

REPUBLIC OF ZAMBIA

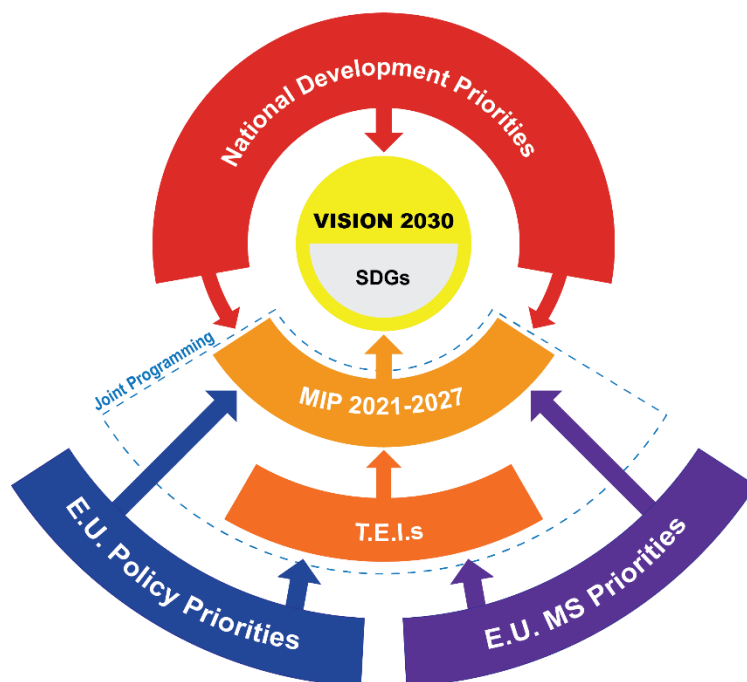
Multi-Annual Indicative Programme 2021 – 2027

1. The overall lines of the European union (EU) international cooperation in the partner country/region

1.1. Basis for programming

The EU partnership with Zambia is guided by the 2030 Agenda and the Sustainable Development Goals (SDGs), the Paris Agreement, the Addis Ababa Action Agenda, the Global Strategy for the European Union's Foreign and Security Policy and the new European Consensus on Development.

This Multi-Annual Indicative Programme (MIP) for 2021-2027 results from the convergence between the European Union's interests and values, and Zambia's priorities listed in the 7th National Development Plan – 2017-2021 (7th NDP) and the Vision 2030, with the SDGs as key reference. The 7th NDP envisions a prosperous middle-income economy that offers decent employment opportunities for all Zambians of different skills and background and will be achieved by harnessing opportunities for economic diversification and growth. It is a building block formulated to meet the goals contained in the Vision 2030. The Mid-Term Review (MTR) and the Annual Progress Reports (APRs) on the performance of the 7th NDP reported that, although the 7th NDP remains relevant to the national, regional and global development priorities, its overall performance at mid-term has not been satisfactory. The 8th NDP (2021-2026) is expected to address some of the key constraints identified by the government of the Republic of Zambia (GRZ), including macroeconomic and fiscal vulnerabilities, low economic diversification and job creation and low skilled labour, poor quality access to and delivery of social services, insufficient progress on decentralisation and significant implementation gaps in almost all sectors, while pursuing the goals of Vision 2030. Strong coordination with the Ministry of National Development Planning (MNDP) has ensured alignment of this programme with Zambia's coming 8th NDP focusing on: 1) Diversified and sustainable growth, 2) A nation without hunger and poverty and 3) Develop human capital, including in governance.



In the interim and to address the country’s economic and fiscal as well as social vulnerabilities, GRZ launched the Economic Recovery Programme 2020-2023 (ERP). The ERP aims at restoring economic growth, enhancing economic diversification and ensuring debt sustainability, while safeguarding social sector spending. These priorities were also very much put forward by the new President Hakainde Hichilema after his election in August 2021, The 2021-2027 MIP aims at supporting GRZ in addressing these critical issues.

The European Union is a long-time proponent of Regional Economic Integration. In Africa, the EU has been working alongside Regional Economic Communities (RECs), ensuring alignment of its engagement with their priorities and plans. By design, the present MIP aligns with key strategic priorities of the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA), as described in the following documents:

- SADC Regional Indicative Strategic Development Plan (RISDP) 2020–2030, notably its pillar 1 on peace, security, and good governance, pillar 2 on industrial development and market integration, pillar 3 on infrastructure development in support of regional Integration, and pillar 4 on social and human capital development.
- COMESA Medium-Term Strategic Plan (MTSP) covering 2021- 2025 aiming at creating an enabling economic environment focusing on trade facilitation, market integration, infrastructure development, industrialization including small and medium enterprise development and regional industrial clusters, institutional and regulatory policies, capacity development as well as resource mobilization.

The MIP 2021-2027 is deeply rooted in the Team Europe Initiatives (TEI) identified during the pre-programming phase. It also aligns with the EU communication “Towards a comprehensive Strategy with Africa” and more generally with the Commission’s new political priorities, notably the European Green Deal (including climate change, sustainable agriculture and food systems, biodiversity and environment, renewable energy and energy efficiency, water and circular economy), the Alliances for Sustainable Growth and Decent Jobs (including trade and

investment), Governance, Peace and Security and Human Development (including human rights, democracy and the rule of law) as well as with digital transformation and data technologies. This MIP also integrates the “Build Back Better” and “One health” approaches, the “Farm to fork strategy”, the “EU biodiversity Strategy 2030”, the “Circular Economy Action Plan”, the Gender Action Plan III, the 2030 Agenda for Sustainable Development and the Paris Agreement for Climate Change to help better equip Zambia for systemic shocks.

Zambia is a long-term and stable partner of the EU and its Member States (MS) and plays a key regional role. The relation has evolved beyond the traditional donor-recipient relation. The EU and MS have set up a comprehensive EU-Zambia political dialogue based on key pillars such as: Annual “Article 8¹” meeting; biannual meetings with the President of the Republic of Zambia; joint meetings with political opposition leaders and other political stakeholders and joint meetings with the Minister of Foreign Affairs, as well as other ministers and senior GRZ officials and institutions.

One core objective of the EU is to contribute to preserving Zambia’s peace and strengthen Zambia’s stability, while supporting the country’s inclusive, sustainable, social and economic development, in line with EU political priorities for international partnerships. Zambia is a fast growing country of young people. Zambia experiences an economic and fiscal crisis, following a fast growing level of indebtedness, since early 2010s, due to expansionist fiscal policies with large public investments in infrastructures, while adoption and implementation of essential structural reforms was lagging. The crisis was exacerbated by the 2019 drought and COVID-19 pandemic, which have heightened Zambia’s macroeconomic and fiscal vulnerabilities and limited its ability to invest in social sectors. The EU will support GRZ to build a greener, stronger and diversified economy as well as, more inclusive, resilient society.

The landslide victory of the United Party for National Development (UPND) and its leader Hakainde Hichilema at the presidential and general elections on 12 August 2021 have opened a new and promising chapter for Zambia. These elections took place in a challenging and highly competitive political environment (for more details, see also the EU Election Observation Mission’s assessment²). However, Zambian democracy has come out stronger, as for the third time since the country’s independence, there has been a peaceful transition from a ruling party to the opposition.

After several years of economic decline and good governance backsliding, President Hichilema and his administration will now face the enormous task of implementing the ambitious governance and economic reforms that they proposed in their election manifesto. The new administration’s immediate priorities will be to relaunch Zambia’s economy, to create growth and decent jobs and to alleviate the unsustainable debt burden, which recently had reduced the country’s capacity to invest in healthcare, education and other social services.

For the European Union, the next few years will offer an opportunity to build further on the solid foundation already achieved in EU-Zambia relations, based on our shared values of democracy, respect for the rule of law and human rights, and rules-based multilateralism. The Hichilema administration’s priorities are largely in tune with the EU priorities. In some policy areas, especially “green economy” and climate change, further dialogue will be engaged to line up our respective visions. The EU will continue to partner with Zambia to harness the

¹ Article 8 “Political Dialogue” of the Partnership agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000, 2000/483/EC.

² <https://www.eods.eu/eom-reports/>

demographic dividend, investing in the Zambian people through improved access to inclusive and high-quality social services, particularly for women, youth and vulnerable population, and address uneven territorial development. The EU engagement will contribute to strengthen the social contract, further enhancing the capacity of the country to deliver on EU fundamental values of good governance, democracy, rule of law, human rights with particular emphasis on fundamental freedoms and women's and girls' rights.

1.2. Status of joint programming

In June 2016, the EU Delegation and its MS present in Zambia developed a first EU joint framework paper on “joint programming”. It mostly reflected how to ensure closer collaboration in development cooperation to maximize efficiency, impact and visibility of the EU and its MS. The paper also highlighted that in Zambia, broad technical coordination and collaboration between cooperating partners is best achieved through sector level coordination groups and sub-sector level technical working groups.

The EU and its MS have a broad common understanding of key development challenges that Zambia is facing. Consultations around the Zambia ERP (successor of Zambia plus), the 7th NDP, the 8th NDP and main sector reforms (energy, agriculture and health) have offered opportunities for the EU and MS to align their positions in the dialogue with GRZ. The EU and its MS also play a key role in political dialogue under Article 8 of the Cotonou Agreement. Development relations have featured high on the agenda of the annual EU/Zambia political dialogue where joint messages are regularly agreed upon between EU and MS.

The approach retained has resulted in a number of joint initiatives in important areas, such as gender, electoral processes, energy and nutrition. Coordination in most development areas is strong and joint co-financing of individual programmes is taking place between the EU and MS and among MS (for instance already existing cooperation in the areas of agriculture, food security, nutrition, biodiversity and natural resources management, as well as joint analytical work in education, and joint co-financing between the EU and Germany in Public Finance Management (PFM), and access to justice). The EU also prioritizes approaches where EU-MS play a more prominent role, for instance through “Twinning” between Zambian administrations and MS institutions, such as in support of the Office of the Auditor General (OAG) and the Anti-Corruption Commission (ACC), which are the very first twinning projects outside the EU neighbourhood.

The EU will continue to contribute to and make use of the global framework provided by the SDGs to support and more effectively leverage the multilateral system.

As part of the “Working better together” approach with the seven EU MS and their implementing agencies present in Zambia³, to improve joint efforts and increase impact, the EU and its MS elaborated in 2020 two Team Europe initiatives in the following areas:

- Climate action for inclusive green recovery and growth in Zambia.
- Strengthening human development and building up the resilience of children and youth.

MS actively participated in defining the priority areas and sectors for the 2021-2027 MIP and contributed directly to writing the partnership strategy. To the extent possible, common indicators have been used in an effort to progressively align the respective results frameworks.

³ Czech Republic, Finland, France (+AFD), Germany (+GiZ and KfW), Ireland, Italy and Sweden (+SIDA)

Joint drafting of the MIP and MIP's shared priorities, led the EU Delegation and MS present in Zambia to move beyond cooperation in selected areas via TEI to a broader joint programming with focus on better working together across the board and joint implementing.

1.3. Priority areas of the EU's cooperation with the partner country/region

The multi-annual indicative programme for 2021-2027 will aim at maximizing the impact, sustainability and cost efficiency of EU engagement through the following priority areas:

- Green partnerships for sustainable recovery, growth and decent jobs.
- Supporting the people of Zambia to reach their potential and build resilience.
- Fair, inclusive and peaceful society.

The focus on these sectors is based on (i) analysis of the main challenges facing Zambia, which are to sustain growth, reduce inequality and improve government effectiveness; (ii) the EU's experience in the country under the 10th and 11th European Development Fund (EDF); (iii) and the strategic orientation of Zambia's 8th National Development Plan.

The choice of priority areas has also been guided by the involvement of some EU MS and other Cooperating Partners in key related sectors (e.g. World Bank, UNICEF and USAID in basic education). Two Team Europe Initiatives will focus on "Climate Action for Inclusive Green Recovery and Growth" and "Strengthening human development and building up the resilience of children and youth". Considering the priority areas' complementarity and the need for integrated approaches, a strong integration of EU engagement across all three areas is expected.

In view of the new Gender Action Plan 2021-2025 (GAP III) and to build a more inclusive and sustainable society in Zambia, gender equality and gender mainstreaming, as core values and cross-cutting sectors, will feature prominently in the MIP and its operationalisation.

The success and transformative impact resulting from the present programme is dependent on the mitigation of five main identified risks:

- The priorities of the new government stemming out the general elections of August 2021. Given the priorities defined by the new President Hichilema in the manifesto of his political party and in his first statements after his election, the risk of divergences is considered very limited. His priorities are very convergent with EU priorities (economic recovery, creation of decent jobs (and particularly, youth employment), good governance, education, etc.). This is also the case since the priorities are based on a careful alignment with Zambia strategic priorities' documents (7th NDP, draft 8th NDP, Economic Recovery Plan, etc.), wide stakeholders' consultations and lessons learnt from past programmes.
- The general economic situation of the country. If it evolves positively and if the country reaches an agreement with the International Monetary Fund, it could increase fiscal space and margin for manoeuvre to implement reforms, ensure appropriate funding of public policies and public service delivery, and widen the scope of instruments for the implementation of the MIP on a medium to longer-term horizon, including through budget support and sovereign guarantees and loans (European Fund for Sustainable Development Plus - EFSD+), if fiduciary risks appear manageable. The present partnership programme aims to contribute to economic recovery, together with the support of the EU MS, other cooperating partners and Civil Society Organisations (CSOs).
- Reforms related to the Zambia-EU partnership need to be implemented without delays. The risk of delays can be mitigated through reinforced political dialogue with the Zambian

authorities, and by supporting non-state actors' participation to public policy decisions. This dialogue will be reinforced with the EU joining forces with its MS (Team Europe approach).

- The GRZ and non-state actors' capacities on improving inclusive, efficient and effective of public policies. The present programme will continue working on sustainable support to build and enhance capacities of Zambian administration and relevant stakeholders in the priority areas identified.
- Measures to address the COVID-19 pandemic. If successful and allowing for a gradual return to normal activity, a rebound in the world economy and the restart of the global supply chains would allow Zambia to recover quickly with moderate impact on poverty, inequalities and vulnerabilities. The country does not experience any other serious exogenous shocks.

1.4. Justification and context

Zambia is a peaceful, landlocked country with a liberalised economy. It is a rich country in terms of natural resources (land, water, mineral resources, wildlife, forests), with great potential for economic growth and development.

Today the country is faced with many challenges. Zambia continues to struggle to translate economic growth into poverty eradication and reduction of inequalities, despite impressive growth rates until the last few years, and reaching low middle-income status (LMIC) in 2011. Zambia is once again in the throes of a debt crisis, having borrowed extensively during the last decade, and now being unable to service the debt. Exogenous shocks (climate change, COVID-19 pandemic) have amplified Zambia's macroeconomic vulnerabilities, which have increased over the years, as long-awaited structural reforms and their implementation have not yet taken place. This, combined with a depreciation of more than 50% of the Zambian Kwacha (ZMW) versus the United States Dollar (USD) and a consequent inflation exceeding 15% in 2020⁴, has resulted in recession and a default on the debt in 2020. The long-term economic and fiscal consequences, including access to finance, shrinking fiscal space and further currency depreciation negatively impacts Zambia's competitiveness and economic recovery. In December 2020, GRZ launched the Economic Recovery Programme 2021-2023, as a successor to "Zambia plus"⁵ under the 7th NDP, largely under-implemented and falling short of its targets⁶.

In terms of business environment, Zambia ranked 85 out of 180 countries and scored 66.9/100 in the "Doing Business" 2020. The areas where Zambia scored poorly were: trading across borders (155/180), registering property (149/180), enforcing contracts (130/180), getting electricity (129/180) and starting a business (117/180). Zambia ranked 120 out of 140 countries and scored 46.5/100 in the Global Competitiveness Index 2019. Employment remains largely informal, with the informal sector representing 68.6% percent of the employed population⁷.

In the past decades, Zambia's economic growth has been supported by copper mining. In 2020, the mining sector was the largest contributor to the Economy, accounting for 21% of Gross Domestic Product (GDP). It represents an estimated 30% of domestic revenue. Copper itself accounts for more than 70% of exports of goods. The sector is the country's main supply of foreign exchange. Although Zambia is a member of the Extractive Industry Transparency

⁴ Bank of Zambia, Statistics Fortnightly Time Series

⁵ The Economic Stabilization and Growth Programme (ESGP) 2017-2019

⁶ Issues Paper for the 8th NDP, ministry of national development Planning, November 2020

⁷ 2019 Labour Force Survey

Initiative (EITI) and has progressed in its indicators, governance remains a critical issue. The lack of fiscal-policy stability affects investments, production and employment in the sector. Unsustainable mining practices have added to Zambia's challenges with environmental degradation, human rights (working conditions, child labour) and livelihood, more particularly poverty and inequality.

Zambia's agricultural sector represents the backbone of its rural economy and could significantly contribute to economic diversification and growth, to increasing resilience and preparedness for disasters (e.g. linked to climate change), to poverty reduction and diversified nutrition. About 60 % of the population depends on agriculture for livelihood, and a large subset of the population, 80 %, are poor. Agriculture remains a substantial contributor to non-traditional exports. Despite a declining contribution to GDP, employment in the sector remains high, but with a low level of labour productivity, resulting from unskilled subsistence agriculture, lacking access to productive assets and market opportunities. Limited crop diversity increases vulnerability to both environmental and market shocks. However, there is huge potential for public and private sector investments in traditional or export agriculture and associated value chains, owing to Zambia's geographic location and agro-ecological diversity. To unfold this potential, especially in rural areas, access to energy and water as well as improving water efficiency and management remain critical, necessitating investments and management capacities in the agriculture-forestry-biodiversity-water and climate nexus, as well as the electricity-water nexus.

Deforestation rates are among the highest in the world and forest fires, unsustainable charcoal production, timber trafficking, land degradation, soil erosion and desertification, environmental degradation and expansion of human settlements are widespread phenomena that increasingly threaten the preservation and recovery of Zambia's natural capital. In 2020, Zambia's forest was covering an estimated 44.8 million ha, representing 61% of the country's area⁸. Between 1990 and 2020, 2.6 million ha of forest were lost, equivalent to 6% of the current forest cover⁹. Along with forest degradation, this may have huge environmental, social and economic consequences for Zambia. About one sixth of the rural population heavily depends on wood and non-wood forest resources for their livelihood (they represent approximately 20 percent to rural household incomes). Indirect and direct values of forests would contribute to 4.7% of GDP. In 2010 agriculture, forestry and other land use contributed to 95.75 % of the total greenhouse gases (GHG) emissions. Of these, 55.2% were attributed to wood removals for commercial timber and fuelwood. Zambia's total GHG emissions are projected to grow by 42 % from 2010 to 2050. Zambia identified sustainable forest management as one of the key mitigation option.

Zambia is blessed with abundance, diverse and partly unique biodiversity, thanks to its geographic location between the tropical humid Congo basin and the semiarid sub-tropical parts of Southern Africa as well as its altitude, ranging from 329 to 2,339 m above sea level. This natural capital is endangered by a rapidly growing population, encroachment into protected and conservation areas, illegal logging, unsustainable management of natural resources, poaching and wildlife trafficking. In addition, "ecosystem services" such as the availability of clean

⁸ Zambia's Third National Communication to the United Nations Framework Convention on Climate Change (UNFCCC), September 2020.

⁹ In 2015, forest loss stood at 166,600 ha/year or 0.34%, equating to 12.5 Mt CO₂ emissions and to ± USD 500 million in natural capital stock loss every year. For the period 2000 to 2010, the deforestation rate stood at 0.5 percent, corresponding to ± 250,003 ha per year and a potential loss of about 10 million hectares in the next 30 years. (Shakacite, et.al, 2016).

water, soils, favourable microclimates, biodiversity are sharply decreasing. Ecosystems' restoration needs to be an integral part of the green recovery from the COVID-19 pandemic.

The EU-Zambia Business Club (EUZBC)¹⁰ has successfully advocated to improve the investment climate and business enabling environment in the country, including for new opportunities in the services' sector and to support digital and green transformation. All this has had an important part in the EU Economic Diplomacy efforts, which should be continued. However, such investments would need to be incentivised by conducive strategic, policy, legislative, regulatory and tax reforms, to lead to sustainable development and create qualified and decent jobs, particularly for the ever growing number of youth. A positive development is that support to business environment and attraction of investments are priorities for President Hichilema and should therefore feature high on the agenda of the new administration.

Poor water access and sanitation and hygiene practices contribute to an unhealthy household environment, exposing children and households to intestinal infection and diarrheal diseases. Zambia has made strides in increasing access to improved drinking sources using the Community Led Total Sanitation (CLTS) approach, jumping from 42 per cent in 2007 to 63 per cent in 2014¹¹. The urban-rural divide has narrowed, though the disparity remains vast: 89 per cent of urban residents, compared to 47 per cent of rural residents, have access to improved drinking water sources. Only 17 per cent of rural households compared to 43 per cent of urban households have hand-washing facilities with soap and water¹². Water facilities are among the largest energy consumers while high quantities of non-revenue water are immediately translated in wasted energy consumption. Increased efficiency in this domain may help improving access to water and availability of energy for other activities and the population.

According to Zambian Demographic and Health Survey (2018), 64% of the country's population has access to basic drinking water services (with 36% in poor rural areas), while only 33% has access to basic sanitation services, with 2%5 having a fixed place for handwashing. 34% of households have access to electricity, with 69% in urban areas and only 8% in rural zones.

Zambia is a country of young people, with the majority of the population under the age of 35 (83%), out of which 46% are children (0-14 years) and 37% youth (15-35 years). The estimated median age is 17.6 years (2020), which is one of the lowest in the region and globally. With an average population growth of 3% per year, an increasing number of youth is looking for access to social services and employment while the situation is currently already constrained. Youth unemployment rate has reached nearly 52% driven to a great extent by a persisting mismatch between job, relevant skills and training and employment opportunities¹³.

In Zambia, poverty is increasing in absolute and relative terms. 54.4%¹⁴ of the population (60.5% according to the World Bank latest estimates¹⁵) is considered poor and 40.8% extremely poor. Poverty is primarily a rural phenomenon as 77% of the poor population live in rural areas.

¹⁰ EUZBC is a business association made up of EU and Zambian companies to increase trade and investment between Zambia and the EU

¹¹ CSO, MoH, ICF. 2014.

¹² Annual report, MWDES

¹³ https://www.zamstats.gov.zm/phocadownload/2010_Census/2010%20Census%20of%20Population%20National%20Analytical%20Report.pdf

¹⁴ Living Conditions and Monitoring Survey - 2015. Central Statistical Office, Lusaka.

¹⁵ World Bank estimates, international poverty rate (USD 1.9 in 2011 PPP) - Macro Poverty Outlook, Sub-Saharan Africa 10/2020.

Rapid urbanisation, due to rural poverty and lack of prospects in rural areas, risks to further aggravate the situation. Zambia is among the countries with the highest income inequality levels in the world¹⁶. Zambia's malnutrition rates remain among the highest in the world. The country ranked 143 of 189 in the 2019 Human Development Index, with 48 % of the population unable to meet their minimum calories requirements, and more than one-third of children under five years are stunted.

Zambia has achieved “near universal primary school completion” levels but the country has been going through a learning crisis, reporting very low minimum levels of proficiency in reading (5%) and in numeracy (2%) among 15-years old students, with considerable regional disparities. The situation is exacerbated with 78% of children under 5 at a high risk of not achieving their full potential, whilst 65% of children face a risk of lack of access to health, nutrition, responsive caregiving, early learning opportunities, and safe water and sanitation¹⁷. Access to quality and affordable health services continues to be a challenge overall, particularly in rural areas. Maternal mortality (252/100,000 live births), under-five and neonatal mortality (respectively 64/1,000 live births and 42% of all under-5 deaths), teenage and unintended pregnancies (29% of 15-19 years old), child marriages (39% under 18 years old, out of which 9% under 15 years old) as well as malnutrition and stunting (35%) remain alarming, and lower than the average for African Low-Income Countries¹⁸.

While Zambia has democratic credentials and systems that compare well within the region and the African continent, the country has become more polarized. The human rights situation in Zambia although remaining comparatively good has degraded these past years. Political rights and civil liberties¹⁹ whilst still relatively free, have been under pressure since the elections in 2016 with increasing reports of incidents of electoral and political violence. During the last four years, Zambia has also moved down on the Corruption Perception Index²⁰ from 97 in 2017 to 117/180 position in 2020 on account of endemic corruption affecting people's access to essential public services. Restriction of women's and girls' rights, including early child marriages, teenage pregnancies and Gender-Based Violence, as well discrimination against minorities (in particular LGBTI) remain important concerns at country level.

Gender inequality remains highly prevalent and pervasive in Zambian society. A significant barrier to gender equality are the prevailing gender and social norms that limit female access to most sectors including education and health (especially sexual and reproductive health) services. Sexual and Gender-Based Violence (SGBV), and in particular domestic violence, remain widespread in Zambia, with 36% of Zambian women (age 15-49) having experienced physical violence since age 15, with current or former husbands/partners as the main perpetrators of physical, emotional and sexual violence²¹.

Zambia is characterised by large regional socioeconomic disparities, while GRZ's shrinking fiscal space is crowding out social sector spending. When relevant, the EU engagement will address opportunities and challenges of specific territories, in view of ensuring an inclusive and sustainable development. As far as possible and when assessed more efficient, a geographic approach of EU engagement in Zambia will be carried out through integrated, cross-sectoral actions, particularly in the governance and social sectors. A “whole-of-society” approach will

¹⁶ Gini index 49.5 (2018) - Ibid

¹⁷ OECD PISA-D National Report, : https://www.oecd.org/pisa/pisa-for-development/Zambia_PISA_D_national_report.pdf

¹⁸ Zambia Demographic and Health Survey (2018 ZDHS)

¹⁹ <https://freedomhouse.org/report/freedom-world>

²⁰ <https://www.transparency.org/en/cpi/2020/index/zmb>

²¹ Zambia Demographic and Health Survey (2018 ZDHS)

be at the core of the EU action in Zambia, and engagement with non-governmental actors will be essential. Civil Society Organisations (CSOs) are expected to play a key role in the implementation of the 2021-2027 MIP.

1.5. Duration of the MIP and option for synchronisation

The MIP will have a duration of 7 years, with a Mid-Term Review scheduled in 2024. The 8th NDP is expected to be finalised and adopted after the general elections of August 2021. The mid-term review will be an opportunity to assess changes in the national context and take stock of progresses achieved under the first phase. The decision, regarding the content of the second phase, will be preceded by a dialogue with the partner country and other local stakeholders on the implementation of the initial indicative allocation and the initial objectives and targets. Due consideration will be given to developments in the public sector (e.g. decentralisation reform, energy sector reform). As a result, the EU may adapt its response by re-orienting part of its intervention during the second phase.

2. EU support per priority area and proposals of Team Europe Initiatives

The three priorities under the MIP 2021-2027 will contribute to achieving SDG 1 – No Poverty and SDG 10 – Reducing Inequalities.

2.1. Priority area 1 – Green partnerships for sustainable recovery, growth and decent jobs

The overall objective of Priority Area 1 is to build green partnerships which support a climate-resilient transition towards sustainable growth and the creation of decent job.

Priority 1 will contribute as a main target, to reaching the following SDGs:

- SDG 2 - No Hunger: The sustainable commercialization of smallholder farmers and investments in the agriculture, agroforestry and fisheries sectors improve the food and nutrition security.
- SDG 6 – Clean Water & Sanitation and SDG 7 – Affordable & Clean Energy: Sanitation and hygiene through a nexus approach to water-energy with the use of renewable energies (solar, hydro, wind, biogas). At the same time actions will feed into SDG 3 – Good Health & Well-Being of the beneficiaries through reducing risks of waterborne diseases and providing equitable and sustainable access to water to prevent the spread of contagious viruses, like Covid-19.
- SDG 8 – Decent Work & Economic Growth: Green and climate resilient/sensitive investments will diversify the economy and be drivers for sustainable growth and job.
- SDG 9 – Industry, Innovation & Infrastructure & SDG 12 – Responsible Consumption & Production: The focus will be on promoting more sustainable value chains and circular economy at local, national and regional levels.
- SDG 13 – Climate Action: Green alliances and partnerships translate the European Green Deal, EU’s response to the Paris Agreement on Climate Change, to the international partnerships with Zambia and the COMESA region.
- SDG 15 – Life on Land: Through engagements along the agriculture-forestry-biodiversity-water and climate nexus and under the NatureAfrica initiative.

2.1.1. Specific objectives related to the priority area 1

There are three specific objectives (SO1):

- **SO1.1** – To promote and invest in the green recovery and sustainable growth along the agriculture-forestry-biodiversity-water and climate nexus.
- **SO1.2** – To promote an environmentally sound, gender and youth sensitive and economically viable diversification of the economy and to invest in the creation of green growth and decent jobs in circular economy.
- **SO1.3** – To improve access to green energy and water.

Priority area 1 aligns with EU’s main political priorities, notably the “European Green Deal”. It integrates the partnership approaches for 1) green transition and energy access and for 2) sustainable growth and decent jobs, under the EU’s Comprehensive Strategy with Africa, into our bilateral partnership with Zambia and regional partnership with COMESA countries. Priority area 1 also aligns well with EU’s call to “build back better”, by supporting the climate resilient, low-carbon, inclusive, “green recovery”, in brief a truly sustainable socioeconomic recovery from the COVID-19 pandemic. Following the “One Health” approach, which is transformative for people and nature, support in this area by the EU and its MS should make a difference in Zambia’s progress towards a growth approach, which is more sustainable and in line with climate neutrality.

Priority area 1 fully aligns with Zambia’s 8th NDP (in preparation), in particular its anticipated priorities on 1) Diversified and sustainable growth, and 2) A nation without hunger and poverty. It further supports the implementation of Zambia’s commitments under the Paris Agreement on Climate Change, outlined in Zambia’s updated provisional Nationally Determined Contributions (NDCs)²². Priority area 1 particularly contributes to NDC mitigation and adaptation actions on 1) sustainable forest management, on 2) sustainable agriculture and on 3) renewable energy and energy efficiency as well as to 4) liquid waste and 5) coal (i.e. alternatives to and sustainable charcoal), which were added in Zambia’s latest NDC submission to the United Nations Framework Convention on Climate Change (UNFCCC). Lastly, it presumably supports Zambia’s commitments to the Kunming Agreement on Biological Diversity (in drafting stage).

SO1.1 and SO1.2 feed into the following DAC²³ sectors: Agriculture, forestry, aquaculture (DAC 310), General environment protection (DAC 410) and Energy (DAC 230). SO1.3 feeds into DAC 140 “Water Supply & Sanitation” and 232 “Energy generation, renewable sources”.

2.1.2. Expected results per specific objective

2.1.2.1. To promote and invest in the green recovery and in sustainable growth along the agriculture-forestry-biodiversity-water and climate nexus

There are three expected results:

- **R1.1** – Participation of subsistence and smallholder farmers, including women farmers and youth, in market-integrated value chains is increased and support the transition to greener and more sustainable diversified agro-food systems.
- **R1.2** – Integrated, participatory and sustainable rural development practices are increasingly applied, enhancing resilience of ecosystems along the agriculture-forestry-biodiversity-water and climate nexus and improving people’s livelihoods.

²² submitted to UNFCCC in July

²³ Development Assistance Committee

- **R1.3** – Communities, living adjacent to and within conservation and game management areas, have increasing income opportunities and apply sustainable resource management practices, stabilising the biodiversity within existing protected areas.

R1.1 – In view of continued population growth, increasing productivity and diversifying production, while at the same time preserving soil and water resources and increasing resilience in the face of climate change, are major challenges. GRZ’s agriculture extension system is underdeveloped and innovative, climate-resilient alternatives to the Farmer Input Support Programme (FISP), including digital and e-solutions, need to be further developed to turn challenges into opportunities. Investments in sustainable value chain development, financial inclusion and market access (such as feeder roads and commercial facilities are needed to get smallholder farmers out of subsistence level and to make them part of more inclusive and sustainable, diversified, low-carbon and climate resilient agro-food systems which are conducive to solving the major nutrition problems the country is facing. Access to markets at national, regional and global level also need to be reinforced, taking account of changing consumer awareness and behaviour (e.g. towards better food systems). Transport infrastructures, e.g. feeder roads, connecting production areas with processing facilities and markets could be looked at as well.

At the same time, food insecurity and nutrition remain challenging, particularly in rural Zambia. GRZ has identified 34 priority districts for stunting reduction under the Most Critical Days Programme, Phase 2 (MCDP-II). While smallholder farmers have already managed improving their livelihoods, we also need to target subsistence farmers who continue to struggle increasing their food security, resilience and securing their overall livelihood. For the latter, adapting agricultural productions through improved diversification will contribute to improved food security at household level, while offering opportunities to provide more adequate and nutritious food supplies on domestic markets.

Investing in alternative crops and certification (organic, fair trade) is crucial to lift smallholder farmers out of subsistence farming but also to supply export markets, towards EU in particular. This offers opportunities for the European External Investment Plan (EIP), including Financial Instruments through the European Fund for Sustainable Development Plus (EFSD+) for the coming years, building on the experiences with the ENTERPRISE Zambia and SIFAZ projects.

Nutrition aspects in priority 1 closely relate to those developed under priority 2.

R1.2 – The EU will contribute to a green recovery and sustainable growth through the agriculture-forestry-biodiversity-water and climate nexus. The EU-Zambia partnership will contribute to better livelihood systems, following a landscape approach, where Zambia better conserves its natural capital and sustains ecosystems’ services in the long-term, this in line with the mechanism on “Reducing Emissions from Deforestation and Degradation + Community Development (REDD+)”. Integrated watershed management and participatory land use planning approaches will be promoted.

This comprehensive approach will also cover investments in clean cooking technologies, improved household energy and in on-grid and off-grid renewable energy (particularly solar and bio-fuels), and particular emphasis on digital smart solutions. All investments will follow a gender-sensitive approach where the participation of women in decision-making is promoted and measured. Do no harm principles will systematically apply. The nexus approach will

contribute to improve disaster risk preparedness and resilience of the rural population for both, climate change and economic shocks.

Zambia increasingly suffers from unsustainable management of natural resources, especially forests. The valuation of natural capital and related ecosystems' services, which increasingly dwindle due to the unsustainable management of natural resources, must be better analysed and understood. Satellite remote sensing products provided through the Commission's Copernicus services may be used to build local and regional capacities and cooperation with the Joint Research Centre (JRC).

This goes hand in hand with reforms of the land tenure system and the need to address land management and ownership issues from different angles, including a community based, gender, climate change, environmental and private sector development perspective. A key issue the EU will address in its programmes is Zambia's rapid deforestation. Policy dialogues will support the development of a comprehensive EU Forest Partnership with Zambia and actions will be stimulated and reinforced by supporting the implementation of the Zambia's legislative forestry framework while building on the international dimension of EU's new Forestry Strategy, to be published in 2021. The unsustainable management, exploitation and trafficking of rosewood and other tree species under threat, could be tackled from a regional perspective.

R1.3 – Steadily increasing population puts pressure on Zambia and neighbouring countries' abundance of unique biodiversity and ecosystems. There is a need and a real potential to better develop and manage this natural capital – partly through regional/transboundary approaches, along biodiversity corridors.

Local communities will be involved to jointly develop business and decent job opportunities at borders of national parks. The promotion of community-based and more sustainable wildlife management will be part of the equation to reduce pressure on biodiversity. Investments in value chains' development, including in non-wood forest products, horticulture and tourism can contribute to the creation of employment opportunities, more skilled decent jobs and sustainable income, particularly for women and youth but also other marginalised groups such as persons with disabilities, in line with international labour standards. Engagement in biodiversity goes hand in hand with environmental education and awareness raising on the true value that natural capital and ecosystems' services provide free of charge.

The EU will also support Zambia in implementing its commitments made under the "Kunming Agreement" on Biological Diversity, anticipated for 2021. Several bottlenecks and shortcoming, e.g. related to governance and regulations, institutional capacities, funding, taxation, permits, etc. need to be jointly addressed. The 2030 EU Biodiversity Strategy serves as guidance for sector policy dialogues in the framework our partnership with Zambia and neighbouring countries. A link has been established to support Trans-Frontier Conservation Areas (TFCA), notably within the extended KAZA region, also through Regional Indicative Program 2021-2027 and NatureAfrica funding, jointly with likeminded EU MS, such as Germany (via SADC) and France.

2.1.2.2. To promote an environmentally sound, gender and youth sensitive and economically viable diversification of the economy and to invest in the creation of green growth and decent jobs in circular economy

There are three expected results:

- **R1.4** – Zambia’s climate change strategy, aligned with its Nationally Determined Contributions (NDCs), is in place, under implementation and monitored.
- **R1.5** – Established companies and start-ups, created and managed by young male/female entrepreneurs, increased investments in green, climate-smart/resilient and digital businesses and jobs.
- **R1.6** – Investment climate, business regulatory environment and service delivery are improved and foster sustainable growth and the creation of decent jobs led by private sector.

R1.4 – Zambia submitted ambitious NDC to the United Nations Framework Convention on Climate Change (UNFCCC), but the mitigation and adaptation measures are not sufficiently reflected in commitments and concrete deliverables on the ground. Among others, we need to address governance issues, silo-thinking within line ministries, limited coordination and integrated approaches, insufficient budget and lack of funding, green budgeting, limited environmental awareness and education.

Close consultations on Zambia’s draft Climate Change Bill, the adequate reflection of the NDCs in Zambia’s 8th National Development Plan (NDP) and capacity building in the most relevant ministries will be essential.

The country also needs support and guidance to implement and monitor the implementation of its NDC following a “Measurement, Reporting and Verification - MRV” framework. The various Copernicus services of the European Commission may be instrumental in this context.

R1.5 – The economy’s diversification and the creation of decent jobs, particularly for women and the rapidly growing number of youth, but also marginalised groups such as persons with disabilities will be crucial for Zambia's sustainable development. Circular economy in Zambia should initially focus on agriculture/forestry value chains, regenerating natural systems with a link to ecosystems’ services, circular economy business models and on reducing waste. Investing in circular economy, within bilateral and regional cooperation, and into more sustainable value chains beyond the agricultural sector will provide new employment opportunities and higher income. Beyond the green transformation, investments in digital solutions, particularly in the service sector such as tourism, are pivotal for creating decent jobs for an increasing population and young workforce. Studies on circular economy in Africa and in Zambia are underway and will be used to guide European investments.

South-South cooperation, twinning and peer-to-peer support approaches need to be promoted in a regional context. Leading countries within the COMESA region (e.g. Rwanda, Kenya) can share their experiences and lessons learned and guide other COMESA member states to catch up and not miss the train towards more circular, green, climate neutral, digital and inclusive recovery and growth. Investing in sustainable value chain development at regional, national and local level will contribute to the diversification of economies, but also create more decent, better paid and qualified decent jobs for the growing number of youth in the region in line with international labour standards. From this regional perspective, we aim to closely cooperate particularly with Delegations of COMESA member states, which have prioritised or at least mentioned circular economy within their national MIPs. The experience of European companies in green technologies and circular economy can offer investment opportunities for both, Zambian and European Micro, Small and Medium Enterprises (MSMEs) through technology transfers and thus stimulate regional value chain development and the envisaged digital and green transformation. The leadership and management capacities of especially youth and women entrepreneurs, who are conscious of climate change challenges and of digital

transformation's opportunities, need to be further developed, nurtured and provided with investment opportunities (e.g. innovative start-ups).

In addition, this new generation needs to be equipped in skills, knowledge and training fitting to current evolving enterprises and labour market driven by globalisation and technological progress. This will be addressed under the specific objective n° 3 of Priority 2.

Since circular economy is a new policy area, support to policy development, and the regulatory framework, are essential to support regional value chain development and promote fair and sustainable trade in the South-/East-Africa sub-region. The EU Circular Economy Action Plan serves as guidance for sector policy dialogues and will be translated into EU's green and digital alliances and international partnership with Zambia and with COMESA countries.

Regional Economic Communities (RECs) such as COMESA should play a critical role to support regional value chains' development and set examples by putting together with their MS, incentives and mechanisms that will be transformative and support EU's free, fair, and sustainable trade agenda. It is fundamental to limit the increase of the carbon footprint of fast growing African economies and populations. This pleads for green but also digital investments.

The EIP and EFSD+ will be used for investments in Circular Economy within Zambia and interested COMESA countries. The ENTERPRISE Zambia project and similar initiatives currently implemented in Kenya and Malawi, which all work on agriculture value chain development, offer a kind of blueprint on how to best promote and invest in Circular Economy at country and at regional level. In addition, adequate grant funding for young start-ups will be provided for innovative SMEs, which invest in green and digital transformation. The European Investment Bank (EIB) and European Development Finance Institutions (EDFIs) would need to complement with blended funding and risk-sharing mechanisms of their financial instruments. Regional action on promoting circular economy will be aligned with and complement the TEI "Investing in Young Business in Africa", which will include Zambia and other COMESA member states as beneficiary countries.

There is a close link to Priority area 2, on enhancing technical and vocational education and training (TVET) and skills development, especially in green and digital products, services and opportunities.

R1.6 - Zambia's investment climate and business enabling and regulatory environment poses a number of challenges to the private sector: These include cumbersome business regulations for starting up a business and licensing procedures, lack of transparency in investment rules, regulations, policies and procedures, policy or regulatory uncertainty and/or inconsistency. In addition public-private dialogues weakened to be reinforced to be conducive in policy-making and leading to real change.

Building on the results of the 11th EDF Economic Governance Support Programme, the EU seeks to continuously improve the investment climate, business regulatory environment, and service delivery to the private sector, which is the engine of the economy, as acknowledged in various national programmatic documents²⁴. This may include areas where Zambia is still lagging behind in terms of the Doing Business Index or the Competitiveness Index. Access to green innovations, solutions and technologies are areas where government needs to create incentives to stimulate investments. Likewise, digital/e-government solutions and their uptake

²⁴ such as the 7th NDP, Vision 2030 or the Economic Recovery Programme 2020-2023

by users, regulation on access to finance, enhancement of public-private dialogue, improvement of land administration and governance, enhancement of the formalisation of the informal private sector, enhancement of responsible business conduct and compliance of businesses social accountability and more largely with human rights, will be explored. Developing a conducive innovative business enabling environment, which attracts and stimulates innovative green and digital investments, will support Zambia and countries in the COMESA region to be part of and benefit from the transformation towards a climate-neutral economy. The Delegation will build on the experience with EUZBC to progress along this pathway.

Cooperation and joining forces with the private sector and philanthropists will be looked for, in view of growing awareness of corporate and social responsibility (CSR), an increasing appetite for sustainable investments (including by large institutional investors) and the global drive towards a green, climate neutral and digital future.

2.1.2.3. To improve access to green energy and water.

There are two expected results:

- **R1.7** - Access to energy for all is improved, and energy efficiency and renewable energy generation are increased.
- **R1.8** - Access to water, sanitation and hygiene is improved.

R1.7 - The objective separately targets urban/semi-urban and rural areas. In urban/semi-urban areas the approach will help expand access to water. The use of renewable energies and gains in energy efficiency will alleviate the electricity bills of Water Utilities, improve the financial management of operations and allow sustainable investments in WASH network management. This will also be embedded in sector governance support and policy dialogue and also be facilitated by partnership operations with European organisations and utilities working in the sector. Collaboration between relevant institutions, including the involvement of water utilities at national level will allow for a sustainable response to water resources management and water pollution. This has also a clear regional dimension since it is interesting for neighbouring and downstream countries receiving important quantities of water from the Zambezi river basin. Peri-urban areas but also water utilities could also benefit from improved energy interconnections with neighbouring countries to be developed under the regional MIP.

In rural areas, the focus will be on off-grid installations, the use of micro and mini systems either in hydro, solar, biomass or wind generation. The possibility to link the energy production to water harvesting or the use of agriculture waste products will also be explored in order to maximise the nexus between energy water and food production.

R1.8 - The constrained service delivery and reliability of water and sanitation services - WSS in urban areas, due to poor water and sewage infrastructures will be addressed through investments and efficiency measures, considering the interdependency between water and energy. Leveraging stronger Commercial utilities (CU), the rural water sector will also be supported considering the new extended mandate of the CU (expanded from water services to sanitation in both urban and connected rural areas).

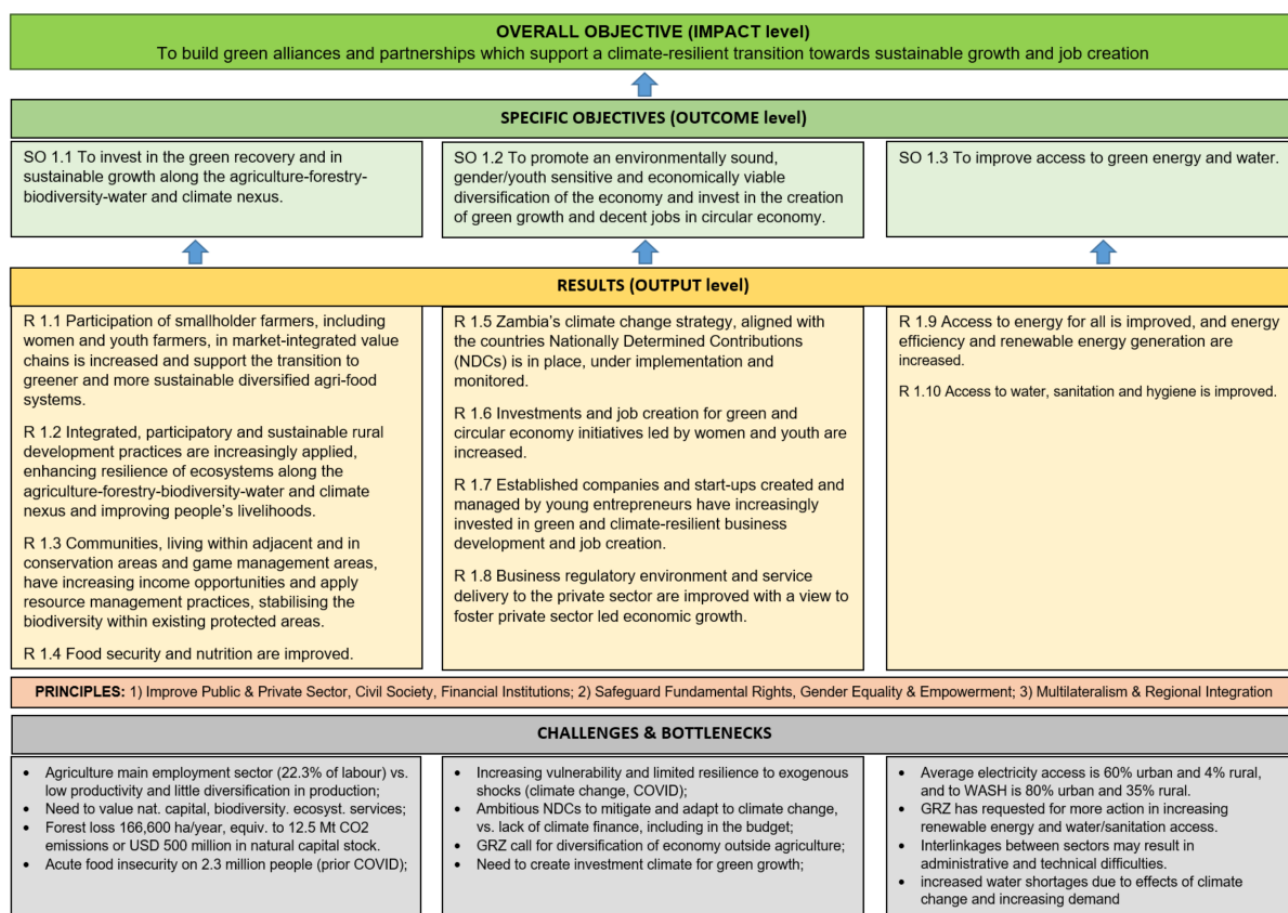
In rural areas the creation of off-grid mini and micro energy plants (hydro/solar/wind and bio-energy), will increase access to energy and WASH services to meet households' demand and also support green growth by supplying locally produced electricity for productive usage, especially in the agriculture sector (sector 2.1.1). Isolated (off-grid) captive power plants (CPP

installations) and productive use leveraging solar energy (PULSE actions) might complete the support to rural areas in particular for small and medium enterprises (with agricultural, commercial and industrial proposes) or national utilities/services, in particular public social service infrastructure (schools, health facilities) targeted under Priority 2. Interventions in this area will build on preparations made under the 11th EDF “Zambia Energy Efficiency Sustainable Transformation (ZE2ST) programme.

In both urban and rural areas, access to renewable energy and to climate-smart basic water supply and sanitation solutions will also strongly contribute to education, nutrition and health outcomes, and will target the most vulnerable parts of the population, notably women and youth, in line with the EU priority 2 Human Development. It will also contribute to adaptation to climate change and coping with drought and water scarcity. Thus, the use of water-harvesting techniques and biomass technologies could benefit both agriculture-related irrigation needs, and micro-hydro schemes for electricity production. The use of digital-smart solutions will enhance the adoption of modern technologies for energy and water efficiency. These initiatives have strong synergies with those developed under specific objective 2.1.2.1.

From experience under the 11th EDF, the support to on-grid electricity production has demonstrated to be complex, both at production, transmission and distribution levels. During implementation period of the 11th EDF, GRZ and development partners seem to have reached the limit of what the sector in the current context can absorb in terms of investments although needs remain huge. With this understanding, if during the initial phase of the MIP (first 4 years), substantial reforms of the regulatory framework and the institutional sector set-up (ZESCO) are achieved, the EU could consider resuming its support to on-grid production investments during the final 3 years phase. This would be discussed at the mid-term review. In all initiatives, effective participation of civil society will be strongly considered, in order to achieve a win-win partnership.

The table below indicates the results’ chain for priority 1:



2.1.3. Indicators (including baseline and targets), per expected result

For this priority, only Neighbourhood, Development and International Cooperation Instrument (NDICI) indicators related to Green Alliances were used, with few exceptions.

Programmes and project under this priority will report against the TEI as described in 2.4.

See attachment 1.1.

2.1.4. Possible use of blending and guarantees for investment under EFSD+

We consider the use of blending modalities with the European and International Financial Institutions and/or guarantees under the EFSD+ as key innovative instruments to support GRZ's agenda on economic recovery and green growth, for the investments foreseen within most sectors covered under Priority Area 1. Contacts have already been established with the EIB and other European Development Financial Institutions (EDFIs) to look into blending and financial instruments, offering loans and risk-sharing products, such as guarantees. Grants should be considered for a 2nd phase of the ENTERPRISE Zambia Challenge Fund and for the Financial Instrument with EIB on the Agriculture Value Chain Facility, with the aim to widen investments to the forestry and biodiversity sectors. EFSD+ funding will be needed to kick-off investment, which will be particularly relevant for young start-ups and SMEs in circular economy. In the specific sectors of energy and water, the involvement of financial partner institutions is already undergoing, even if the global financial situation of the country remains critical in terms of creditworthiness, while newly created sub-sovereign guarantees addressing financial needs of

water utilities could be taken into account. Specific financial mechanisms will also be proposed for actions dedicated to rural areas in order to strengthen private sector presence and interest. Sustainable finance represents a real potential in the region and could help accelerate financial flows towards green, inclusive and resilient transitions, e.g. through green bonds and other relevant sustainable finance instruments.

Improving the overall investment climate and facilitating particularly green and digital investments, e.g. through tax/incentive schemes, in Zambia will be pivotal to attracting FDI, including those facilitated via the European Fund for Sustainable Development (EFSD) under the European External Investment Plan (EIP). Guarantees from the EFSD+ programme will be made available either for the public sector (sovereign guarantees) or for the private sector.

Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 42 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations, including under this priority area.

2.2. Priority area 2: Supporting the people of Zambia to reach their potential and build resilience

The overall objective of Priority Area 2 is to partner with GRZ in building a more healthy, educated and resilient population, with youth and women acting as agents of change making a transformative and multifaceted impact on Zambia's social, economic and political development.

Priority area 2 aligns with EU's main political priorities reflected in the EU's Comprehensive Strategy with Africa, on governance, peace and security, human development, migration and sustainable growth and decent jobs. It addresses more specifically access to quality and inclusive education, skills, innovation, health, nutrition and social rights. It is also fully aligned with Zambia's Vision 2030 and national development plan, on investing in human capital.

This priority directly targets SDG 3 on good health and well-being and SDG 5 on gender equality, through supporting GRZ's efforts in accelerating progress towards universal health coverage (UHC) whilst improving access to sexual and reproductive youth friendly health (SRH) information and services, maternal and child health, nutrition outcomes as well as prevention from and response to sexual gender-based violence (SGBV).

Priority 2 also seeks to support GRZ in providing inclusive and equitable access to quality education for all, with a focus on Early Childhood Education and Development (ECED). Two studies conducted under the 11th EDF have clearly indicated that this is a cost-effective way to enhance children's educational gains, health status, and future economic productivity and social inclusion as well as protection of their rights. This priority also aims at improving the efficiency, equity and labour market oriented technical and vocational education and training (TVET) as well as skills development, with a special focus on young women and men, in accordance with the pledge to leave no one behind and in connection with activities foreseen under priority area 1. These objectives strive towards attaining SDG 4 on quality education.

Overall, priority 2 should contribute to boosting an inclusive economic growth, thus contributing to the eradication of extreme poverty in line with SDG 1. Priority area 2 also promotes an inclusive non-discriminatory approach, in line with Zambian Vision 2030 "no one

is left behind”, targeting in particular the most vulnerable i.e. women girls, children, migrants and other marginalised groups such as people with disabilities. It therefore contributes to attaining SDG 10 on reducing inequalities.

2.2.1. Specific objectives related to the priority area

There are four specific objectives (SO2):

- **SO2.1** - Improving reproductive, sexual, maternal, new-born, child and adolescent and child health, including nutrition.
- **SO2.2** - Strengthening basic education with focus on Early Childhood Education and Development (ECED)²⁵.
- **SO2.3** - Enhancing technical and vocational education and training (TVET) and skills development.

Some areas covered by these specific objectives have a regional and continental dimension, especially on sexual reproductive health, access to quality medicines for all and education/skills development. National approaches may therefore be reinforced by actions at these higher levels. In particular, the regional programming could contribute to i) advancing implementation of SRHR policy framework and capacity building to assure its integration into Universal Health Coverage (UHC), ii) expanding the potential and capacities of national pharmaceutical entities in testing/quality control services, certification/licensing, distribution and private local production expansion/development to help return on investments and increase financial sustainability, and iii) exploring and enhancing access to digital education and skills development solutions and learning mobility opportunities to increase youth employability, including for migrants and other marginalised groups such as persons with disabilities.

The specific objectives feed into the following DAC sectors: Population Policies/Programmes & Reproductive Health (DAC 130), Education (DAC 110) and Government and Civil Society - General (DAC 151), notably its subdivision on Ending violence against women and girls (DAC 15180).

2.2.2. Expected results per specific objective

There is one expected result per specific objective:

- **R2.1** - The universal access to quality and affordable reproductive, maternal, new-born, child, adolescent health and nutrition (RMNCAHN) services is improved.
- **R2.2** - Inclusive and equitable access to quality ECED, including in remote and rural areas, with a specific focus on accessibility for disadvantaged groups, through strengthened system delivery capacity is increased.
- **R2.3** - Managerial and technical skills, which meet specific needs of youth, particularly young women and girls, and match labour market needs such as those identified in priority area 1, enhanced collaboration of education actors and the needs of the private sector are improved.

²⁵ In Zambia ECE is described as the provision of care and education to children of 0-6 years of age (including development component). Day care centres cater for children aged 0-2 years while nursery schools offer activities to children aged 2-4 years in order to help develop their language and social skills through playful art works. Pre-school is usually considered a preparatory stage for entry into primary formal schooling (4-6 years old).

2.2.2.1. Improving reproductive, sexual, maternal, new-born, child and adolescent health, including nutrition.

R2.1 - The well-being and health status of women, adolescents and children is essential to development. The programme hence will support strengthening coverage and utilisation of universal access to adolescent, sexual and reproductive health services for youth, in particular girls, and its nexus with education through further promotion of Comprehensive Sexuality Education (CSE). This should lead to improved collaboration and partnership between the health and education ministries at different levels.

It will also support multi-sectoral approaches to make a significant difference in nutrition impact, aiming at good diets and stunting reduction for the most vulnerable parts of the communities, including children and women, leaving no one behind. This will be accompanied by promoting adequate feeding, which includes food preparation, food consumption and hygiene practices. In this area there is a clear interconnection with food security under R1.1 of priority 1. A link to the provision of safe drinking water and to water and sanitation (WASH) is also clear with R1.10 of priority 1. Synergy and collaboration between priorities 1 and 2 will be ensured.

The intervention will also support national efforts in responding to and preventing SGBV in a multi-sectoral coordinated manner, including through more efficient roll-out of the national referral framework.

The actions under this objective will complement and enhance EU and other partners' ongoing and future efforts, especially Swedish programme PeaCe Health (People at the Centre of Health) and USAID²⁶, UNICEF including and JICA²⁷ activities on RMNCAHN, and 11th EDF SGBV programme. They will be developed in synergy with the EU co-funded global initiatives such as Global Fund, World Health Organisation UHC Partnership and UNFPA²⁸ project and they will promote a well co-ordinated multi-donor approach (based on e.g. Scaling Up Nutrition (SUN) project).

Maternal and child health and nutrition will be improved by scaling up an integrated model through community outreach services and health promotion activities, built on the previously EU-funded MDGi project and SUN approach. Health Systems Strengthening (HSS) activities at both central and local levels, focused on improved access to quality and affordable essential medicines and to health information will be an integral part of this result area. Together with support to enhanced financing and governance covered under R3.3, the health system performance in terms of accountability, sustainability and transparency should improve.

2.2.2.2. Strengthening basic education with focus on Early Childhood Education and Development

R2.2 - Investments under this result will seek to make a difference in terms of access to quality early childhood education and development (ECED) through development/expansion of high standard ECED facilities, adapted to children with special needs, and provision of necessary educational resources and materials. ECED teachers' professional development and capacity building will be also considered. Interventions will be implemented in a holistic and integrated

²⁶ United States Agency for International Development

²⁷ Japan International Cooperation Agency

²⁸ United Nations Population Fund

manner, with enhanced involvement of parents and communities, covering early childhood cognitive stimulation and learning, health, WASH, nutrition and caring that are all interlinked and critical for a child to achieve its full potential. Whenever possible, innovative/digital solutions to learning and teaching will be explored. Smooth transition from ECED to primary school and continuation of schooling especially for the most vulnerable will be ensured. Attainment of the quality and accessible ECED services is determined by good governance of the system. Linked to R3.3, the education system will be strengthened at national and local levels to result in increased and more secured public funding, more transparency and accountability. If conditions allow, investments in primary education will be considered in phase 2 of MIP implementation.

Greater access to ECED should also empower women with knowledge and information on maternal and child health, SGBV and children's rights. The freed up time will enable them to pursue education, training, employment opportunities provided by this Programme with support of R.2.3.

These interventions will be implemented in complementarity and coordination with other EU and other cooperating partners' efforts, in particular a GPE project "Zambia Early Education and Learning (ZEEL)" and EU's funded grants to CSOs on inclusive education as well as those supported by the World Bank and USAID targeting primary and secondary education levels. The EU support seeks to fill in the existing and persistent gaps in the education system to assure that challenges are addressed proportionally and adequately across all levels. Other factors related to poor accessibility (distance, transport, road conditions, etc.) and infrastructure quality (solar energy, water) of ECED, especially in remote and rural areas, should be addressed under Priority 1 and other EU-funded programmes. Synergy and collaboration between priorities 1 and 2 will be ensured.

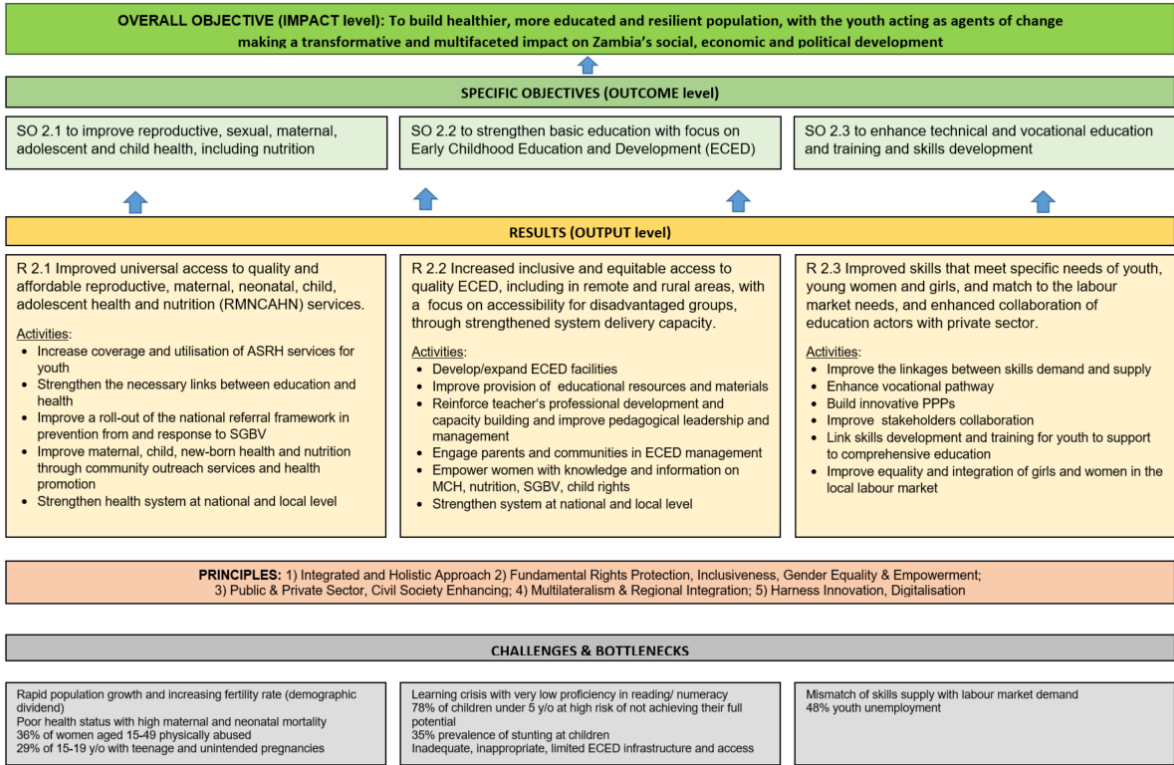
2.2.2.3. Enhancing technical and vocational education and training and skills development.

R2.3 - Investing in women and the young generation should make a difference in developing an empowered and adequately skilled young workforce, which matches the needs of a changing labour market driven by green and digital recovery, transformation and sustainable growth. The action will support building and developing pertinent leadership, managerial and technical skills and qualifications that should increase Zambia's youth employment prospects in the short- and medium-term. Investments in management and leadership training will be particularly important for young male and female entrepreneurs, who want to invest in innovative start-up companies in the green and digital sector (link to R1.5 and R1.6).

Interventions will further focus on creating linkage between secondary education and Technical Education, Vocational & Entrepreneurship Training (TEVET) as well as fostering innovative partnerships amidst the private sector and education and training providers at all levels. A link to research and development and higher education will be envisaged, which is needed to stimulate real transformation processes. Private sector integration and participation in government-led processes and provision of services will be enhanced. In complementarity to R2.1 and R2.2, this action will target girls and women at risk of leaving school or victim of SGBV, and those not in employment, education or training (NEET) by facilitating them access to technical educational opportunities, as well as digital skills, and further increasing their chances in labour market.

Priority 2’s integrated, holistic and complementary approach should also enable linking skills development and training for youth to support to comprehensive education including SRHR/family planning information and services. Interventions will be coordinated with and complementary with the EU Economic Governance Support Programme on improving TEVET system to produce relevant skills for labour market needs, and in synergy with priority 1 of this programme (see first paragraph under this heading).

The table below indicates the results’ chain for priority 2:



2.2.3. Indicators (including baseline and targets), per expected result

NDICI indicators have been selected as much as possible. As for education, no NDICI indicators are available, suitable Capacity4Development indicators have been included. As it is also very important to measure the impact of in particular health interventions at national level, the most relevant GAP III indicator related is the maternal mortality ratio and thus has been included. All the indicators will be measurable through EU programme monitoring activities, Government databases and UN verification sources.

Programmes and project under this priority will report against the TEI as described in 2.4.

See attachment 1.2.

2.2.4. Possible use of blending and guarantees for investment under EFSD+

A mix of financing instruments such as blending, international financing institutions (IFIs), contribution agreements with the UN and EU MS development agencies, grants with CSOs, active in the targeted sectors as well as partnerships with private sector may be considered. Innovative financing solutions have not yet been used in social sectors in Zambia, but could be

tested together with the EU MS. Such a diversified and “out of the box” approach could potentially also allow to improve and develop a constructive dialogue with GRZ, contribute to greater and more stable political with as well as ease the administrative burden for implementation of this kind of interventions.

Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 42 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations, including under this priority area.

2.3. Priority area 3 – Fair, inclusive and peaceful society

The overall objective of priority 3 is to contribute to peace and stability in Zambia through a fair, inclusive and peaceful society in collaboration with both GRZ authorities and non-state actors.

This priority aligns with one of the EU’s main political priorities on governance, peace and security and migration, as well as with the EU’s 2020-24 Global Action Plan for Human Rights and Democracy. It further reflects Zambia’s Vision 2030, translated through its 7th and soon coming 8th NDP, which foresee adherence to principles of good governance.

Priority area 3 will support building effective, accountable and inclusive institutions and decision making at all levels, based on transparency and citizens’ participation as well as promote the rule of law and access to justice for all. A particular focus will be on reforms within social systems in order to improve reliable provision of domestic funding for quality delivery of public services in the social sectors. In that, it will contribute to attaining SDG 16 on peace, justice and strong institutions.

2.3.1. Specific objectives related to the priority area

There are two specific objectives:

- **SO3.1** - Promote human rights and improve the democratic space for citizens in Zambia
- **SO3.2** - Supporting public sector reform for improved delivery of public services and domestic accountability.

The specific objectives aim to make a difference in participatory, transparent and inclusive democratic and political processes in Zambia, in particular for women and youth but also marginalised groups such as persons with disabilities. They will further support policies, institutions and actors that help safeguard against human rights’ abuses, promote the rule of law and enhance public service delivery.

The erosion of social cohesion has resulted in lack of trust between citizens and GRZ as well as among civil society actors.

Zambia’s justice system continues to be over-burdened. Vulnerable populations, particularly economically disadvantaged children, youth, women, migrants but also other marginalised groups such as persons with disabilities have limited or no access to justice. The challenges include weak legislation, under resourced public institutions and civil society. This has led to problems such as poor case-flow management, extremely congested correctional facilities of up to 300%, and very low awareness and respect of human rights.

GRZ needs reinforced capacities to better manage public resources and to improve access of its population to quality public services including e-services. This is indispensable to reduce poverty, implement current and future NDPs and achieve the SDGs. The EU will further support Zambia to improve its ability to plan, budget and efficiently invest public resources on the short and medium-term, in line with the national development objectives, and Zambia's international commitments on environment, health and education.

This priority area will try to support GRZ and civil society actors in addressing these challenges.

These specific objectives are all covered by the DAC sector: Government & civil society – General (DAC151), notably with its subdivisions on Legal and judicial development (DAC 15130, Human rights (DAC 15160), Democratic participation and civil society (DAC 15150), Elections (DAC 15151), Macroeconomic policy (DAC 15142), Public finance management (DAC 15111), Domestic revenue mobilisation (DAC 15114) and Decentralisation and support to subnational government (DAC 15112).

2.3.2. Expected results per specific objective

2.3.2.1. Promote human rights and improve the democratic space for citizens in Zambia

There are two expected results:

- **R3.1** - Democratic processes in Zambia are reinforced
- **R3.2** - Rule of law and respect of human rights are promoted

R3.1 – Democratic process can be effectively reinforced when a holistic approach is applied and all democracy actors are engaged. This result will contribute to creating conducive conditions for citizens to realise their rights and actively participate in societal and political reforms, and to more freedom for civil society and media to operate. At the same time, public institutions need to develop and implement durable, legal and institutional reforms to rebuild trust. Strengthening active citizenship, particularly for vulnerable groups such as women and youth but also other marginalised groups such as persons with disabilities and helping to create the pre-conditions for participation will be critical for this priority area. This will be done through enhancing access to information, community sensitisation and engagement with traditional leaders, as well as through supporting dialogue and unity. Benefits and risks of latest digital technologies in human rights/democracy and civil society work will be studied. In addition, the electoral cycle will be specifically supported through strengthening the Electoral Commission of Zambia and relevant government institutions, civil society and media to ensure they are able to fulfil their roles in democratic processes. The support will build on previous electoral support of the EU and its MS and the recommendations of EU Election Observation Missions (EU EOMs).

R3.2 – Promotion of the rule of law and respect of human rights, including labour rights, will focus in particular on vulnerable: women, children, youth (including juveniles and circumstantial children), migrants and other marginalised groups such as persons with disabilities. The decentralisation and expansion of legal aid services will be a key component to ensure increased access to justice, particularly support to legal aid provision with a focus on community levels. The implementation of legal, policy and institutional reforms, human rights awareness initiatives for actors and individuals as well as stakeholder coordination will be addressed. It will also explore the use of innovative digital solutions to overcome the many barriers in accessing justice in Zambia. The particular question of human trafficking and

smuggling of migrants could be tackled in its regional dimension. This result area will build on previous EU support to the justice sector and in particular the ongoing access to justice programme PLEED - Programme for Legal Empowerment and Enhanced Justice Delivery-where – in cooperation with Germany – strong partnerships with GRZ, civil society and other actors of the justice sector have been well established.

2.3.2.2. Supporting public sector reform for improved delivery of public services and domestic accountability.

There is one expected result:

- **R3.3** - Efficiency, accountability and transparency of the public administration, enabling quality public service delivery are improved.

R3.3 - Effective and inclusive public financial management (PFM) is a cornerstone of good governance. EU's partnership will build upon experiences and lessons learned under EU's past and current public sector reform programmes such as EFFECT, with careful consideration to the political economy aspects of PFM reforms. The EU partnership will contribute to restoring macroeconomic stability, facilitate the transition towards more sustainable, inclusive and green recovery and growth and improve the delivery of social public services to the Zambian population. The EU will support initiatives that improve scrutiny and oversight of public sector resources. Civil society actors will play a prominent role both as beneficiary of EU interventions but also as key actors in the management of EU funded actions.

EU support will particularly aim at strengthening budget credibility and execution and at ensuring reliable provision of domestic funding for public services delivery in the social sectors. In addition, the EU continues to support GRZ to collect domestic revenue more efficiently and to significantly improve accountability and transparency of spending, including through digitalisation and support to mandated institutions. By strengthening the country systems, this support to public finances' management will also contribute to increase their use by Cooperating Partners and improve overall aid effectiveness.

In view of the global trend towards a green and digital transition and the Zambia's NDCs, climate and green finance will steadily increase in importance. Their adequate reflection in Zambia's sustainable debts restructuring (e.g. debts swaps / green bonds), PFM reform and annual budgeting processes as well as in terms of domestic revenue generation will provide credibility, incentives and stimulus towards the above trajectory, particularly for private sector development along the green, climate neutral and digital recovery and growth path.

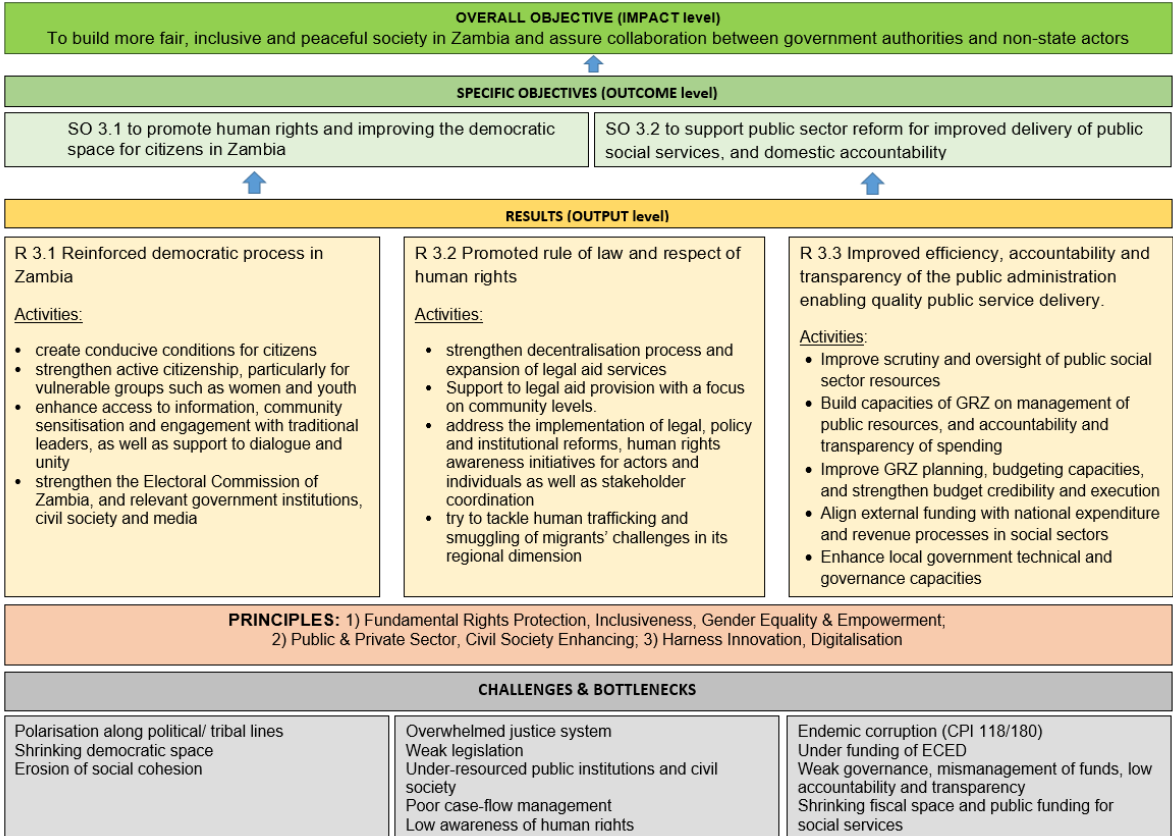
EU funding will continue to support the strengthening of Parliament's budgetary oversight functions and to enable citizens (including the most vulnerable) to engage with their government's on budgetary decisions and become stakeholders in policymaking process.

Depending on progress made towards effective decentralisation (e.g. fiscal decentralization), the EU assistance could support the process to promote greater accountability and more efficient and inclusive public services, including by enhancing local governments' technical and governance capacities as well as investing in local infrastructure and public services' delivery.

Civil society participation will be critical to achieve both specific objectives – both as implementers and beneficiaries of capacity building support. Cooperation with new players

beyond the traditional civil society partners will be explored further. A ‘whole of society’ approach with grassroots-based/community-based organizations, the private sector (on business and human rights agenda), trade unions, cooperatives, political parties and religious actors will be applied. Civil society will be supported to advocate for legal and policy reform; improve participation in governance and decision making particularly of women and youth; fill the gaps in service provision such as paralegal aid; scrutinize and have oversight of public sector resources; and increase access and use of digital tools and information.

The table below indicates the results’ chain for priority 3:



2.3.3. Indicators (including baseline and targets), per expected result

Indicators selected are mostly NDICI which will provide quantitative information for reporting. They have been complemented with Capacity4Development indicators as well as Freedom House indicator which are more general and will help to measure the broader impact of our support at national level, with a worldwide benchmark. All indicators are measurable through EU programme monitoring activities, government reporting and data sources as well as Freedom House and Bertelsmann Foundation publications.

Programmes and project under this priority will report against the TEI as described in 2.4.

See attachment 1.3.

2.3.4. Possible use of blending and guarantees for investment under EFSD+

Not relevant.

2.4. Proposals of country/multi-country/regional Team Europe Initiatives

The EU with its MS, have launched two joint-initiatives in support of Zambia, in key cooperation areas:

- Climate action for inclusive green growth in Zambia
- Human Development in Zambia - Strengthening human development and building up the resilience of children and youth

These initiatives will improve coordination efforts of the EU and its MS as well ensure a more visible and identifiable impact of the European engagement in Zambia.

Indicative EU Contribution to the Team Europe Initiatives is EUR 208 million. The EU's indicative contribution to this TEI is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

2.4.1. Climate Action for Inclusive Green Recovery and Growth in Zambia

Following a joint assessment of Zambia with the EU MS in 2019 and subsequent consultations with all stakeholders all along 2020, a TEI on “Climate Action for Inclusive Green Recovery and Growth in Zambia“ was identified as an important area where European Partners can make a substantive impact by joining forces.

The TEI aligns with the EU's new political priorities, particularly the European Green Deal and the Alliances for Sustainable Growth and Jobs, as well as those indicated in the March 2020 Communication “Towards a comprehensive Strategy with Africa”, notably the partnerships for green transition and energy access, sustainable growth and jobs and digital transformation. The TEI also reinforces EU's response to COVID-19, i.e. our call for the “green recovery” from the pandemic, and to “build back better”, following a “One Health approach”²⁹. The TEI is in line with Zambia's NDPs and with its Nationally Determined Contributions (NDC) to the Paris Agreement, which cover Sustainable Forest Management, Sustainable Agriculture, Renewable Energy and Energy Efficiency, Liquid Waster, Coal and the Transport sector.

Under the specific objective linked to Sustainable Agriculture, integrated rural development & biodiversity, the TEI suggests to:

- Expand support to sustainable commercialization of smallholder farmers, especially women, and the diversification of agricultural production, in line with EU's Farm to Fork Strategy.
- Focus on climate resilient/smart and environment-friendly agricultural practices, including sustainable livestock management, aquaculture, water harvesting, storage and efficiency, and integrating biodiversity concerns, in line with EU's 2030 Biodiversity Strategy.
- Increasingly follow integrated approaches to rural development, in line with the agriculture-forestry-biodiversity and water nexus.

²⁹ A healthy planet is good for people health.

- Intensify policy dialogues to set the legal framework for sustainable management of natural resources and natural capital, to sustain and re-establish ecosystem services.

Under the specific objective linked to Circular Economy & Inclusive Green Growth, the TEI suggests to:

- Contribute to diversifying the economy by promoting the transition to an Inclusive, Green and Circular Economy, in line with EU's 2030 Circular Economy Strategy.
- Promote sustainable growth and decent jobs by improving the investment climate, business environment and economic governance, including land management, with a particular focus on promoting growth and investment in low-carbon and climate resilient sectors.
- Invest in human development, i.e. in skills development via TVET, as well as University Education partnerships, promoted by the Horizon Europe and the Erasmus+ programme.
- Stand for free, fair and sustainable trade and investment along regional value chains in Zambia and the COMESA region.
- Accompany measures by supporting a renewed commitment of GRZ towards macroeconomic stability, debt sustainability and good governance principles.

All of the above will not be possible without mobilizing the private sector and additional investments through financial instruments, e.g. the European External Investment Plan (EIP).

Actions which are of transboundary nature (e.g. trade, regional integration, regional value chains / circular economy, transport/transit and connectivity) and are in common to all or a number of COMESA countries, should be co-financed by regional funding.

There is a very strong buy in and support from EU MS in terms of policy coherence, joint programming and co-financing from bilateral and regional funding.

2.4.2. Strengthening human development and building up the resilience of children and youth

With its young population, Zambia has a unique opportunity to accelerate economic growth through securing and harnessing its demographic dividend. This can only be done through concerted, strategic, cross-cutting and consistent efforts by GRZ to make significant reforms and interventions in social sectors, governance and economic policies, of which investments in children and youth constitute an integral part. Thus, the TEI follows a multi-sectoral and holistic approach to support GRZ in its endeavours.

Education will be at the centre of achieving transformative change as it is key for a stronger work force and an empowered population. Investments will be made in education and vocational training of youth, especially girls, and in Early Childhood Education and Development (ECED). WASH, nutrition and health will be promoted at all levels as well as alternative learning solutions (distance and digital) taking into account the lessons learned from the COVID-19 pandemic.

Other lines of action will complement and reinforce support in the education sector as follows, equally focussing on children and youth:

- Reproductive, Maternal, New-born, Child, Adolescent Health and Nutrition (RMNCAHN): Early childhood experience and especially how well or how poorly mothers and children are nourished and cared for has a direct impact on a child's ability to grow, learn and thrive. Thus, there remains a critical need to accelerate the implementation of high impact child,

maternal and reproductive health and nutrition interventions, including awareness raising activities at community level on family planning, hygiene and nutrition as well as promoting comprehensive sexuality education in national curricula. A programme along the SUN approach already exists (financed by USAID, Sweden, UK, Germany, Ireland & EU) and could be expanded further.

- **Sexual and Gender Based Violence (SGBV):** Gender inequality remains highly prevalent in Zambian society mainly due to prevailing cultural and social norms as well as the high acceptance of in particular domestic violence. SGBV, including early child marriage and teenage pregnancies are of particular concern of the EU and will be addressed through SGBV prevention, CSE and response activities in particular at community and district levels.
- **Access to Justice:** Provision of legal assistance and rights awareness initiatives are particularly critical for youth and women to be empowered as agents of change. Access to justice initiatives will empower juveniles to ensure that they have adequate access to legal aid services in order to minimise the negative impact of incarceration. This will be complemented by support to rehabilitation and reintegration provided under other areas of this TEI. Moreover, initiatives that strengthen the enabling environment for women's access to justice by supporting the legal aid provision at the local level are essential.

Governance and systems strengthening at national, provincial and district levels (decentralisation) as well as social and financial accountability will be essential for any longer-term reforms and improvements. Recognition of youth, especially girls as future drivers of socio-economic development and placing them at the centre of governance will be promoted. By joining forces with the EU MS, through a Team Europe approach, this initiative will build on past and ongoing programmes. The education support will enhance and complement the substantial investments made in particular through the Global Partnership for Education. Interventions in the health, nutrition, SGBV and access to justice areas will take to scale important flagship programmes financed by the EU and some of its MS, in particular Sweden, Germany and Ireland.

Education and health are included specific objectives under priority area 2. For the time being, the MIP focuses on ECED and TVET & skills development. Potentially, the education support could be expanded to primary education after the mid-term review. Access to Justice is captured under Priority Area 3.

3. Support measures

3.1. Measures in favour of civil society

No specific resources are set aside for support to civil society organisations, as this will be integral to programming. However, following a whole of society approach, CSOs will be key actors of EU support initiatives aiming at improving accountability through enhanced scrutiny and oversight over the use of public resources and strengthening citizens' inclusiveness and participation to policymaking and dialogue processes.

3.2. Cooperation facility

A cooperation facility will be foreseen through a specific allocation. It will be used for:

- Supporting capacity development and institutional building, including through technical assistance and exchange of public expertise, such as the Technical Assistance and Information Exchange (TAIEX) and Twinning.
- Supporting policy dialogues: events, conferences, studies, fellowships, exchange platforms to support sector dialogues leading to policy reforms and engagement with GRZ and other stakeholders.
- Supporting and facilitating Joint Programming / Team Europe approach or coordination initiatives at country level.
- Supporting the participation of the country in EU Programmes and cooperation with EU Agencies, where relevant.
- Financing communication including strategic communication and fight against disinformation and visibility actions on EU cooperation and public diplomacy specific interventions to promote EU policies as well as its multilateral agenda in the partner country.
- Supporting the preparation, implementation and evaluation of the Union’s cooperation, including via technical assistance.
- Dedicating resources to coordinate with government, partners, and other relevant stakeholders.

4. Financial overview

Although the duration of this MIP is seven years, the indicative allocations for Zambia and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of Zambia.

Priority Areas	Amount MEUR	% of total
Priority 1: Green partnerships for sustainable recovery, growth and decent jobs	191.3	64%
Priority 2: Supporting the people of Zambia to reach their potential and build resilience	65.9	22%
Priority 3: Fair, inclusive and peaceful society	35.8	12%
Support measures	6,0	2%
TOTAL for initial period 2021-2024*	299,0	100%

* Subject to its confirmation through the implementation phase, it is expected that out of the total of EUR 299 million [1st period], an indicative amount of EUR 42 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations across all the priority areas.

Attachments

1. Intervention framework
2. Donor matrix showing the current indicative allocations per sector

Attachment 1. Intervention framework

Attachment 1.1 – Priority Area 1: Green partnerships for sustainable recovery, growth and decent jobs

SO1.1 - To promote and invest in the green recovery and in sustainable growth along the agriculture-forestry-biodiversity-water and climate nexus [DAC 310 - Agriculture, Forestry, Fishing / DAC 410 - General Environment Protection]					
Expected results	Indicators	Baseline	Target	Means of verification	Source/ Ref.
R1.1 - Participation of subsistence and smallholder farmers, including women farmers and youth, in market-integrated value chains is increased and support the transition to greener and more sustainable, diversified agri-food systems.	Number smallholders (disaggregated by sex and age) reached with EU supported interventions aimed to increase their sustainable and climate resilient production, access to markets and/or security of land.	0 (2021)	320,000 farmers (2025) of which 179,200 male and 137,600 female	Programmes M&E reports	IAPRI policy briefs
	Number of food insecure people (disaggregated by sex and age) receiving EU assistance	0 (2021)	25,000 farmers (including 750,000 households /1,000 MCD households) (2024)	Survey and evaluation report	UNICEF reports FAO reports WHO reports
R1.2 - Integrated, participatory and sustainable rural development practices are increasingly applied, enhancing resilience of ecosystems along the agriculture-forestry-biodiversity-water and climate nexus, and improving people's livelihoods.	Agricultural, forest and pastoral ecosystems where sustainable management practices have been introduced with EU support (km ²).	0	18,000 km ² = 2.5% of land area	Programmes and M&E report	Satellite imagery and GIS analysis
R1.3 -Communities, living adjacent to and within conservation and game management areas, have increasing income opportunities and apply sustainable resource management practices, stabilising the biodiversity within existing protected areas.	Areas of terrestrial and freshwater ecosystems under a) protection b) sustainable management with EU support (ha).	0	500,000 ha (around Kafue, Zambesi & Luangwa)	Programmes and M&E report National Wildlife Adaptation Strategy	Wildlife corridors/refuges mapped Management plans for 3 landscapes (Kafue, Zambesi & Luangwa) Harmonised legislation on Benefit-sharing for communities
SO1.2 - To promote an environmentally sound, gender and youth sensitive and economically viable diversification of the economy and to invest in the creation of green and decent jobs and growth in circular economy. [DAC 410 - General Environment Protection]					
R1.4 - Zambia's climate change strategy, aligned with its Nationally Determined Contributions (NDCs), is in place, under implementation and monitored.	Number of countries and cities with climate change and/or disaster risk reduction strategies: a) developed, b) under implementation with EU support.	0 (2021)	1	Financing Agreement	NDC reports Climate Change Strategy

R1.5 - Established companies and start-ups, created and managed by young male/female entrepreneurs, increased investments in green, climate-smart/resilient and digital businesses and decent jobs.	Number of women and youth-led Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support	0 (2021)	10 MSMEs (2027)	Baseline survey Final evaluation	IAPRI reports Local financial institution reports Ministry of Economy reports
	Number of young and/or female entrepreneurs leading and managing MSMEs in the green and circular economy sector.	0 (2021)	10 MSMEs (2027)	Final evaluation	Ministry of Economy reports
	Number of jobs supported/sustained by the EU, disaggregated for green jobs.	0 (2021)	2200 jobs supported/sustained (2025)	Mid-term evaluation, Final evaluation	Local financial institution reports Ministry of Economy reports
R1.6 - Investment climate, business regulatory environment and service delivery are improved and foster sustainable growth and creation of decent jobs by private sector.	Number of countries supported by the EU to strengthen investment climate.	0 (2021)	1	WB and World Economic Forum - WEF report	
	Distance to frontier	66.9	73		
SO1.3 - To improve access to green energy and water. [DAC 230 – Energy]					
R1.7 - Access to energy for all and increased energy efficiency and renewable energy generation are improved.	Number of individuals (disaggregated by sex and age) directly or indirectly with access to Energy with EU support (disaggregated in urban and rural).	0	700,000	Min of Energy EU Programmes	Ministry of Energy annual report
R1.8 - Access to water, sanitation and hygiene is improved.	Number of individuals (disaggregated by sex and age) with access to improved drinking water and sanitation facilities with EU support.	0	500,000	Min of Water EU Programmes	Water Utilities reports, Ministry of Water annual report

Attachment 1.2 – Priority Area 2: Supporting the people of Zambia to reach their potential and build resilience

SO2.1 - Improving reproductive, maternal, newborn, child and adolescent health, including nutrition [DAC 130 - Population Policies/Programmes & Reproductive Health / DAC 151 - Government & Civil Society-general]

Expected Results	Indicators	Baseline	Target	Means of verification	Source/Ref.
R2.1 - Universal access to quality and affordable reproductive, maternal, child, adolescent health and nutrition (RMNCAHN) services are improved.	Number of women of reproductive age using modern contraception methods with EU support.	0	372,000	District Health Information System (DHIS2) EU programmes	NDICI (28)
	Maternal mortality ratio (per 100,000 live births).	252/ 100,000	220/ 100,000	DHIS2 EU programmes	GAP III indicator (SDG 3.1.1.)
	Number of individuals benefitting from EU-funded programmes to counter sexual and gender based violence.	0	4,800,000		NDICI (27)

SO2.2 - Strengthening basic education with focus on ECED [DAC 110 - Education]

Expected Results	Indicators	Baseline	Target	Means of verification	Source/Ref.
R2.2 - Increased inclusive and equitable access to quality ECED, including in remote and rural areas, with a specific focus on accessibility for disadvantaged groups, through strengthened system delivery capacity	Percentage of children enrolled in early childhood education and development (ECED) programmes, with EU support, (disaggregated by sex, disability, geographical location).	0	70%	Ministry of General Education (EMIS) EU programmes	Cap4Dev
	Number of ECED facilities/schools/classrooms rehabilitated/constructed with EU support that meet accessibility, safety and well-being standards (disaggregated by geographical location - region, urban/rural, and by level of education) ³⁰ .	0	700 (400 ECE classroom/annex) 300 Community ECED centres)	EU programmes	Cap4Dev
	Percentage of ECED teachers that have received training with EU support, (disaggregated by sex, geographical location, disability).	0	80%	EU programmes, MoGE	Cap4Dev
	Number of women of reproductive age, adolescent girls and children under 5* reached by nutrition related interventions supported by the EU. *Children age 0-6	0	900,822	EU programmes, MoH and MoGE	NDICI (31)

SO2.3 - Enhancing technical and vocational education and training and skills development [DAC 110 - Education]

³⁰ INEE Access and Learning Environment Standard 3: school facilities and services. This includes: location; structure, design and construction (included disaster resistance); design and maintenance of learning space, sanitation facilities, safe water and hygiene promotion, school-based health and nutrition services, referral systems

Expected Results	Indicators	Baseline	Target	Means of verification	Source/Ref.
R2.3 - Managerial and technical skills, which meet specific needs of youth, particularly young women and girls, and match labour market demands, enhanced collaboration of education actors and the needs of the private sector are improved.	Number of people (disaggregated by sex and age) who have benefited from institution or workplace based VET/skills development interventions supported by the EU	0	13,560	National education ministry/ TVETA EU programmes	NDICI (15)

Attachment 1.3 – Priority Area 3: Fair, inclusive

SO3.1 - Promote human rights and improve the democratic space for citizens in Zambia [DAC 151 - Government & Civil Society-general]

Expected Results	Indicators	Baseline	Targets	Means of verification	Source/ Ref.
R3.1 - Reinforce the democratic process in Zambia	Number of countries supported by the EU to conduct elections and/or improve their electoral process	0	1	EU programmes	NDICI (37)
	Country ranking according to the Bertelsmann Transformation Index (BTI)			BTI	
	- Political transformation	5.75	6		Cap4Dev
	- Governance	4.48	5		
	Number of government policies developed or revised with civil society organisations.	0	3	Government reporting, EU programmes	NDICI (39)
	Improved status of political rights and civil liberties.	54	56	Freedom House reports	Freedom House
R3.2 - Promote the rule of law and respect of human rights	Number of people benefitting directly from legal aid interventions supported by the EU disaggregated by sex, age, disability	0	25,000	Government reports; Legal Aid Board reports; EU programmes	NDICI (36)
	Country score or ranking in the World Justice Project Rule of Law Index	0.45	0.47	World Justice project	Cap4Dev
	Number of victims of human rights violations directly benefitting from assistance funded by the EU disaggregated by sex, age, disability	0	2,000	EU programmes	NDICI (40)

SO3.2 - Supporting public sector reform for improved delivery of public services and domestic accountability [DAC 151 - Government & Civil Society-general]

R3.3 - Improved efficiency, accountability and transparency of the public administration enabling quality public service.	Number of countries supported by the EU to strengthen revenue mobilisation, public financial management and/or budget transparency.	0	1	EU programmes	NDICI (20)
--	---	---	---	---------------	------------

Attachment 2. Donor matrix showing the current indicative intervention sectors of partners

Main priority sectors according to 2020 disbursements (per OECD DAC purpose code)														Total	
	Education	Health	Population policies/Programmes & Reproductive Health	Water supply & Sanitation	Government & civil society	Other social infrastructure & services	Transport & Storage	Communications	Energy	Banking & Financial services	Business & other services	Agriculture, Forestry, Fishing	Industry, Mining, Construction		General environment protection
European Commission*	x	x			x	x	x		x			x			7
Finland						x					x				2
France									x				x		2
Germany	x			x	x	x	x		x			x			7
Ireland	x					x						x			3
Sweden	x	x	x		x	x			x	x		x	x	x	10
Switzerland		x			x			x				x			4
UK		x				x					x	x			4
USA	x	x		x	x							x		x	6
Japan	x	x					x		x		x	x	x		7
World Bank Group		x		x		x			x			x	x	x	7
UN	x	x	x	x	x	x					x	x			7
AfDB		x		x								x		x	4

* Excluding programmes funded via regional and thematic budget lines