	-	-	-	-	130	130
Field allowance	-	-	-	-	-	-	-	-	-	-	374	374
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Other or undefined operations	-	-	53	53	53	-	-	-	-	-	1,581	1,741
Subtotal	-	-	53	53	53	-	-	-	-	-	2,540	2,700
I. Unallocated	1,416	-	-	-	-	-	-	-	-	-	-	1,416
Total PROJECT COSTS	4,392	2,365	2,304	2,304	1,717	516	19,481	26,392	19,839	11,975	8,700	99,986

Zambia
GREAT TDP
Table 1. Enabling environment for the nature-based economy
Detailed Costs
(US$ '000)

		Quantities							Unit	Totals Including Contingencies						
	Unit	2024	2025	2026	2027	2028	2029	Total	Cost	2024	2025	2026	2027	2028	2029	Total
II. Recurrent Costs																
A. Destination branding, planning, tourism marketing, and licensing																
1. Improve tourism national marketing	task									52	637	649	662	676	-	2,676
2. Streamline tourism licensing	task									52	106	108	110	113	-	489
3. Data and market intelligence	task									52	212	216	221	225	-	927
4. Advisor to Ministry	year	0.5	1	1	0.5	-	-	3	100	50	100	100	50	-	-	300
Subtotal										206	1,055	1,074	1,044	1,013	-	4,392
B. competitiveness of nature-based policy, regulatory, and institutional frameworks																
1. Destination Planning and SESA Liuwa	task	1	-	-	-	-	-	1	280	291	-	-	-	-	-	291
2. Destination Planning and SESA Nsumbu	task	1	-	-	-	-	-	1	280	291	-	-	-	-	-	291
3. Destination Planning and SESA Source Zambezi	task	1	-	-	-	-	-	1	280	291	-	-	-	-	-	291
4. Concessions framework and collaborative management partnerships across landscapes	task									31	127	130	132	135	-	556
5. Build national carbon knowledge and technical expertise	task									10	175	179	182	186	-	732
6. Build capacity at key government institutions to support the nature-based and green economy	task									10	95	97	-	-	-	203
Subtotal										926	398	406	315	321	-	2,365
C. Matching grants																
1. MG in Liuwa TDA																
MG Evaluators for IEP	day	20	20	20	20	-	-	80	0.3	6	6	6	7	-	-	26
MG Mentor Operations	lumpsum									21	11	11	11	-	-	53
MG Window 1. Enabling	grant	1	4	4	3	-	-	12	30	31	124	124	93	-	-	371
MG Window 2.Transformational	grant	-	2	3	4	3	-	12	150	-	309	464	618	464	-	1,854
Subtotal										58	450	604	728	464	-	2,304
2. MG in Nsumbu TDA																
MG Evaluators for IEP	day	20	20	20	20	-	-	80	0.3	6	6	6	7	-	-	26
MG Mentor Operations	lumpsum									21	11	11	11	-	-	53
MG Window 1. Enabling	grant	1	4	4	3	-	-	12	30	31	124	124	93	-	-	371
MG Window 2.Transformational	grant	-	2	3	4	3	-	12	150	-	309	464	618	464	-	1,854
Subtotal										58	450	604	728	464	-	2,304
3. MG in Source of Zambezi TDA																
MG Evaluators for IEP	day	20	20	20	20	-	-	80	0.3	6	6	6	7	-	-	26
MG Mentor Operations	lumpsum									21	11	11	11	-	-	53
MG Window 1. Enabling	grant	1	4	4	4	-	-	13	30	31	124	124	124	-	-	402
MG Window 2. Transformational	grant	-	2	2	2	2	-	8	150	-	309	309	309	309	-	1,236
Subtotal										58	450	450	450	309	-	1,717
Subtotal										174	1,349	1,659	1,907	1,236	-	6,324
Total										1,306	2,802	3,139	3,265	2,570	-	13,082

Zambia
GREAT TDP
Table 2. Improving Climate-Resilient Destination Access and Basic Service Infrastructure
Detailed Costs
(US$ '000)

	Unit	Quantities							Totals Including Contingencies						
		2024	2025	2026	2027	2028	2029	Total	2024	2025	2026	2027	2028	2029	Total
II. Recurrent Costs															
A. Dimensions common to all Project Areas															
1. Consultant infratructure evaluators (retainer)	day	-	60	60	60	-	-	180	-	19	19	20	-	-	58
2. Consultant validation of Climate Change Standard	day	25	25	-	-	-	-	50	18	19	-	-	-	-	37
3. Consultant for IIP	task	0.5	0.5	-	-	-	-	1	208	212	-	-	-	-	420
Subtotal									226	250	19	20	-	-	516
B. Liuwa Plain TDA															
1. Various roads and water crossings for green tourism development /a															
Engineering firm (eng design, EIA & construction spn)	task								-	276	281	287	293	-	1,137
Construction contractor	km								-	-	3,276	3,276	3,276	-	9,828
Subtotal									-	276	3,557	3,563	3,569	-	10,965
2. Various airstrips for green tourism development /b															
Engineering firm (eng design, EIA & construction spn)	task								-	122	124	127	-	-	373
Construction contractor	task								-	-	1,872	1,872	-	-	3,744
Subtotal									-	122	1,996	1,999	-	-	4,117
3. Tourism or community buildings /c															
Engineering firm (eng design, EIA & construction spn)	task								-	11	11	11	11	-	44
Construction by contractor	task								-	-	128	128	128	-	384
Subtotal									-	11	139	139	139	-	427
4. Green energy, water or telecommunication investment															
Engineering firm (eng design, EIA & construction spn)	task								-	80	81	83	84	-	328
Construction, provision, instalation	task								-	957	957	957	-	-	2,870
Subtotal									-	1,036	1,038	1,040	84	-	3,198
5. Other infrastructures for green tourism development															
Engineering firm (eng design, EIA & construction spn)	task								-	18	18	19	-	-	55
Other infrastructures	task								-	239	239	239	-	-	718
Subtotal									-	257	258	258	-	-	773
Subtotal									-	1,702	6,988	6,999	3,792	-	19,481
C. Nsumbu TDA															
1. Various roads and water crossings for green tourism development /d															
Engineering firm (eng design, EIA & construction spn)	task								-	531	541	552	-	-	1,624
Construction contractor	task								-	4,784	4,784	4,784	-	-	14,352
Subtotal									-	5,315	5,325	5,336	-	-	15,976
2. Various airstrips for green tourism development /e															
Engineering firm (eng design, EIA & construction spn)	task								-	149	152	155	-	-	455
Construction contractor	task								-	1,352	1,352	1,352	-	-	4,056
Subtotal									-	1,501	1,504	1,507	-	-	4,511
3. Tourism or community buildings /f															
Engineering firm (eng design, EIA & construction spn)	task								-	64	65	66	68	-	262
Construction by contractor	task								-	-	728	728	728	-	2,184
Subtotal									-	64	793	794	796	-	2,446
4. Green energy, water or telecommunication investment															
Engineering firm (eng design, EIA & construction spn)	task								-	85	87	88	90	-	350
Construction, provision, instalation	task								-	-	1,030	1,030	1,030	-	3,089
Subtotal									-	85	1,116	1,118	1,120	-	3,439
5. Other infrastructures for green tourism development /g															
Engineering firm (eng design, EIA & construction spn)	task								-	-	-	-	-	-	-
Other infrastructures	task								-	10	10	-	-	-	21
Subtotal									-	10	10	-	-	-	21
Subtotal									-	6,974	8,748	8,755	1,915	-	26,392
D. Source of Zambezi TDA															
1. Various roads for green tourism development /h															
Engineering firm (eng design, EIA & construction spn)	task								-	361	368	375	383	-	1,487
Construction contractor	km								-	4,056	4,056	4,056	-	-	12,168
Subtotal									-	4,417	4,424	4,431	383	-	13,655
2. Various airstrips for green tourism development /i															
Engineering firm (eng design, EIA & construction spn)	task								-	0	0	0	-	-	0
Construction contractor	task								-	1,092	1,092	1,092	-	-	3,276
Subtotal									-	1,092	1,092	1,092	-	-	3,276
3. Tourism or community buildings /j															
Engineering firm (eng design, EIA & construction spn)	task								-	11	11	11	11	-	44
Construction by contractor	task								-	-	125	125	125	-	374
Subtotal									-	11	136	136	136	-	418
4. Green energy, water or telecommunication investment															
Engineering firm (eng design, EIA & construction spn)	task								-	48	49	50	-	-	146
Construction, provision, instalation	task								-	686	686	686	-	-	2,059
Subtotal									-	734	735	736	-	-	2,205
5. Other infrastructures for green tourism development															
Engineering firm (eng design, EIA & construction spn)	task								-	6	6	7	-	-	19
Various other infrastructures /k	task								-	-	88	88	88	-	265
Subtotal									-	6	95	95	88	-	285
Subtotal									-	6,260	6,482	6,490	607	-	19,839
E. Other TDA targeted for market linkage															
1. Roads and game loops /l															
Engineering firm (eng design, EIA & construction spn)	task								-	239	244	248	-	-	731
Construction contractor	km								-	2,392	2,392	2,392	-	-	7,176
Subtotal									-	2,631	2,636	2,640	-	-	7,907
2. Airstrips															
Engineering firm (eng design, EIA & construction spn)	task								-	106	108	110	-	-	325
Various other infrastructures /m	task								-	-	1,248	1,248	1,248	-	3,744
Subtotal									-	106	1,356	1,358	1,248	-	4,069
Subtotal									-	2,737	3,992	3,999	1,248	-	11,975
Total									226	17,923	26,229	26,262	7,563	-	78,204

\a Possibly the Liuwa ring road
\b Possibly Kalabo airstrip, smaller airstrips in the park or linkage airstrips elsewhere
\c Possibly visitor, training, cultural centres as per destination planning
\d Possibly the Mbala-Nsumbu road, game loops and the Lufubu bridge
\e Possibly Kasaba Bay airstrip, smaller airstrips in the park
\f Possibly visitor, training, cultural centres as per destination planning
\g Possibly signage
\h Possibly (1) Mutanda - Mwinilunga - Ikelengi, (2) All weather access roads to surrounding tourism sites to Zambezi source (3) access road to Zambezi source
\i Possibly Mwinilunga airstrip or linkage airstrips elsewhere
\j Possibly visitor, training, cultural centres as per destination planning
\k Possibly fence, signage and trail in source of Zambezi,
\l Roads and game loops in TDA important as market linkag
\m Airstrips in TDAs important for market linkages

Zambia
GREAT TDP
Table 3. Project Administration and Management.
Detailed Costs
(US$ '000)

		Quantities							Unit	Totals Including Contingencies						
	Unit	2024	2025	2026	2027	2028	2029	Total	Cost	2024	2025	2026	2027	2028	2029	Total
II. Recurrent Costs																
A. PIU General Operations																
1. Equipment																
Vehicles 4x4 DC for PIU tax free	unit	6	-	-	-	-	-	6	60	375	-	-	-	-	-	375
Vehicles 4x4 DC for PIU	unit	-	-	-	4	-	-	4	95	-	-	-	420	-	-	420
Laptops and desktop for PIU /a	unit	17	4	4	4	4	-	33	1	18	4	4	4	5	-	35
Office License	lumpsum									2	2	2	2	2	-	11
Productivity Software License	lumpsum									1	1	1	1	1	-	5
Accounting Software License	lumpsum									5	5	5	6	6	-	27
Office IT equipment for PIU /b	lumpsum									36	8	9	9	9	-	71
Field equipment for PIU /c	lumpsum									10	2	2	2	2	-	19
Office furniture for PIU	lumpsum									25	3	3	3	3	-	36
Subtotal										472	26	27	447	28	-	999
2. PIU STAFF																
Coordinator	month	12	12	12	12	12	12	72	4.537	54	55	56	57	58	60	341
Head C1 Tourism specialist	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
Head C2 - Infrastructure Sp.	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
Financial mgt sp.	month	12	12	12	12	12	12	72	3.278	39	40	41	41	42	43	246
Procurement sp.	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
M&E Specialist	month	12	12	12	12	12	12	72	3.278	39	40	41	41	42	43	246
Social Safeguard sp.	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
Environment Safeguard sp.	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
Communication Assistant	month	12	12	12	12	12	-	60	2.786	33	34	34	35	36	-	173
Accountants	month	12	12	12	12	12	12	72	2.786	33	34	34	35	36	37	209
Procurement assistants	month	12	12	12	12	12	-	60	2.786	33	34	34	35	36	-	173
M&E assistants	month	12	12	12	12	12	-	60	2.786	33	34	34	35	36	-	173
Administative assistants	month	12	12	12	12	12	-	60	1.078	13	13	13	14	14	-	67
Office assistant	month	12	12	12	12	12	-	60	0.69	8	8	9	9	9	-	43
Drivers	month	24	24	24	24	24	-	120	0.862	21	21	21	22	22	-	107
Subtotal										505	510	521	531	542	182	2,792
3. Services																
External impact assessment	day									-	-	87	-	-	92	178
Consultants on retainer /d	day	200	200	200	100	-	-	700	0.3	62	64	65	33	-	-	224
External auditor	year	-	1	1	1	1	1	5	40	-	42	43	44	45	46	221
Subtotal										62	106	195	77	45	138	623
4. Training and workshops																
Various training for PIU	task									52	53	11	11	11	-	138
GRM training for 4 PIU staff (for SEP)	task									10	11	-	-	-	-	21
Various stakeholder workshops and meeting (for SEP)	task	6	6	6	6	6	-	30	8	50	51	52	53	54	-	260
Area reporting/closing meeting (for SEP)	task	-	-	-	-	3	-	3	10	-	-	-	-	34	-	34
PSC meeting	task	4	4	4	4	4	-	20	0.5	2	2	2	2	2	-	11
Technical & planning meetings (Lusaka and on sites)	task	4	4	4	4	4	-	20	5	21	21	22	22	23	-	108
Subtotal										135	138	87	88	124	-	572
5. Operations																
Office supplies & printing services	lumpsum									6	6	6	7	7	-	32
Vehicles O&M and insurance	lumpsum	3	6	6	6	6	-	27	10	31	64	65	66	68	-	294
Procurement process costs	lumpsum									10	11	11	11	11	-	54
Utilities (internet, phone, electricity, etc.)	month	12	12	12	12	12	-	60	0.7	9	9	9	9	9	-	45
Field subsistence	day	1,200	1,200	1,200	1,200	1,200	-	6,000	0.05	62	64	65	66	68	-	325
International trip	unit	5	5	5	5	5	-	25	5	26	27	27	28	28	-	135
Communication operation costs /e	unit									31	32	32	33	34	-	162
Disclosure of reports and instrument (for SEP & GAAP)	unit									16	16	16	17	17	-	81
Flyers, media and transaltion (for SEP) /f	unit									26	27	27	28	28	-	135
Fire insurance	unit									2	2	2	2	2	-	11
Other unexpected operation costs	unit									31	32	32	33	34	-	162
Subtotal										251	288	294	300	306	-	1,438
Subtotal										1,427	1,069	1,122	1,443	1,044	320	6,424
B. PIU TDA Operations (3 sites)																
1. Equipment																
Vehicles 4x4 DC for PIU tax free	unit	3	-	-	-	-	-	3	60	187	-	-	-	-	-	187
Vehicles 4x4 DC for PIU	unit	-	-	-	3	-	-	3	95	-	-	-	315	-	-	315
Laptops and desktop for PIU /g	unit	3	-	-	3	-	-	6	1	3	-	-	3	-	-	6
Office IT equipment for PIU /h	lumpsum									16	2	2	2	2	-	22
Field equipment for facilitators and others /i	lumpsum									10	3	3	3	3	-	24
Office furniture for PIU	lumpsum									6	1	1	1	1	-	11
Subtotal										223	6	6	324	6	-	565
2. PIU STAFF																
Area Facilitator Nsumbu	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
Area Facilitator Liuwa	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
Facilitator Source Zambezi	month	12	12	12	12	12	-	60	3.278	39	40	41	41	42	-	203
Subtotal										118	119	122	124	126	-	609
3. Operations																
Office supplies & printing services	lumpsum									6	6	6	7	7	-	32
Vehicles O&M and insurance	lumpsum	3	3	3	3	3	-	15	10	31	32	32	33	34	-	162
Utilities (internet, phone, electricity, etc.)	month	36	36	36	36	36	-	180	0.1	4	4	4	4	4	-	19
Field subsistence	day	300	300	300	300	300	-	1,500	0.03	9	10	10	10	10	-	49
Support to province & district offices	unit	3	3	3	3	3	-	15	45	140	143	146	149	152	-	731
Other unexpected operation costs	unit									21	21	22	22	23	-	108
Subtotal										212	216	220	225	229	-	1,102
Subtotal										552	341	348	673	362	-	2,276
Total										1,979	1,410	1,470	2,116	1,406	320	8,700

\a Including external hard drive and other peripherals
\b Printers, projectors, portable AC, conference system, etc.
\c Tents, GPS, sleeping bags, field clothes, camping kits, first aid kits, etc.
\d Consultant with various specialty available to help PIU (procurement, M&E, etc.)
\e Implementation Visibility and Communicaton Strategy
\f See SEP budget
\g Including external hard drive and other peripherals
\h Printers, projectors, portable AC, conference system, etc.
\i Tents, GPS, sleeping bags, field clothes, camping kits, first aid kits, etc.

ANNEX 3. TEMPLATE MOU FOR TASK AGENCIES

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (herein after referred to as 'MOU') entered into the ___ day of ____, 202X at Lusaka, Zambia by and between:

The DEPARTMENT OF TOURISM, MINISTRY OF TOURISM, of _____ Lusaka, herein after referred to as, "The First Party".

and

The _____, of _____, hereinafter referred to as, "The Second Party".

First Party & Second Party are collectively referred as Parties and individually as Party.

WHEREAS the Government of Zambia has received a credit from the International Development Association to implement the GREAT-TDP Project (The Project)

WHEREAS the Government of Zambia has established a Project Steering Committee (The PSC) chaired by the Permanent Secretary, Ministry of Tourism, to provide oversight to the implementation of the Project.

WHEREAS, the Government of Zambia has entrusted the Department of Tourism, Ministry of Tourism for its implementation.

WHEREAS the Second Party is mandated by the Government of Zambia for _____ which is consistent with the objective of the Project.

WHEREAS both Parties intend to synergize their efforts by pooling their expertise and resources for implementing Task X.X.X _____ of the Project under Component X, hereinafter referred to as the "Task" or "Tasks".

GENERAL PURPOSE AND SCOPE
The Task's general purpose and scope is _____ (*copy from the task description in the PIM*).

TASK CONCEPT DOCUMENTS
The detailed description shall be contained in a Task Concept Document that the Second Party shall submit to the First Party within 3 (three) months of signature of this MoU. The deadline may be extended by mutual written agreement.

RESPONSIBILITIES OF THE FIRST PARTY

- Provide seed funding appropriate to the Task envisaged to the Second Party, based on a detailed budget – and to be used in conformity with the fiduciary provisions of the Project Implementation Manual (PIM) -- as needed to draft the Task Concept Document up to its approval by the Project Steering Committee (PSC) and the World bank.
- Review, clear and submit the Task Concept Document to the PSC and the World Bank for approval.
- Review and, when agreeable, incorporate the Task Annual Work Plan and Budget (AWPB) into the Project AWPB.
- Provide technical and fiduciary advise, fiduciary and financial support and supervision to the Second Party in all aspect of implementation of the Task and according to the terms of the approved Task Concept Document and Task AWPB - and, as relevant, any activity-focused Concept Notes as needed.
- Review the Task reports and, when agreeable, incorporate their findings in the Project reports.

RESPONSIBILITY OF THE SECOND PARTY

- Appoint a Focal Person empowered to lead the implementation of the Task (ToR to be annexed to the MoU).
- Prepare the Task Concept Document and submit it for review and approval.
- Prepare a Task Annual Work Plan and Budget to be incorporated in the Project AWPB.
- Incorporate into Task Concept Document and into AWPB thereafter - the relevant actions in the Project GAAP as applicable to the Second Party.
- Implement the Task as per all relevant provisions of the Project Implementation Manual; and prepare activity-focused Concept Notes, where relevant and needed.
- Contribute as necessary to the procurement, implementation, monitoring, and evaluation of the Task.
- Submit Semester Reports and the Completion Report in a form and with the substance agreeable to the PIU, the PSC, and the World Bank.
- Participate in the review, with the First Party and other relevant bodies, of progress reports including on focal person performance and take remedial actions agreed.

CONSULTATION

Carry out all activities under the Task, in full collaboration and consultation with all relevant stakeholders listed in the PIM, according to a process listed in the PIM and in the genuine spirit of collaboration and transparency.

PLANNING AND REPORTING

The Second Party is responsible (a) to submit the first AWPB along with the Task Concept Document, (b) to submit subsequently a draft AWPB before October 31 of the year that precedes its implementation, (c) to prepare appropriately Concept Notes where relevant and necessary in line with the AWPB in effect, (d) to submit semester report in the form and substance agreeable to the First Party within a month of the period ending, and (e) to submit a final report in the form and substance agreeable to the First Party within three (3) months of completion.

DISSEMINATION

Upon completion and approval of the Task outputs, the Second Party shall take measure to disseminate the information to all relevant stakeholders and according to the dissemination plan proposed on the Task Concept Document.

DURATION, TERMINATION, MODIFICATION

1. The proposed cooperation under this MOU shall have duration of an initial period of XXX (X) years, commencing from the date of execution of this MOU unless terminated earlier for any of the conditions mentioned hereunder.
2. This MOU shall be terminated as under:
    i. By mutual consent of both Parties upon serving a written notice of 15 days by the Party intending to terminate to the other; or
    ii. Terminate forthwith if any Party is in material breach of the terms of this MOU and such breach is not rectified despite a written notice within 60 days.

and /or:

    iii. Terminate forthwith if any Party becomes insolvent or makes an arrangement with its creditors or has a liquidator, provisional liquidator, receiver or administrator appointed or commences winding up (other than for the purposes of a bona fide amalgamation or reconstruction whilst solvent) or takes or suffers any similar action in consequence of debts or carries out or undergoes any analogous act or proceedings under any Zambian law.
3. In the event of termination of this MOU, the Parties will complete their respective obligations in respect of running/ongoing Tasks / already accepted contracts on the agreed contractual terms.
4. This MOU may be amended only by mutual agreement in writing and duly executed by the Parties.

GOVERNING LAW AND DISPUTE RESOLUTION

This bidding agreement shall be governed under Zambian Laws.

Any dispute, controversy or claim arising out of or relating to this agreement shall be first resolved amicably by mutual discussions within 90 days of from the date of receipt of notice of dispute by the party. If the Parties are unable to amicably resolve the dispute within a reasonable period, then the dispute may be referred to Arbitration by either party. Such arbitration would be presided over by a Sole Arbitrator appointed with mutual consent of the parties.

The Arbitration proceedings shall be governed by the provisions of Zambia arbitration regulations The language of the Arbitration shall be English and the Seat of the Arbitration shall be Lusaka. The award of the sole Arbitrator shall be final and binding upon the parties.

JURISDICTION

The Courts of Lusaka only shall have the jurisdiction to entertain any matter or dispute on account of any action arising out of this Agreement.

PUBLICITY

The Parties agree that all news releases, public announcements, advertisements, or publicity concerning or related to this MOU, shall be consistent with the Project Stakeholder Engagement Plan (SEP) as well as the Visibility and Communication Strategy (VACS), when appropriate, subject to the prior written approval of the Parties.

In case either Party plans to disclose or announce any information or content with regards to this MOU subject to continuous disclosure obligations under the Zambian law, stock rules & regulation, either Party may disclose to fulfil their obligations under such circumstances with proof of such requirement duly intimated to the other Party prior to disclosure.

COMPLIANCE WITH LAWS

Each of the parties shall comply with all Zambia laws and regulations applicable to them for execution of this MoU and the performance of the transactions contemplated by this MoU without hampering execution of the MoU.

COMPLIANCE WITH THE PROJECT INSTRUMENTS

Each of the parties shall comply with all of the Project instruments adopted by the Government of Zambia for the Project applicable to them for execution of this MoU, including but not limited to the PIM, the Environmental and Social Commitment Plan (ESCP), the Project Procurement Strategy for Development (PPSD) and the GAAP, and the performance of the transactions contemplated by this MoU without hampering execution of the MoU.

ACCOUNTABILITY AND WHISTLEBLOWER PROTECTION

Each of the parties shall comply with all Zambia laws and regulations on accountability and whistle-blower protection or apply best practice standard policy and procedures.

INSURANCE

The Parties agree to provide for an insurance coverage for their respective scope of works at their own expense and such insurance must remain valid and in effect until completion of all work agreed to be performed.

LIMITATION OF LIABILITY

In no event shall either party be liable for any consequential, incidental, indirect, damage, loss, or expenses.

AMENDMENTS

No oral explanation or oral information by either Party shall alter the meaning or interpretation of this MOU. No modification, alteration, addition or change in the terms hereof shall be binding on

either Party unless reduced to writing and duly executed by both Parties in the same manner as the execution of this MOU.

NON-ASSIGNMENT
Recognizing that the matters discussed herein are specifically related to the Parties, this MOU shall not be assigned or otherwise transferred by either Party in whole or in part without the prior written consent of the other Party.

NOTICES
Any notice required or permitted to be given under this MOU by one of the Parties to the other Party shall be given for all purposes by delivery in person, or by registered or certified mail, postage prepaid with return receipt requested, or by, facsimile, email or telegram addressed to the other Party at its address set forth below, or at such address as a Party shall hereafter furnish in writing to the other Party.

EFFECTIVE DATE OF MOU
This MOU shall enter into full force and effect upon its signature by all Parties. Either party may enter into this Agreement by executing a counterpart.

ENTIRE UNDERSTANDING
This MOU contains all of the agreements and understandings of the Parties hereto with request to the subject matter hereof, and supersedes and replaces any and all previous understanding, commitments or agreements, oral or written, related to the subject matter hereof.

FORCE MAJEURE
That neither party shall be held responsible for non-fulfilment of their respective obligations under this Agreement due to the exigency of one or more of the force majeure events such as acts of God such as War, Terrorist Attack, Flood, Earthquakes, Epidemics, Riots, etc. provided on the occurrence and cessation of any such event the party affected thereby shall give a notice in writing to the other party within 07 days of such occurrence or cessation. If the force majeure conditions continue beyond 1 (one) month, the Parties shall jointly decide about the future course of action.

ENTRY INTO FORCE
This MOU may be signed in (02) counterparts, each of which shall be deemed an original and both of which duly executed shall constitute one entire document and shall enter into force and effect on the date ("Effective Date") when it is duly signed by the authorized representatives of the Parties and affixed with the official seals by the Parties respectively.

In witness whereof the parties above named have executed and delivered this agreement as of the date first above written.

SIGNED, SEALED AND DELIVERD SIGNED, SEALED AND DELIVERD

For and on behalf of

DEPARTMENT OF TOURISM

For and on behalf of

_____

Authorized Signatory	Authorized Signatory

ANNEX 4. TEMPLATE ANNEX OF TASK IMPLENTATION INSTRUCTION

1. This template will be attached to the Task Implementation Instruction issued by the Permanent Secretary to a Task Management Agency which is under the MoT such as DNPW and ZTA.

Annex to the Task Implementation Instruction issued to the _____ on _____

The Government of Zambia (1) has received a credit from the International Development Association to implement the GREAT-TDP Project (The Project); (2) has established a Project Steering Committee (The PSC) chaired by the Permanent Secretary, Ministry of Tourism, to provide oversight to the implementation of the Project; and (3) has entrusted the Department of Tourism (DoT), Ministry of Tourism (MoT) for its implementation.

The MoT has established a Project Implementation Unit (PIU) under the DoT mandated for coordinating the implementation of the Project.

The _____ (name of the Task Agency) is instructed to design and implement Task _____ (task number) of the Project, referred to as the "Task" or 'Tasks" under Subcomponent _____ (Subcomponent number) of the Project.

GENERAL PURPOSE AND SCOPE
The Task general purpose and scope is _____ (*copy from the task description in the PIM*).

TASK CONCEPT DOCUMENTS
The detailed description shall be contained in a Task Concept Document that _____ (name of task agency) shall submit to MoT within two (2) months of this Instruction or as further instructed.

RESPONSIBILITIES OF THE PIU

- Provide seed funding appropriate to the Task envisaged to _____ (task agency), based on a detailed budget-- and to be used in conformity with the fiduciary provisions of the Project Implementation Manual (PIM) -- as needed to draft the Task Concept Document (See Template in Annex of the PIM Volume 1) up to its approval by the PSC and the World bank.
- Review, clear and submit the Task Concept Document to the PSC and the World Bank for approval.
- Review and, when agreeable, incorporate the Task Annual Work Plan and Budget (AWPB) into the Project AWPB.

- Provide technical and fiduciary advise, fiduciary and financial support and supervision to the _____ (task agency name) in all aspect of implementation of the Task and according to the terms of the approved Task Concept Document and Task AWPB and Concept Note as relevant and necessary.
- Review the Task reports and, when agreeable, incorporate their findings in the Project reports.

RESPONSIBILITY OF THE _____(name of the task agency)

- Appoint a Focal Person empowered to lead the implementation of the Task (ToR to be attached to Task Concept Document).
- Prepare the Task Concept Document and submit it for review and approval.
- Prepare a Task AWPB to be incorporated in the Project AWPB.
- Incorporate into Task Concept Document and into AWPB thereafter - the relevant actions in the Project GAAP as applicable to the _____(task agency).
- Implement the Task as per all relevant provisions of the PIM.
- Contribute as necessary to the procurement, implementation, monitoring, and evaluation of the Task.
- Submit Semester Reports and the Completion Report in a form and with the substance agreeable to the PIU, the PSC, and the World Bank.
- Participate in the review, with the PIU and other relevant bodies, of progress reports including on focal person performance and take remedial actions agreed.

CONSULTATION

The _____ (task agency) is responsible to carry out all activities under the Task, in full collaboration and consultation with all stakeholders listed in the PIM, according to a process listed in the PIM and in the genuine spirit of collaboration and transparency.

PLANNING AND REPORTING

The _____(task agency) is responsible (a) to submit the first AWPB along with the Task Concept Document, (b) to submit subsequently a draft AWPB before October 31 of the year that precedes its implementation, (c) to prepare appropriately Concept Notes where relevant and necessary in line with the AWPB in effect, (d) to submit semester report in the form and substance agreeable to the PIU within a month of the period ending, and (e) to submit a final report in the form and substance agreeable to the PIU within three (3) months of completion.

DISSEMINATION

Upon completion and approval of the Task outputs, the _____ (task agency) shall take measure to disseminate the information to all relevant stakeholders and according to the dissemination plan proposed on the Task Concept Document.

DURATION, TERMINATION, MODIFICATION

The Instruction shall have duration of an initial period of _____ years, commencing from the date of the Instruction unless terminated earlier by the MoT.

PUBLICITY

The _____(task agency) agree that all news releases, public announcements, advertisements, or publicity concerning or related to this Instruction, shall be consistent with the Project Stakeholder Engagement Plan (SEP), when appropriate, subject to the prior written approval of the PIU.

COMPLIANCE WITH LAWS

The _____ (task agency) shall comply with all Zambia laws and regulations applicable to them for execution of this Instruction.

COMPLIANCE WITH THE PROJECT INSTRUMENTS

The _____ (task agency) shall comply with all of the Project instruments adopted by the Government of Zambia for the Project including but not limited to the PIM, the Environmental and Social Commitment Plan (ESCP), the Project Procurement Strategy for Development (PPSD) and the GAAP, and the performance of the transactions contemplated by the instruction letter without hampering its execution.

ACCOUNTABILITY AND WHISTLEBLOWER PROTECTION

The _____ (task agency) shall comply with all Zambian laws and regulations on accountability and whistle-blower protection or apply best practice standard policy and procedures.

ANNEX 5. TEMPLATE TASK CONCEPT DOCUMENT

TASK BACKGROUND AND RATIONALE

One to two pages maximum to discuss the background and rationale of the Task.

TASK OBJECTIVE

One sentence only that indicate succinctly what is to be achieved. This sentence must be fully consistent with the objective of the Task in the Project document.

EXPECTED BENEFITS AND BENEFICIARIES

Discuss the anticipated benefits, most likely taken from the PIM and elaborate given the mandate of your organization. The beneficiaries of these tasks are likely to be broad and multiple. Try to limit to the most immediate and direct beneficiaries. In the analysis, identify if there are specific dimensions associated with beneficiaries being women, youth, or other groups.

EXPECTED OUTPUT AND OUTCOME

List, and elaborate on, the output that are expected from the Task. List also the outcome and analyse how they contribute to the Project intended outcome/indicators. If one (or more) of the Project indicators are relevant to the Task, please suggest how to track these.

DESCRIPTION OF THE TASK ACTIVITIES

Describe in as much detail as possible each activity that is necessary to complete the task. Possibly organize by output or component as logical.

ORGANIZATION FOR IMPLEMENTATION

Discuss your organization(s) capacity to implement the tasks, who will be in charge, who are the partners and what are their role, do they know it and are they committed to contribute. In other words, describe the team that will be implementing the Task and the role distribution.

PROGRESS / PERFORMANCE MONITORING / ACCOUNTABILITY

Describe how the progress and team performance will be monitored, evaluated, and remedial actions implemented when needed. The Task Agency may suggest standard measurable indicators or milestones to monitor progress.

INSTITUTIONAL COORDINATION MECHANISM

Describe the inter-agency (inter-organization) coordination and collaboration that are foreseen to be required for the Task implementation. The agency/organization can be State or non-State actors. Develop and summarize the horizontal and vertical coordination mechanism(s) planned.

SUMMARY BUDGET

Insert a table with the summary of the budget by component/output and, for each, by expenditure categories (operation costs and services).

IMPLEMENTATION SUPPORT REQUIRED

Include what the PIU must provide to support the task in terms of office space, planning, monitoring, transport, logistic as well as procurement, advances, and financial management.

SUSTAINABILITY

What will be the consequence of the task if it achieves its output and outcome. How will that be sustained beyond the end of the Task and the Project.

SAFEGUARD COMPLIANCE (WHERE RELEVANT)

Possibly the Task may have negative environmental and social impacts that may be direct, indirect, or unforeseen by the Task activities. Indicate how this is considered and addressed, referring to the Project ESMF and in consultation with the Environmental and Social Safeguards Specialists of the PIU.

APPENDIX 1: DETAILED BUDGET

The budget needs to be very detailed. It should include the activity, unit cost, quantity, etc. for each item required such as operating costs (fuel, stationary, etc.), services (consultant).

APPENDIX 2: GANTT CHART

Use a planning tool that you are familiar with. Give details and be realistic.

APPENDIX 3: THEORY OF CHANGE (OPTIONAL)

Use the theory of change tool that you are familiar with.

ANNEX 6. SUMMARY OF INSTITUTIONS ROLES

Ministries in the Steering Committee

1. Through their Permanent Secretaries, the following ministries will contribute to steering the Project.

Ministry of Tourism

2. The MoT provides for the sustainable development of the tourism industry through tourism planning, management, promotion, marketing and coordination and provide for tourism skills development, the establishment, control and management of National Parks, Game Management Areas (GMAs), 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, cultural heritage and scientific interest.

3. The MoT will chair the PSC and provide general oversight on the Project including technical guidance and overall coordination of implementation. Capacity building for various departments and statutory bodies under the MoT will be critical for effective delivery of the Project outcomes.

Ministry of Finance and National Planning

4. The Ministry of Finance and National Planning (MoFNP) is responsible to performs statutory functions that include preparation of the National Budget, Economic Management, Resource Mobilisation, Debt Management and Public Finance Management. It is responsible for managing public resources in an effective, transparent, and accountable manner to support sustainable national development. Further, the MoFNP is responsible for national visioning, national development planning, appraisal of public investments, and coordination of development assistance programmes.

5. Under the Project, the Ministry will play a facilitatory role of management and monitoring of financial flows of the Project and verifying its contribution to the 8thSNDP.

Ministry of Infrastructure, Housing and Urban Development

6. The Ministry of Infrastructure, Housing and Urban Development (MIHUD) is responsible for infrastructure development and maintenance, including housing and urban development. It is also responsible for public asset management, valuation, and insurance of Government property.

7. For Component 2, MIHUD will issue interim and completion certificates and ensure quality control for the buildings constructed under the Project.

Ministry of Green Economy and Environment

8. The Ministry of Green Economy and Environment (MoGEE) is responsible to protect and conserve all forests and the general environment while promoting a green growth economic development pathway and coordinating national efforts toward climate change adaptation and mitigation.

9. For Component 1, the MoGEE will provide oversight on all interventions addressing green economy transition: develop carbon knowledge modular skills program in collaboration with existing training institutions; capacity building of carbon knowledge within and outside the Ministry; technical capacity building in green financing and development of the tourism sector green and climate change mainstreaming guidelines. For Component 2, through ZEMA, the MoGEE will ensure that infrastructures are developed in compliance with Zambia and World Bank safeguard standards.

Ministry of Water Development and Sanitation

10. The Ministry of Water Development and Sanitation (MWDS) is responsible for development and management of water resources, provision of clean water supply and adequate sanitation for all.

11. For Component 2, the Ministry will provide policy and technical guidance on water reticulation and sanitation interventions. Further, the MWDS will coordinate the construction of water reticulation and sanitation system and ensure water quality control.

Ministry of Energy

12. The Ministry of Energy (MoE) is responsible for the development and management of energy resources in a sustainable manner for the benefit of the people.

13. For Component 2, the MoE will provide policy and technical guidance on off-grid solar power stations interventions. Further, the MoE through its Rural Electrification Authority (REA) will lead the construction and management of off-grid solar power stations.

Ministry of Lands and Natural Resources

14. The Ministry of Lands and Natural Resources (MLNR) is responsible for land administration and land-based natural resources planning toward sustainable land use.

15. For Component 2, the MLNR will provide policy and technical guidance on land administration for the Project interventions. Further, the MLRN will coordinate development of cadastral diagrams and issuance of land tittles for the selected identified sites for construction.

Ministry of Local Government and Rural Development

16. The Ministry of Local Government and Rural Development (MLGRD) is responsible for promoting a decentralised and good local governance system, facilitating delivery of quality municipal services to contribute to sustainable socio-economic development.

17. For Sub-component 1.2, MLGRD will support the PPU of the Provincial Ministries for their contributions to the development of Destination Plans, including the SESA, and then the Infrastructure Investment Plans.

Ministry of Transport and Logistics

18. The Ministry of Transport and Logistics (MTL) mandate is to coordinate the development, policy and regulation of the transport and logistics sector. Specifically, the MTL is responsible for the following portfolio functions: Airports, Aerodromes and Airstrips; Aviation Training; Canals and waterways; Civil Aviation and Airways Policy among others.

19. For Component 2, the MTL will contribute to the process of destination planning and infrastructure selection as well as provide oversight on the design and construction or upgrade of airports and airstrips.

Decentralized Agencies involved in Implementation.

20. The PIU and Task Agencies will need to coordinate Project activity planning with the three Provincial Planning Unit (PPU) and the three Provincial Development Coordinating Committee as well as the District Development Coordinating Committee (DDCC) where interventions are planned. The Project has allocated funds to support their activities when relevant to the Project.

Provincial Planning Unit

21. Each Provincial Planning Unit (PPU) will:

- Provide technical and secretarial support to the Provincial Development Coordinating Committee (PDCC).
- Coordinate planning and implementation of Project activities at provincial level.
- Provide technical support to the districts.
- Screen and review matching grants applications.
- Assists the PIU in Monitoring of projects supported through the matching grants facility.
- Support the MGF Secretariat as required with the various field verifications of matching grant projects progress, both during the initial verification of recommended winners and any necessary verification during implementation phase as part of the review of progress and approval of the progressive payment).

Provincial Development Coordinating Committee

22. Each, PDCC, through the Planning Sub-Committee, will:

- Verify that all Projects interventions are consistent with Provincial Development Plans.
- Undertake periodic monitoring, and possibly supervision of Project activities.
- Provide policy and technical guidance to the district.

District Development Coordinating Committee

23. Each DDCC through the DPSC will be responsible for:

- Coordinating the Project activities in the district.
- Receiving the Project Concept Notes/Project Proposals for matching grants through the District Planning Office.
- Providing advice and disseminate Project related information to the communities including offering technical assistance.
- Leading the planning processes for implementation of all Project activities, including the development of Integrated District Development Plans and mainstreaming climate resilience into development planning at all levels within the district.
- Accounting for advanced funds for activities such as training and facilitation in line with the Government and World Bank procurement and financial guidelines.

District Development Coordinating Committee (District Planning Sub-Committee)

24. The District Planning Sub-Committee is charged with coordinating development and planning in the district and reports to the DDCC chaired by the District Commissioner. Members of the District Planning Sub-Committee comprises key government line ministries and selected non-state actors (NGOs, CSOs, FBOs, business houses/private sector firms). It coordinates implementation of subprojects, provides technical support to communities, and assists in monitoring Project activities. The role of the District Planning Sub-Committee is to prepare the District Integrated Development Plan, District Development Plan and the Annual Work Plan and Budget.

25. The District Planning Sub-Committee will provide technical support towards the implementation of the Project interventions at District level. Specifically, the subcommittee will provide support for (1) Subcomponent 1.1, including monitoring of standards of tourism facilities, data collection activities and tourism marketing activities, and (2) Subcomponent 1.3 relating to matching grants at community level.

National Agencies with a role in implementation

Department of National Parks and Wildlife

26. Established by the 2015 Wildlife Act, DNPW under MoT, is mandated to protect, manage, conserve, and develop Zambia's national parks and wildlife. DNPW organizes the selection and issuance of tourism and hunting concessions and provision of various permits and licenses.

27. Under Sub-component 1.1, DNPW will contribute to the improvement of the process toward a more efficient concessions, permits and licenses processes. Under sub-component 1.2, DNPW will lead Task 1.2.2, to optimize nature-based concessions and CMP. As the mandated agency for national parks and GMAs, DNPW will coordinate all Component 1.3 (matching grants) and Component 2 (Infrastructure) activities in the two parks and their GMAs.

28. In the Project area, DNPW – with its partners African Parks Network (APN) and Frankfurt Zoological Society (FZS) – will continue to support the effective and sustainable management of the Nsumbu National Park, Liuwa National Park, and the respective Game Management Areas (GMA) adjacent to the two national parks. During the Project period DNPW will also coordinate the revision of the General Management Plans for the two national parks.

National Heritage Conservation Commission

29. The role of the NHCC, under MoT, is to preserve, protect and manage natural and cultural (i.e. the prehistoric, historic, and contemporary monuments and relics) heritage.

30. Under the Project, the NHCC will (1) spearhead the preservation and protection of the natural and cultural heritage in the selected TDAs which is critical for sustainable tourism development, while promoting the heritage value for future generations, (2) under sub-component 1.2, NHCC in collaboration with FD will update the management plan for Zambezi source and provide guidance and supervision on the restoration of mini statehouse and the meeting room at Kasaba Bay.

Zambia Institute for Tourism and Hospitality Studies

31. Under MoT, the Zambia Institute for Tourism and Hospitality Studies (ZITHS) is responsible for providing training to contribute to the fulfilment of the demands of the tourism and hospitality industry.

32. Under component 1.2, ZITHS will Support for the establishment of a tourism training centres to improve skills and service delivery to promote excellence in the tourism sector.

Forestry Department

33. Under MoGEE, the Forest Department (DoF) manages state forest reserves, enforces national regulations related to the use and harvesting of forest resources on state and customary lands.

In addition, the department also provides guidelines and supervision for the management, restoration, and establishment of forests.

34. For Subcomponent 1.2, the department will lead the review of the management plan for forested areas (Zambezi source). Under sub-component 1.3 (matching grants), the DoF will provide oversight on the sustainable utilisation and management of forest reserves, especially Community Forest Areas, for social-economic development.

Zambia Environmental Management Agency

35. Under MoGEE, the Zambia Environmental Management Agency (ZEMA) is responsible for protection of the environment and control pollution, so as to provide for the health and welfare of persons, animals, plants and the environment in Zambia.

36. For Component 2, ZEMA will provide policy and technical guidance on environmental issues and approve the necessary environmental and social assessments for the Project interventions. The technical guidance on environmental issues will also be provided for as and when required under Component 1, especially Subcomponent 1.3.

The Road Development Agency

37. Under the MIHUD, the Road Development Agency (RDA) provides for the care, maintenance, and construction of public roads in Zambia.

38. For Component 2, the RDA in line with its mandate will play a major role in planning, designing, constructing, rehabilitating, and maintaining roads and bridges infrastructure to be done under the Project. RDA will help select and supervise the engineering firms who will prepare the drawings, (Bill of Quantities) BOQs and supervise road and game loop construction.

Civil Aviation Authority

39. Under the MTL, the Civil Aviation Authority (CAA) controls and regulates civil aviation, oversee the implementation of, and ensure compliance with, any national strategies and programmes relating to safety and security of civil aviation.

40. For Component 2, CAA will coordinate various activities including developing BOQs for rehabilitation works of the airstrips, management air traffic, communication, navigation and surveillance and maintenance of aerodrome standards. Further, the institution will be critical in providing technical guidance on the construction and rehabilitation of the aerodromes.

Other stakeholders involved in implementation

Collaborative Management Partners

41. The Liuwa Plain and the Nsumbu National Parks are managed through collaborative management partnership (CMP) arrangements between the MoT and the following non-profits organisations: African Parks Zambia and Frankfurt Zoological Society. Both CMPs have been delegated management responsibilities of these parks and to some extent the surrounding GMAs.

42. Under the Project, each will continue their support to these landscapes as well as closely collaborate with the PIU and all stakeholders, so the Project is adequately synchronized and contribute to current development and conservation efforts. Especially, these organization will be closely involved in (1) Subcomponent 1.2, Task 1.2.1 Destination Planning and Task 1.2.3. CMP optimization, (2) Subcomponent 1.3 Matching Grants, most likely in the role of CBE mentor and possibly co-investor, and (3) Component 2 Infrastructure, to help ensure that selected infrastructure contribute to the national parks' General Management Plans.

Traditional Leadership

43. Traditional leaders perform a variety of critical roles regulated by customary law including dispute settlement, adult education, natural resource management, local development, agricultural development, democratic governance, and traditional religious tasks. Under the Project, traditional leaders will play a key role in the implementation of the projects by mobilising communities and providing guidance on community engagement including providing recommendations for community members to apply for matching grants.

ANNEX 7. VEHICLE MANAGEMENT GUIDELINES FOR PROJECT STAFF AND DRIVERS

1. Only Drivers in possession of a valid Government Certificate of Competence issued by the Ministry of Transport and Logistics and have the express authorization of the Controlling Officer or Head of Administration can drive Government motor vehicles;

2. Authorised Officers are required to always have with them: a valid driver's license, certificate of competence, a duly completed logbook and authority for journeying outside district boundaries;

3. A weekend or public holiday pass shall be issued by a senior officer designated by the Controlling Officer for official business during public holidays and weekends;

4. Pool drivers shall park motor vehicles after normal working hours in line with Cabinet Office Circular No. 7 of 2012 unless with express permission from the Controlling Officer or Head of Administration;

5. Officers authorised to drive GRZ motor vehicles shall not use the motor vehicles for private commercial purposes including transportation of persons and cargo;

6. Officers authorized to drive GRZ motor vehicles shall not allow any unauthorised person including a spouse, or any other relative to drive a government motor vehicle under any circumstances;

7. Officers authorized to drive GRZ motor vehicles shall not park at unauthorized places such as nightclubs and bars; Further, duty motor vehicles shall not be used as personal-to-holder motor vehicles and shall be parked by 19:00hrs at designated parking areas;

8. Officers authorised to drive GRZ vehicles shall not drive under the influence of alcohol or drugs;

9. Officers authorised to drive government vehicles shall observe prescribed speed limits;

10. Penalties for non-compliances shall be given according to Cabinet Circular No.8 of 2018, Section H;

11. All GRZ vehicles must conduct daily checks of the vehicles to ensure they are in good condition;

12. Officers must have good knowledge of the Highway code and be capable of answering any questions upon it as required by the Road Traffic and Safety Agency (RTSA);

13. Vehicles inside and outside must be always kept clean;

14. Any accidents to motor vehicles must be reported to the Transport Officer who oversees ensuring that appropriate disciplinary action is taken against government drivers who are involved in traffic accidents;

15. The Standing Accidents Board exits to apportion responsibility for accidents and to make recommendations to the Ministry of Finance and National Planning for recovery of contributions towards the cost of repairs;

16. Driving for more than 11 hours a day is not recommended. For every 5 hours of driving, a break of an hour shall be taken. In the class of long distances, a relief authorized GRZ driver shall be utilized;

17. All motor vehicles must be maintained and serviced within the prescribed period and service logs kept per motor vehicle;

18. To report an accident, officers shall fill in the ME Ia form prescribed by the Controlling Officer;

19. All officers shall be aware of the policies and guidelines governing management and use of GRZ motor vehicles; and

20. All officers shall have access to the Cabinet Office Circular No.8 of 2018 and the Ministry of Works and Supply Circular on Use, Care and Maintenance of Government Vehicles, Plant and Equipment, 2002.

ANNEX 8: ECONOMIC AND FINANCIAL ANALYSIS SUMMARY

Background

1. This annex contains an ex-ante Economic And Financial Analysis (EFA) of the Project. The Project has been designed to support the development of the Northern and Western Circuits that will strengthen the basis for a more competitive tourism sector at the destination level, through provision of effective links between TDAs and circuits.

2. Without project intervention, households in the area will continue to experience deteriorating natural resources and habitats, poor infrastructure and connectivity, low-income levels, and lack of viable livelihoods. Project interventions will have an impact on resource management and livelihoods through investment in infrastructure including roads, airstrips, airport facilities, river transportation, telecommunication network, off-grid power supply, visitor centres, and ancillary works. Private sector participation in concessions and collaborative management will be strengthened through regulatory, licensing, and marketing interventions. The target is nature-based tourism and connected sectors.

Methodology

3. **A 25-year cost-benefit model incorporating all components is used to assess the ex-ante efficiency of the project investment.** Choosing the length of analysis period for an EFA model is a trade-off between keeping it short because future projections become increasingly uncertain and making it long enough to capture the life of infrastructure investment and long-term benefits of project interventions. The benefits and costs from interventions are expected to build up gradually over several years. To account for the life of project infrastructure, a 25-year analysis period is used including a 7-year implementation phase and an 18-year capitalization phase.

4. **Costs and benefits are captured for all project components—directly or indirectly.** All project activities are associated with both costs and benefits. Some incremental net benefit flows cannot be quantified due to lack of data. These are discussed qualitatively. Net benefits are benefits or revenue less costs. Incremental net benefits are the difference between the with-project and without-project situations.

5. **Efficiency and other cost-benefit indicators.** The cost-benefit analysis is based on constant 2023 currency amounts for without- and with-project situations. Data referring to earlier years are inflation adjusted to 2023 amounts using the Consumer Price Index from Zambia Statistics Agency. The ENPV is calculated using a discount rate of 5 percent given the low per capita growth rate in GDP.[47] Sensitivity analyses are performed with 3, 5, 10, 12, and 15 percent

[47] Data from World Development Index database show Zambia's 5-year and 10-year average per capita growth in GDP of -0.85 percent and 0.31 percent, respectively (2017–2021, data accessed March 3, 2023). According to World Bank guidelines, a 3 percent per capita growth rate translates into a 6 percent discount rate, and per capita growth rates of 1–5 percent yield discount rates of 2–10 percent. World Bank. 2016. *Discounting Costs and Benefits in Economic Analysis of World Bank Projects*. Washington, DC.

discount rates. The financial discount rate used is 12 percent to reflect the opportunity cost of capital in current lending rates in Zambia. In addition to sensitivity analyses of these discount rates, the break-even rates are calculated, that is, the Economic Internal Rate of Return (EIRR) and Financial Internal Rate of Return (FIRR). In projects with high recurrent and reinvestment costs, the Net Present Value (NPV) indicator is not as easy to assess because it includes more than the US$100 million investment cost. The EIRR, FIRR, and payback periods are also different compared to projects where most costs are front-loaded in early years. A more intuitive indicator in this case is the Benefice Cost Ratio (BCR) which should be greater than 1 to indicate a viable project.

6. **All components and the entire budget are included in the analysis.** The EFA includes the entire project cost of US$100 million with adjustments for price contingencies, beneficiary and GRZ contributions, and recurrent and reinvestment costs occurring after the project has ended. In total, the adjusted project investment cost is US$97 million with an average of US$6 million per year afterward. Following World Bank guidelines, the EFA considers anticipated costs and benefits with and without the project, including social costs and benefits[48] . Excluded price contingencies are US$4.7 million (5 percent of cost estimate). Included beneficiary cash and in-kind contribution to matching grants are US$1.3 million (20 percent of Subcomponent 1.3). GRZ in-kind contribution for staff time is US$0.7 million (5 percent of Component 1). Included annual recurrent costs are US$0.2 million by matching grant beneficiaries (4 percent of Subcomponent 1.3) and US$2.7 million from the GRZ for infrastructure maintenance (5 percent of component 2). Included US$0.4 million for administration, supervision, and monitoring (50 percent of final year cost of Component 3). Periodic reinvestment costs are estimated at US$37 million every 10 years (50 percent of Component 2).

7. **The social value of carbon is included with three different price levels.** The low US$51 per tCO_2e and high US$102 per tCO_2e estimates of social value of carbon for 2023 are increased annually by 2.25 percent as prescribed in World Bank guidelines[49]. As an alternative to this, a study of offsets paid for different GHG emission attributes found an average price of US$5 per tCO_2e[50], which is currently a common price achieved for carbon credits through the Forest Carbon Partnership Facility. Some such projects have achieved US$10 per tCO_2e, and this value is used in the economic analysis. In the financial analysis, value of carbon is excluded.

8. **The economic analysis excludes all transfers and therefore prefinancing and excludes considerations of loans and repayments but includes total investment costs.** The currency values are adjusted from the financial analysis according to economic conversion factors and shadow prices to conduct an economic analysis that excludes taxes and subsidies. Based on an unemployment rate of 13 percent, the shadow cost of labour is set to 0.87. Based on exports,

[48] World Bank. 2013. Investment Project Financing Economic Analysis Guidance Note. Washington, DC. April 2, 2013.
[49] World Bank. 2022a. FY23 list of annual shadow price of carbon from 2020 to 2050. Provides update of prices in: World Bank. 2017. Shadow price of carbon in economic analysis. Guidance note to the World Bank Group staff. Washington, DC, Nov 12, 2017.
[50] Hamrick, K. and M. Grant. 2017. Unlocking Potential State of the Voluntary Carbon Markets. Forest Trends, Ecosystem Marketplace. Washington, D.C. 44 p.

imports, taxes, and duties, the estimated standard conversion factor is 0.98, which is also used for tradable national goods. The factor used for tradable imports is 0.82. An estimated US$13 million is excluded for assumed taxes and duties on investments in Subcomponent 1.3 and Component 2.

9. **Sensitivity analysis.** The goal is to identify the key assumptions that drive the results. This includes calculating switching values (when the NPV turns zero) as well as elasticities (the impact of a 1 percent change in an assumption shown as a percentage change in the project's NPV) and specific scenarios quantifying key risk factors.

Assumptions

10. Net benefits from increased tourism are captured by estimating the amount of tourist spending and labour generated from growth in the sector starting in Year 8 when project implementation is complete. The following assumptions are made: There are currently 48,000 tourist visits per year in the area where the project will have direct impact. Without project interventions, this will grow by 2 percent per year. With project interventions, international tourist numbers will grow by 4 percent per year and domestic tourist numbers will grow by 3 percent per year. This is in line with the ZTMP. International and domestic visitors spend US$1,700 and US$1,100 per visit, respectively. International visitors constitute 52 percent of the tourists. The average length of stay in the project area will increase from four to five days, which is conservative compared to the ZTMP. This analysis only includes the value added from project interventions starting from Year 8. Therefore, to incorporate the cost of doing business, data from the GRZ suggest a profit margin of 35 percent of revenues for tourism operators and 20 percent of operating costs are for labour.

11. Project interventions will improve management of 928,980 ha of forest and grassland in the area. The impact is valued by changes in GHG emissions and the social value of carbon. Impact on carbon balance is estimated using the Ex-Ante Carbon-balance Tool (EX-ACT) model of the Food and Agriculture Organization of the United Nations. It is assumed that 572,130 ha of tropical dry forests will be put under improved sustainable management, with a reduction of annual burn impact from 20 percent to 15 percent. In addition, interventions will improve the management of 365,850 ha of non-degraded grasslands.

Results

12. **As shown table A8.1, the results indicate that the project is economically viable when impact on GHG emissions is included**. It is not financially viable due to the lag in benefits from increased tourism after the project is completed. In financial terms, with a 12 percent discount rate, the project is not viable and provides an estimated Financial Benefit Cost Ratio (FBCR) of 0.8 with an FIRR of 7 percent and an FNPV of negative US$27 million. The payback period is 18 years. In economic terms, with a discount rate of 5 percent, the project is viable with an Economic Benefit Cost Ratio (EBCR) of 1, an EIRR of 6 percent, an ENPV of US$10 million, and a 19-year payback period. When including impact on GHG emissions

through the social value of carbon, the project is viable with an EBCR of 2, an EIRR of 80 percent, an ENPV of US$310 million, and a six-year payback period. Figure A8.1 shows the annual investment, recurrent and reinvestment costs versus the annual net benefits from tourism growth, increased labour, and reduced GHG emissions.

13. Table A8.2 shows that the project can become financially viable if the discount rate is reduced to 5–10 percent and some of the annual tourism growth is achieved earlier than in year 8. If, during Years 3–7, 10 percent of the estimated annual tourism growth can be achieved, the project FIRR could increase to 8 percent. With the current financial discount rate of 12 percent, over 50 percent of the annual tourism growth would have to be achieved during implementation. From Year 3, this is equivalent to generating US$12 million in annual tourism net benefits and associated labour. This break-even case is illustrated in figure A8.2.

14. Excluding infrastructure construction and maintenance, job creation is estimated at 4,000 FTEs at an annual average value of US$3.4 million or 12 percent of project benefits. With the current assumptions and excluding social value of carbon, operators in the tourism sector will capture 88 percent of the benefits and 12 percent are captured as increased labour. Job creation is estimated by assuming a conservative 20 percent share of operating costs in NBT activities. The annual average increase is 4,000 FTEs through tourism operators. At ZMW 80 per person per day, this adds up to an average annual value of increased labour of US$4.2 million in financial terms and US$3.4 million in economic terms. This excludes infrastructure construction and maintenance in Component 2. It may be the case that some people were employed by other enterprises and were not unemployed before. They may have been diverted from other income-generating activities. However, the estimate is considered conservative and is therefore attributed to the project. The sustainability of these jobs depends on the amount of continued tourism in the future.

Table A81. EFA - Key Efficiency Indicators

Indicator	Financial Analysis	Economic Analysis	Economic Analysis with GHG Emissions
Discount rate (%)	12	5	5
Investment (US$ millions, excluding adjustments)	100	100	100
Investment (US$ millions, including adjustments)	97	84	84
NPV (US$ millions)	−27	10	310
BCR	0.8	1.0	2.0
Internal Rate of Return (%)	7	6	80
Payback period (year)	18	19	6

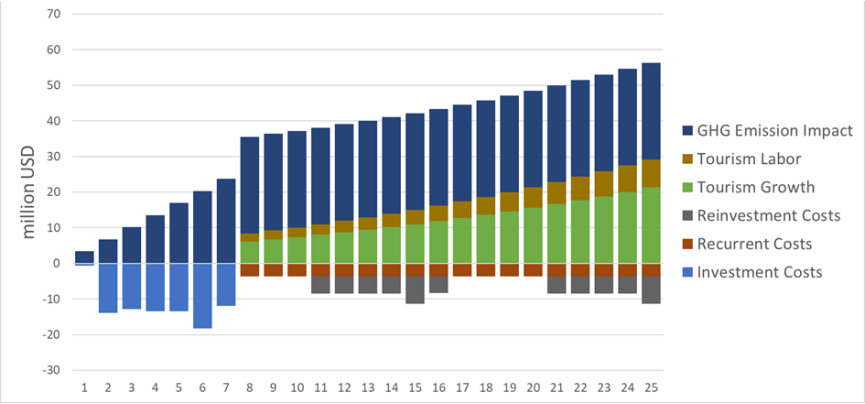
Note: Includes entire project budget. The analysis period is 25 years. Adjusted investment costs include beneficiary contributions and exclude estimated price contingencies. Economic analysis excludes estimated taxes and duties. Economic analysis with GHG emissions: carbon price = US$10 per tCO_2e.

Table A8.2. Financial Analysis - Value of Generating Benefits Sooner

FBCR		Discount Rate				
Tourism Benefits in Year 3–7	**FIRR (%)**	**3**	**5**	**10**	**12**	**15**
Base case (no tourism benefits before Year 7)	7	1.11	1.05	0.90	0.83[a]	0.74
10% of annual tourism growth	8	1.13	1.07	0.93	0.87	0.78
37% of annual tourism growth	10	1.17	1.13	1.00	0.95	0.87
57% of annual tourism growth	12	1.20	1.16	1.05	1.00	0.93

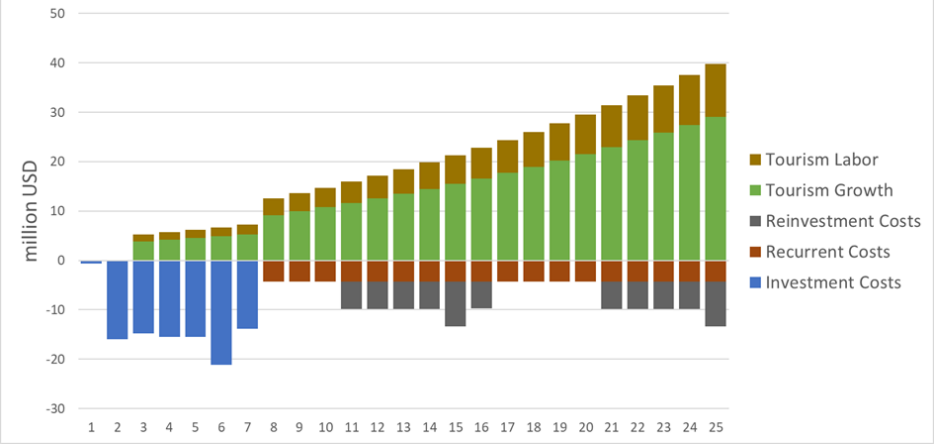
Note: Includes entire project budget. Analysis period is 25 years. Excludes GHG emission impact on carbon balance.
a. Indicates base case.

Figure A8.1. Economic Analysis: Estimated Annual Cash Flow Benefits and Costs Including GHG Emissions



Note: Shows incremental benefits and costs (with-project less without project estimates). Carbon price = US$10 per tCO_2e.

Figure A8.2. Financial Break-Even Analysis: Estimated Annual Cash Flow Benefits and Costs Including Tourism Benefits in Years 3–7



Note: Shows incremental benefits and costs (with-project less without-project estimates).

Sensitivity Analysis

15. Table A8.3 shows that the estimated value of impact on GHG emissions ranges between US$111 million and US$385 million depending on the discount rate used in the base case. When using higher carbon prices between US$51 and US$102 per tCO_2e, the estimated social value of carbon ranges between US$687 million and US$5,229 at different discount rates.

Table A8.3. Economic Analysis: Value of GHG Emission Impact

NPV (US$, millions)		Discount Rate				
Price Scenarios	**US$ per tCO_2e**	**3**	**5**	**10**	**12**	**15**
Market price	10.0	385	300[a]	174	144	111
Low shadow price	51 + 2.25%/year	2,614	3,000	1,113	908	687
High shadow price	102 + 2.25%/year	5,229	4,000	2,227	1,816	1,375

Note: Includes entire project budget. The analysis period is 25 years. Project area is 928,980 ha with improved sustainable forest and grassland management. GHG emission impact on carbon balance is 58.3 million tCO_2e.
a. Indicates base case.

16. Table A8.4 shows that the project is viable with a discount rate less than 5 percent. However, the BCR is smaller than one and the NPV is negative if the analysis period is reduced to from 25 to 20 years.

Table A8.4. Economic Analysis: Sensitivity of Key Efficiency Indicators

	Discount Rate				
Indicator	3	5	10	12	15
EBCR, 20 years	0.98	0.93	0.79	0.73	0.65
EBCR, 25 Years	1.09	1.03[a]	0.88	0.81	0.72
ENPV, US$ million, 20 years	−5.9	−17.3	−30.1	−31.8	−32.5
ENPV, US$ million, 25 years	37.0	10.2	−20.7	−25.6	−29.1

Note: Includes entire project budget. Excludes GHG emission impact on carbon balance.
a. Indicates base case excluding GHG emission impact on carbon balance.

17. **Analysis shows the results are sensitive to changes in assumptions regarding length of stay and number of tourists**. For example, because tourism growth is the only quantified benefit, a 1 percent reduction in average length of stay leads to a 42 percent reduction in the ENPV. If the length of stay increases only from 4 to 4.9 days, the project no longer breaks even. A 1 percent fall in spending or number of tourists can lead to a 13 percent fall in the ENPV. Table A8.5 compares the EBCR at different lengths of stay and tourism growth. If the length of stay drops below the assumed five days, international tourism will need to grow by 6 percent rather than 4 percent per year and domestic tourism needs to grow by 4.5 percent rather than 3 percent per year. This sensitivity also shows the potential to increase project returns by focusing on its main targets: increasing the number of tourists and their length of stay and therefore spending.

Table A8.5. Economic Analysis: Length of Stay and Tourism Growth

		Length of Stay		
	EBCR	4.2	5	5.8
Annual growth in international and domestic tourism, respectively	**3%, 2.3%**	**0.46**	**0.91**	**1.13**
	4%, 3%	**0.70**	**1.03[a]**	**1.21**
	6%, 4.5%	**1.01**	**1.22**	**1.33**

Note: a. Indicates base case excluding GHG emission impact on carbon balance.

18. **The analysis also shows that results are sensitive to changes in assumptions regarding recurrent and reinvestment costs.** Sustainability considerations are important given that people in the project area are already suffering from deteriorating infrastructure and poor funding of natural resource management. Budgetary spending to maintain the new infrastructure is reflected through estimated recurrent and reinvestment costs of around US$6 million per year. Table A8.6 shows how a lower number of tourists in the area means the project no longer breaks even. If maintenance costs go up by 30 percent from the baseline, the EBCR falls below 1 and is no longer viable. The upside is that, by increasing the number of tourists in the area, the EBCR stays above 1 even if maintenance costs increase as a result.

Table A8.6. Economic Analysis: Number of Tourists and Recurrent Costs

		Recurrent Costs (Subcomponent 1.3, Component 2)		
	EBCR	**5%, 50%**	**6%, 60%**	**6.5%, 65%**
Annual visits in project area	**28,800**	**0.81**	**0.79**	**0.78**
	48,000	**1.03[a]**	**1.00**	**0.98**
	52,800	**1.07**	**1.04**	**1.02**

Note: a. Indicates base case excluding GHG emission impact on carbon balance.

19. The following incremental net benefit flows are not quantified explicitly in this analysis:

- Increased tourism will be captured through new nature-based economy partnerships. It is expected that these partnerships will provide increased revenue and cost streams to households and communities.
- The available data are insufficient to assess the fiscal impact of increased government revenue through park entry fees, concessions, and business license fees. These data should be collected during implementation
- The value of improved tourism experiences.
- Direct and multiplier effects on non-tourism sectors, livelihoods, and enterprises.
- NBT activities and enterprises should be valued and assessed when project implementation progresses.
- Increased biodiversity or avoided further loss of biodiversity.
- Loss of livelihoods inside the project area (for example, due to infrastructures).
- Indirect impact on neighbouring areas includes increases in tourism as well as tourists diverted from other areas of interest.
- Net benefits from strengthening institutions and improving administration.
- Net benefits from improving information and monitoring.

Conclusion

20. The results indicate that the project is economically viable. In economic terms, with a discount rate of 5 percent, the project is viable with an EBCR of 1, an EIRR of 6 percent, an ENPV of US$10 million, and a 19-year payback period. When including the impact on GHG emissions through the social value of carbon, the project is viable with an EBCR of 2, an EIRR of 80 percent, an ENPV of US$310 million, and a six-year payback period.

21. It is not financially viable due to the lag in benefits from increased tourism after the project is completed. However, several expected benefits have not been quantified. In financial terms, the project is not viable with a 12 percent discount rate. It provides an estimated FBCR of 0.8 with an FIRR of 7 percent and an FNPV of negative US$27 million. The payback period is 18 years. The project can become financially and economically viable if the discount rate is reduced to 5–10 percent and some of the annual tourism growth is achieved earlier than in Year 8.

22. Results include job creation estimated at 4,000 FTEs at an annual average value of US$3.4 million or as 12 percent of the benefits. This excludes jobs in infrastructure construction and maintenance. The sustainability of these jobs depends on the amount of continued tourism in the future. The remaining 88 percent of estimated benefits are captured by operators in the tourism sector.

23. The analysis shows that results are sensitive to changes in assumptions regarding length of stay, number of tourists, and recurrent costs of infrastructure maintenance. The results are also sensitive to the choice of discount rate or length of analysis period.

24. Key expected benefits that have not been quantified are net benefits captured by communities and households through new nature-based economy partnerships, the value of improved tourism experiences, direct and multiplier effects on non-tourism sectors, and indirect impact on neighbouring areas including increases in tourism as well as tourists diverted from other areas of interest.

ANNEX 9: SECTOR ANALYSIS, GENDER, AND GOVERNANCE ASSESSMENTS

Existing National and Sectoral Development Strategy

1. The 8NDP (2022–2026) is centred on economic diversification and transformation. Underpinned by four pillars of economic competitiveness, environmental sustainability, social inclusion, and sustainable governance, the new Government firmly established its direction to support job-rich sectors, pointing to tourism and agriculture; focus on MSMEs to create high-income jobs; and drive the private sector to lead economic transformation. Specifically for the strategy dedicated to promoting tourism growth, the 8NDP identifies priority to the Northern and Southern Circuits, particularly around Kasaba Bay and Liuwa National Park. The tourism sector strategy also identifies climate-resilient tourism infrastructure development as the first of four programs.

2. The diversification and transformation agendas are further manifested through the Government's new commitment to green growth. Part of the ongoing strategy development for green growth—aiming for approval in early 2023—seeks to explore and establish incentive and regulatory schemes to support the improvement of E&S performances of economic activities across the board. Moreover, the strategy is to select priority sectors51 to promote as green economic sectors. The nature-based economy with its multidimensional contributions to development is well placed to be at the forefront of green growth. The reliance on natural resources is non-consumptive and involves nature-conserving activities; furthermore, its growth is linked to the sustainability of the natural capital and effective cooperation with communities and enterprises. It creates jobs and fosters entrepreneurship especially among women and youth and introduces alternative sources of livelihoods to rural communities. The sector is well-poised to demonstrate the transition and the potential to thrive, where businesses have also expressed desire to improve their bottom lines through more efficient operation to reduce expenses and minimize damage costs.

3. Engagement of communities with empowerment focus to enhance their rights as the guardians of natural resources has begun to see evolving dynamics. Recognizing the importance of secure and clear rights, rights-based approach and improved partnership mechanisms were introduced in legislations, such as the Public-Private Community Partnerships, Wildlife Act 2015, the Community Forest Management, and Forests Act 2015. These measures aimed to further strengthen 'community-based natural resource management' by empowering with clear rights and enabling effective partnership arrangements to support community-based organizations to emerge as reliable guardians and partners for sustainable conservation impact. These measures have shown mixed results in implementation; communities still require extensive support in

[51] As of early 2023, the sectors being deliberated are agriculture and environment; industry and tourism; energy, transport, and manufacturing; social inclusion; and microeconomics and finance.

claiming and exercising rights, improving internal governance and management capacity, and proactively and equitably engaging in partnership identification and negotiation.

4. The GRZ tourism sector has a dedicated national policy, master plan, and relevance to other key policies such as those for parks and wildlife and climate change. The 2015 National Tourism Policy, with a vision to make Zambia an exciting and growing destination, aims to raise the country's status as one of top five tourist destinations (arrivals) in Sub-Saharan Africa by 2030. The policy is supported by the ZTMP (2018–2038), which elaborates the systematic approach to realizing the vision to create a competitive must-see holiday destination and a regional conference hub. The ZTMP presents high-level goals for improving the business and investment environment, market demand, physical infrastructure, and access to services together with diversifying tourism products especially with ecotourism enterprises and private game ranching, and with restocking national parks for sustainable wildlife habitats.

5. The ZTMP aims to make Zambia an end destination through key success factors: hub-and-spoke circuit development, sustainable infrastructure, and collaboration with conservation partners including communities and businesses. The ZTMP promotes first concentrating on TDAs in the southern and eastern parts of the country to establish strong end destinations and phasing to develop TDAs in the northern and western parts. Sustainable infrastructure to meet increased tourist volume focuses on improving domestic air access, implementing a tourism-specific road improvement plan, and mitigating impacts of infrastructure developments while promoting sustainability and resilience in tourism-related infrastructure. Expansion of collaboration with conservation partners in developing national parks as tourism assets and nurturing stewards and entrepreneurs is highlighted: NGOs are to boost conservation capacity and NBT business interface, while communities and local development are to improve integrated land use plans, land tenure, and compatible livelihoods and enterprises. Furthermore, as part of the SADC, Zambia—through the MoT—has endorsed a regional strategy that includes development of national CMP policies and frameworks to better promote and support CMPs for national parks and more types of protected areas.

6. The GRZ has the Industrial Development Corporation—under which the TIC is implementing the Tourism Investment Programme (TIP).52 The TIC was established in 2015 to initially own tourism assets and raise capital for their development, complementing Government effort to accelerate tourism investments through equity-based partnerships with the private sector. In early 2022, the TIC launched the TIP to identify key infrastructure constraints and facilitate development of enabling infrastructure such as electricity, roads, waters, and communication. The current pilot phase focuses on eight sites,53 to conduct various studies with technical site visits, identifies sector impediments, costs, and recommends specific investment to the

[52] In 2015, the Government—upon recommendation by the MoT—engaged the IDC to incorporate a Special Purpose Vehicle—the Tourism Development Investment Corporation (renamed Tourism Investments Corporation in 2019).

[53] (a) Kasaba Bay, Mpulungu District; (b) Ntumbachushi Falls, Kawambwa District; (c) Lumangwe/Kabwelume Falls; (d) Kawambwa/Mporokoso Districts; (e) Kalambo Falls, Mbala District; (f) Kalundu site, Kafue National Park; (g) Katoyana site, Liuwa National Park; and (h) Kwale site, Liuwa National Park.

MoFNP.[54] The TIP is overseen by an MTC comprising multisector representatives[55] with mandate to ensure coordination in the country's tourism development.

Gender Gap Assessment

7. The assessment undertaken during project preparation identified two key gender gaps.

   – **Results Chain 1**: Low number of formalized businesses for women entrepreneurs/women-led SMEs. The Global Enterprise Survey indicates that only 16.5 percent of firms have majority of female ownership and only 12.9 percent of firms have a female top manager. Zambia's women lack access to formal sources of finance and opportunities to grow their businesses. Only 45 percent of Zambia's adult females have a bank account or access to a mobile money platform, compared to 49 percent[56] of males, and women-owned small and medium-size businesses struggle to access financing and formalize their business with registration/licensing in the national registry. It is particularly hard for rural women to access business development services and financial institutions as they are mostly informal agribusiness value chains. Several factors constrain women's access to registration of business such as low literacy levels; lower assets for collaterals; limited knowledge on financial products as well as registration of businesses, terms and conditions, right financial institutions, and business plan development; and lower levels of mobility. Zambian women also face other constraints, including limited access to technology, a lack of networks and knowledge resources, and legal and policy obstacles to business ownership and development. Furthermore, women also face challenges in negotiating with predominantly male authorities. In addition, their unequal share of family responsibilities hampers women from networking and other business development activities that occur outside working hours.

8. Activities to promote registration of new businesses for women-led enterprises in the tourism value chain. The project's actions include promoting and increasing female-led enterprises, particularly in the tourism value chain through a targeted approach to improve their ability to access finance and their business productivity. Project activities will help support female-led enterprises with the provision of registration of new business through business development services such as support with registration of business in the national registry, network facilitation, and training on personal initiatives and other services to improve women's access to finance. The project will support women entrepreneurs through targeted workshops and seminars and coaching for women on business registration, business development including on regulations, financial literacy, business planning, opportunities for finance, public speaking,

[54] Studies will be conducted by recruited firms and include a range of assessments for each site, expected to deliver study findings in Q4 2023 and disseminate them in Q1 2024 through an online database for potential investors and partners. Studies include tourism development feasibility studies and market assessment, site-specific surveys, and assessment of required infrastructure, and the ESIA.
[55] MoFNP, ZESCO/ZPC, ZAMTEL/INFRATEL, MoT, DNPW, NHCC, ZTA, MoTL, ZACL, CAA, MIHUD, RDA, MLGRD, MCTI, RDA, MoGEE, ZEMA, MoHA, MoE, REA.
[56] Findex 2021 data.

managing of family businesses, and leadership and the development of networks of female entrepreneurs that are linked to existing networks to strengthen the capacity of women-led enterprises. In addition, women will be targeted for training and investments provided on non-timber forest product processing, storage, packaging, and market opportunities. In the RF, one indicator 'Proportion of all businesses registered with project support that are women-led/women-owned' (baseline 0, target 30 percent) has been included for tracking.

- **Results Chain 2: Women's representation in national forest-related governance structures is very low.** Participation of men and women in forest resource management in Zambia has tended to be disproportionate for several cultural and systemic reasons:

  (a) Lack of an enabling environment for women's participation in community groups—men tend to dominate participation in community forest management structures. In terms of representation, women's representation, and voice in resource management institutions such as Village Action Groups (VAGs), Community Resource Boards (CRBs),[57] and Community Forest Management Groups (CFMGs) are low, zero percent in some CRBs.[58] Out of 76 CRBs in Zambia, 72 are led by men and only four are led by women.[59]
  (b) Lack of confidence among women to speak to large groups, lower literacy levels, the burden of childcare and household duties that need their time, and a perceived lower level of knowledge about the forest
  (c) Informal information channels that exclude women and poorer households
  (d) Absence of quotas for women's participation
  (e) Lack of income-generating activities. At the same time, there is a growing body of evidence that women's presence in community institutions of forest governance improves resource conservation and regeneration. The few women participating experience challenges in asserting themselves within the male-dominated structures.

9. Activities to promote women's participation as decision-makers. Increasing the participation of women in government-led and government-recognized forestry management committees in decision-making (CRBs, CFMs, VAGs) will allow them to have a stronger decision-making role and therefore more influence on decisions regarding forest management and access to forest resources and related incomes. Specific project activities will include targeted workshops for women on planning and management, promotion of women in management committees, and coaching sessions for women on participating in management committees. Sensitization workshops for men and women will be conducted on creating gender-safe spaces, reducing cultural marginalization of women, working with female leaders, and promoting safety and security of women participating in forest activities, for example, forest patrols. Within the CRB structure, participants will receive specialized training on bookkeeping, accounting, livelihoods, and leadership which will ensure women remain chair of the CRBs. In the project RF, two indicators 'Proportion of all businesses registered with project support that are women-led / women-owned" and 'People participating in consultations/decision-making on natural

[57] CRBs are long-term governance structure where members have voting rights on initiatives as well as have financial and technical responsibilities.
[58] USAID, LandLinks Report, https://www.land-links.org/document/gender-assessment-of-the-wildlife-sector-in-zambia/.
[59] USAID, LandLinks Report, https://www.land-links.org/document/gender-assessment-of-the-wildlife-sector-in-zambia/.

resources management (number), including female' will monitor progress of closing of gender gaps in women's voice and agency in natural resources management.

10. Table A9.1 provides a summary of gender gaps, activities, and indicators the project will undertake to improve women entrepreneurs, women-led/owned firms' access to finance technical services, and participation in forest governance structures as decision-makers.

Table A9.1. Gender Action Plan

Gender Gap	Project Potential Activities	Gender Indicator
Objective 1. Removing constraints for more and better Jobs (care services, unsafe transport, occupational sex segregation, and entrepreneurship)		
Low number of formal (for example, national registration of business) female-owned businesses [60] ; female entrepreneurs have less access to information, credit, fewer opportunities to upgrade their machinery and equipment required to expand sectors Low number of female entrepreneurs in NBT, [61] (particularly in higher-value chains) due to inadequate business development skills, market links, and so on Double burdening of women. Activities directed at empowering women create additional burdens or increase women's workload Childcare responsibilities or mobility restricts	• Promote women-owned/led businesses by providing support such as support with registration/licensing of new business recognizable in the national business registry, links to the markets, socio-emotional skills training, leadership training, and eco-friendly certifications. • Provide targeted training and awareness activities to improve women's technical knowledge of natural resource management, human-wildlife coexistence, forest restoration, and so on and equip them with entrepreneurial skills to pursue alternative and sustainable livelihood activities. • Organize trainings and consultations activities in a gender-friendly way (that is, aligning with female work schedules and spaces and their daily reality: accommodate childcare needs and/or schedules/locations convenient for women and using communication tools that consider cultural barriers that create information asymmetries). • Support female producers/entrepreneurs (for example, honey and mushroom producers) to enhance productivity through activities to increase economic outcomes in forest landscapes including ecotourism and commercialization of non-timber forest products.	'Proportion of all businesses registered with project support that are women-led/women-owned' (baseline 0, target 30) percent)[62]

[60] Global Enterprise Survey (World Bank, March 2020) indicates percent of firms with majority of female ownership is only 16.5 percent and percent of firms with a female top manager is only 12.9 percent.

[61] Global evidence suggests female-owned firms tend to concentrate in trade and retail industries, especially in textile and footwear, and pharmaceutical and perfume products, whereas male-owned enterprises dominate most manufacturing sectors as well as agriculture, forestry, and fishing (World Bank. 2022. *Breaking Barriers: Female Entrepreneurs Who Cross Over to Male-Dominated Sectors*).

[62] The project target of business registration for female-led businesses has been established given that female ownership of enterprises is only 16.5% (Global Enterprise Survey 16.5%); also this target was set based on stakeholder consultations and project site scoping.

Gender Gap	Project Potential Activities	Gender Indicator
women's earning potential		
Objective 2. Enhancing women's voice and agency and engaging men and boys (child marriage, GBV, engaging men and boys, women's participation, and decision-making in service delivery in governance structures)		
Limited participation of women in land and natural resource management, low number of women in management positions/technical roles due to factors such as lack of enabling environment and cultural and social norms	• Support for women's participation as decision-makers in the executive bodies of registered governance structures in land and natural resource management, such as CRBs, CFMGs, and community conservancies; ensure women are supported to serve in decision-making positions of executive boards and in technical roles with financial and technical responsibilities of secretariats as well as to equitably participate in voting; support women's long-term leadership in the governance bodies • Once women are placed in elected positions, provide training to both women and men and their spouses, to increase knowledge and capacity to address gender issues as well as specific leadership and empowering skills for women • Recruit female technical advisers, support investment in time they spend with the communities to build trust • Create awareness on women's involvement in the wildlife sector, share best practices, and demonstrate a case for increasing trends on the role of women in law enforcement • Review sector guidelines for the community level (particularly in CBRs, CFMGs) and adopt measures that explicitly require gender participation and representation and support leadership	'Registered land and natural resource governance bodies (CRB, CFMG, community conservancy, and so on) led by women (women in elected or secretarial positions)' (baseline 5%, target 10%)[63] 'People participating in consultations/decision-making on natural resources management (number), including female' (baseline 0, target 30%)

Strengthening Governance and Institutions in the Tourism Sector

11. Tourism is an 'open' industry and subject to political, social, environmental, and technological trends to which it must respond. Due to its fragmented nature, it requires coordination of government, horizontally at the national and vertically between the national and subnational levels, as well as private sector businesses that both compete and cooperate with one another. Strengthening transparency and accountability within the sector is necessary for strengthening overall sector governance. The role of local communities in tourism development is critical as they tend to benefit through jobs and local economic development and can also play a crucial role in strengthening conservation efforts, discourage encroachment, poaching, and other activities that lead to the degradation of protected areas. Strengthening citizen engagement in the tourism sector will help enhance transparency and accountability between the State and community stakeholders as well as strengthening the partnership between citizen and the State in tourism development activities. Strengthening revenue generation is important for the

[63] Indicator not included in the RF.

sustainability of the capital investments made in the sector and calls for a robust revenue generation strategy that includes identifying potential revenue sources and revenue sharing. Capacity development of key stakeholders in the sector is critical for sustainable tourism development and is therefore a key area for institutional development in the sector.

12. A Governance and Institutional Assessment has been conducted to examine the above-listed as well as other related issues in depth and identify risk mitigation options64. To address the gaps in the institutional framework, the project will carry out a comprehensive institutional assessment in Year 1 of the project that will map out the roles and responsibilities of the various actors as well as identify critical gaps in the institutional, policy, and legal framework. The project will support the MoT to strengthen transparency and accountability in the sector through a set of measures that will facilitate the efficient sharing of project and sector information, institutionalizing of stakeholder consultations, and strengthening of the grievance redress forums at various levels.

13. In addition to the publishing of all relevant project information through a project website that will be linked to the MoT website, the project will support the MoT to use social media to improve the quality of public consultations and information sharing. Finally, the project will strengthen the community-based organizations such as the CRBs as well as local government structures such as Ward Development Committees (WDCs) to ensure that the voice and participation of local communities are included in destination management initiatives. The project will review the existing model for benefit sharing with communities to explore the possibilities of extending it beyond the sharing of hunting revenues to include other revenues as well as improve the transparency of the revenue sharing. The project will coordinate with other World Bank engagements such as the Devolution Support Program on citizen engagement at the local level as well as identify opportunities to include tourism sector needs into the local planning and budget process that can eventually help to tap potential sources of financing such as the Constituency Development Funds.

14. Strengthening coordination and cooperation in the tourism sector. Coordination at the Central Government level is broadly carried out by the Public-Private Dialogue Forum (PPDF) chaired by the President of Zambia and the TCZ. Within the PPDF, the Technical Working Group is co-chaired by the PS, MoT, and the President of the TCZ. While these arrangements are adequate in form, there are several gaps in substance, especially relating to the gaps in formulating links between tourism and other key sectors such as environment and creating a 'whole-of-government' approach to tourism sector development focusing on economic development, addressing market failures and the effective management of public goods. The gaps in the existing policy framework (for example, relating to the granting of concessions) as well as the overlapping and often unclear roles of several stakeholders have proved to be

[64] The Government will prepare a Governance and Accountability Action Plan as part of the PIM that puts in place a set of measures to strengthen the governance aspects of the GREAT-TDP. The plan will bring together the various recommendations described in the governance and institutional assessment and ensure a coordinated approach to implementing them and thereby help mitigate the risks identified.

binding constraints to effective and coordinated policy development and implementation. The vertical coordination between the central government and provincial and local governments is weak in the tourism sector with no effective organization structure in existence that can bring together the various stakeholders such as the Government, private sector, and communities together around specific tourism destinations. To address these gaps in the institutional framework, the project will carry out a comprehensive institutional assessment in the first year of the project that will map out the roles and responsibilities of the various actors as well as identify critical gaps in the policy and legal framework. The applicability of organization models such as destination management organizations that have proved to be effective in other country contexts will be explored, and a suitable institutional structure focusing on destination management will be identified and implemented. Links between the Government's revised Decentralization Policy and the Decentralization Implementation Plan will be explored, and support will be provided through the project to strengthen such links.

15. Improving transparency and accountability. Sustainable tourism development requires that the process of policy development and program implementation is inclusive and has functioning platforms for registering the voice of all stakeholders. The tourism sector in Zambia has historically been characterized by the dominance of a few large players and the absence of transparent process in critical areas such as granting of concessions in national parks and GMAs, resulting in the benefits of tourism not reaching much of the population. This has led to several litigations as well as adverse opinions by the OAG. The capacity of the Integrity Committee at the MoT will be strengthened. The existing modes of grievance redressal at the central and regional levels will be reviewed and strengthened. The project will explore the possibility of partnering with civil society organizations to carry out social audits in the sector relating to the granting of concessions as well as infrastructure development.

16. Strengthening community engagement. Studies have shown the benefits of strong links between tourism development and local economic development. A recent World Bank study estimated that an additional kwacha of spending by visitors at Lower Zambezi National Park raises household incomes around the park by ZMW 1.82 and around South Luangwa National Park by ZMW 1.53. However, the role played by local communities in the existing model of tourism development is minimal and they receive only a fraction of the potential benefits from tourism development. The project will strengthen the community-based organizations such as the CRBs as well as local government structures such as WDCs to ensure that the voice and participation of local communities are included in destination management initiatives.

ANNEX 10: GREENHOUSE GAS ASSESSMENT

Introduction

1. **The World Bank** has adopted EX-ACT as a tool to assess the impact of agricultural and forestry investments on GHG emissions and carbon sequestration. EX-ACT allows project teams to assess the net carbon balance of a project compared to a without-project scenario. Net carbon balance is defined as the net balance of CO2e GHG that was emitted or sequestered as a result of project activities/implementation.

2. The project is estimated to target 937,980 ha for improvement in forest management including reduction of un**controlled burning or clearing.** This GHG accounting exercise calculates potential GHG reduction as a result of the project over 25 years.

Summary of Results

3. **Basic** assumptions. For the GHG analysis, the selected climatic zone was tropical classified under the Intergovernmental Panel on Climate Change and FAO, with low activity clay soils as the dominant soil type. The project's implementation as well as the GHG analysis is for seven years, with a project capitalization period of 18 years, for a total period of 25 years.

4. Inputs to the analysis. The project interventions to date have directly targeted a total of 937,980 ha of land:

   – 572,130 ha of tropical dry forests under improved sustainable management, with a reduction of annual burn impact from 20 percent to 15 percent
   – 365,850 ha of non-degraded grasslands under improved grassland management.

5. **Outcomes.** The project is expected to reduce or avoid 58,267,569 tCO_2e. over 25 years from improvement in forest management including reduction of uncontrolled burning or clearing. Tables A10.1 to A10.3 summarize the results.

Table A10.1. Total GHG Mitigation Potential of the Project

Project Components	**Gross Fluxes**		
	In tCO_2e over the whole period analysis (positive = source / negative = sink)		
	Without	**With**	**Balance**
Grasslands and livestock	1,896,734	−2,269,184	−4,165,918
Forest management	32,413,490	−21,688,161	−54,101,651
Total emissions, tCO_2e	**34,310,224**	**−23,957,345**	**−58,267,569**
Total emissions, tCO_2e/ha	**36.9**	**−25.8**	**−62.7**
Total emissions, tCO_2e/ha/year	**1.5**	**−1.0**	**−2.5**

Table A10.2. GHG Average Annual Emissions & mitigation potential of the project

Project Components	Gross Fluxes		
	In tCO_2e over the whole period analysis (positive = source / negative = sink)		
	Without	**With**	**Balance**
Grasslands and livestock	75,869	−90,767	−166,637
Forest management	1,296,540	−867,526	−2,164,066
Total emissions, tCO_2e	**1,372,409**	**−958,294**	**−2,330,703**

Table A10.3. Share per GHG of the Balance

Project Components	Direct and Indirect Contributions under Project Components				
	In tCO_2e (positive = source / negative = sink)				
	CO_2 Biomass	**CO_2 Soil**	**N_2O**	**CH_4**	**All Non-AFOLU Emissions**
Grasslands and livestock	0	−4,165,918	0	0	
Forest management	−46,128,647	0	−1,736,110	−6,236,894	
Total emissions, tCO_2e	**−46,128,647**	**−4,165,918**	**−1,736,110**	**−6,236,894**	**0**
Total emissions, tCO_2e/ha	**−49.7**	**−4.5**	**−1.9**	**−6.7**	**0.0**
Total emissions, tCO_2e/ha/year	**−2.0**	**−0.2**	**−0.1**	**−0.3**	**0.0**

Note: a. AFOLU = Agriculture, forestry, and other land use.