



EN

THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 2

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Zambia for 2024

Action Document for Sustainable Critical Raw Materials Value Chains in Zambia (CRM)

ANNUAL ACTION PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Critical Raw Material Value Chains in Zambia (CRM) OPSYS number: ACT-62567 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Zambia
4. Programming document	Multi-Annual Indicative Programme (MIP) 2021-2027 between the Republic of Zambia and the European Union.
5. Link with relevant MIP(s) objectives / expected results	<ul style="list-style-type: none">• Priority Area 1: Green partnerships for sustainable recovery, growth, and jobs. Specific Objective 2: To promote 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.• Priority 2: Supporting the people of Zambia to reach their potential and build resilience Specific Objective 2.3: Enhancing technical and vocational education and training and skills development• Priority 3: Fair, inclusive and peaceful society Specific Objective 1: Promote human rights and improve the democratic space for citizens in Zambia Specific Objective 2: Supporting public sector reform for improved delivery of public services and domestic accountability

PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	322: Mineral Resources and Mining 250: Business and Other Services 321: Industry 11330: Vocational Training 15160: Human Rights			
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 9 – Industry, Innovation and Infrastructure Other significant SDGs: SDG 4. Quality education SDG 5. Gender equality SDG 8. Decent work and economic growth SDG 10. Reducing inequalities SDG 13: Climate action SDG 16. Peace, justice and strong institutions			
8 a) DAC code(s)	11330: Vocational Training – 50% 15160: Human Rights – 7% 250: Business and Other Services – 10% 321: Industry – 8% 322: Mineral Resources and Mining – 25%			
8 b) Main Delivery Channel	12000 – Recipient Government 20000 – Non-Governmental Organisations and Civil Society 41000 – UN Entities			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Budget line(s) (article, item): 14.020122 Total estimated cost: EUR 14 900 000 Total amount of EU budget contribution EUR 14 900 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Direct management through: - Grants - Procurement Indirect management with the entities to be selected in accordance with the criteria set out in section 4.4.1, 4.4.2, 4.4.3			

1.2 Summary of the Action

The overarching principle of this action is the deployment of the EU-Zambia Critical Raw Materials - Memorandum of Understanding (CRM-MoU) and its Roadmap. This will be done by leveraging and combining the Government's clear priorities and commitment to transform the Zambian Mining sector

into a modern, performant and sustainable economic driver for the country, and the EU's ambition to promote responsible supply chains for CRMs that can benefit both Zambia and the EU.

Despite being a country endowed with rich mineral resources, Zambia is still far from exploiting its full mining potential. This is due to a number of reasons, which can be clustered in three main areas: 1) Limited availability of scientific knowledge on geological data and mineral occurrence; 2) Inadequate sector governance, in term of legal, fiscal and environmental, social and governance (ESG) frameworks as well as lack of capacity to ensure law enforcement, multi-sectoral coordination and to provide effective grievance/remedy mechanisms; 3) Widespread presence of Artisanal and Small-scale Mining (ASM) operators with limited capacity and often working in illegal or only partially formalized operations.

The action is fully aligned with the efforts of the Government and aims to:

1. Improve good governance and transparency within the mining sector and related value chains;
2. Increase the capacities and employability along the mineral value chain of ASMs and within local communities, with a specific focus on women and youth.

These aims are complemented by the *PanAfGeo+ Support to Geological Science and Technology* programme (ACT-62321) and the additional EUR 2 000 000 for a dedicated Zambia window¹, which will enhance the availability, quality, and public dissemination of geodata and mineral information, including the capacity to analyse, manage, store the information and provide useful elaboration to encourage exploration and investments.

The action will contribute Specific Objective 2 of Priority Area 1 of the MIP 2021-2027 – *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* - aiming at reinforcing investment climate, business regulatory environment and eventually foster sustainable growth and job creation (result 1.6). As such it is coordinated and complementary to the other Delegation projects “Economic Governance Support Programme” (11th EDF) and the “Green Economy Promotion and Diversification” (NDICI, AAP2022). The action is designed and responds to the political objectives of the CRM-MoU, signed in October 2023 and the follow up implementation activities agreed in the Roadmap between the EU and the Zambian Government in April 2024. It also builds on the intense dialogue with like-minded partners within the Mineral Security Partnership Forum and ongoing intervention related to ASMs (UNDP², UNIDO³) and key infrastructures needed for the sector development, such as the construction of the Lobito Corridor to connect Zambia with the port of Lobito in Angola and the rehabilitation of the Zambia Railway line to improve the connectivity within the North-South Corridor⁴ and with the TAZARA⁵ Railway to Dar es Salaam.

¹ Total EU budget contribution towards this first step in implementing the EU-Zambia CRM Roadmap of Actions stemming from the MoU can be considered as EUR 16 900 000, of which EUR 14 900 000 is a new commitment under this Action (ACT-62567) and EUR 2 000 000 already committed under the *PanAfGeo+ Support to Geological Science and Technology* programme (ACT-62321)

² African Caribbean and Pacific Countries (ACP-EU) Minerals Development Project

https://www.mmmd.gov.zm/?page_id=1124

³ Different activities on vocational trainings and youth employment, e.g.: <https://www.unido.or.jp/files/Knowledge-Sharing-Session-With-Industry.pdf>

⁴ The Lobito Corridor and the North-South Corridor are respectively no. 12 and 10 of the strategic corridor list identified in Africa by EU-AU.

⁵ The TAZARA Railway connects the town of Kapiri Mposhi in Zambia's to the port of Dar es Salaam in Tanzania. It's a single-track railway operated by the binational Tanzania-Zambia Railway Authority (TAZARA).

The Action will bring support to the 2030 agenda and sustainable development goals 4, 5, 8, 9, 10, 17, the Addis Ababa Agenda⁶, the New European Consensus on Development⁷, the Gender Action Plan III⁸ and EU Human Rights and Democracy Country Strategy for Zambia, developed on the basis of the EU Action Plan on Human Rights and Democracy 2020-2024⁹.

1.3 Zone benefitting from the Action

The Action shall be carried out in Zambia, which is included in the list of ODA recipients.

2 RATIONALE

2.1 Context

General Overview

Zambia has been a major mining country for about a century and mining has therefore remained the mainstay of its economy. Still, existing exploitations and ongoing prospections do not cover yet the full mining potential of the country, and expanding the sector sustainably is a major priority for the government.

In its “Vision 2030”, the country has set a series of ambitious socio-economic goals, aiming to sustainably achieve middle income status. Among the enabling elements for this transformative ambition is the creation of environment and investment climate in a number of major economic sectors – of which the mining sector is the most important. The 8th National Development Plan (8NDP) translates this focus by defining the mining sector as a “key driver for Economic Transformation and Job Creation” alongside agriculture, tourism and manufacturing, through industrialization, economy diversification, local value addition and improvement of the business environment. The 8NDP also introduces environmental sustainability as the third strategic development area in line with the 2030 Agenda for Sustainable development. In September 2023, the Zambian government (GRZ) declared the Critical Minerals as Strategic Minerals for the country’s development. This declaration concerns: copper, cobalt, lithium, tin, graphite, coltan, manganese, nickel, rare earth elements (REEs), gold, emeralds and other minerals that have either high commercial value or play a key role in the economic and energy transition processes. Following this declaration, a Mineral Strategy is expected to be developed by the GRZ.

While the sector contributes substantially to the country’s exports (72% in 2022, down from 77% in 2021) and government’s revenues (44% in 2022, down from 39% in 2021), its contribution to the GDP has reduced considerably, from 12% in 2021 to 9% in 2022. The overall contribution to employment remains very low (2% of the employed persons in Zambia or 65,409 persons of which only 4,514 women). The inclusion of women brings a number of benefits to the sector not least increased income generation and improved management of natural resources. Yet barriers such as harmful socio-cultural norms and lower levels of education hamper to their participation and increase their risk of exploitation. Furthermore, despite the presence of persons with disabilities in mining communities, limited attention has been paid to exploring their experiences and living conditions as the presence of mining companies in the communities has, usually, a negative impact on their livelihood in terms of loss of land and a high cost of living. In fact, despite the considerable environmental and economic benefits of inclusive participation of women in the sector, such as income generation and participation in the management of natural resources, many women continue to be exploited either informally or in its auxiliary sectors with impediments for women to penetrate. Factors such as education and stereotyping of women have been identified as major gender barriers. Furthermore, in the last Universal Periodic Review for the country, the Committee on the Rights of the Child underlines its concerns about the fact that environmental

⁶ https://sustainabledevelopment.un.org/content/documents/2051AAAA_Outcome.pdf

⁷ https://international-partnerships.ec.europa.eu/document/download/6134a7a4-3fcf-46c2-b43a-664459e08f51_en?filename=european-consensus-on-development-final-20170626_en.pdf

⁸ https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf

⁹ https://www.eeas.europa.eu/sites/default/files/eu_action_plan_on_human_rights_and_democracy_2020-2024.pdf

impact assessments have not been routinely submitted to the Environmental Management Agency, being necessary to develop a national action plan on business and human rights, establish a regulatory framework for mining companies, develop a programme for lead remediation, conduct regular monitoring, ensure that affected children are not returned to contaminated areas, ensure that small-scale mining operations were licensed and monitored, ensure effective complaint mechanisms and avenues of recourse in mining areas or designate a government lead on corporate social responsibility, among other measures.

Foreign investment in the mining sector has been a significant factor in the developing of the industry, with companies like First Quantum Minerals and Barrick Gold Corporation playing a major role in exploration and mining over the last couple of decades. The Chinese groups of companies such as Nonferrous Metal Mining Group (CNMC), NFC Africa Mining, China Jiangxi Corporation, to list but a few, have also been operating in the country largely focusing on mineral extraction and processing. As of 2022, Zambia was the world's 8th copper producer, with an estimated production of 763,550 mt, considerably declining from 837,003 mt in 2020. Nevertheless, this trend should be countered by new investments (e.g. Abu Dhabi-based IRH investing USD 1.1bn in the Mopani Copper Mines plc) as well as by the discovery of untapped mineral reserves (e.g. in February 2024, KoBold Metals has discovered a large-scale and high grade copper deposit, believed to become one of the largest high-grade copper mine once the production opens¹⁰). This political priority of the sector has been also translated in multiplying Memoranda of Understanding on use of Critical Raw Materials and value chains, including with EU in 2023 and US in 2022. These agreements contain often provisions on mandatory due diligence over environmental, social and human rights impacts for companies (EU, US); and alignment with key international human rights, labour rights and environmental instruments (US). Although a steady driver for the Zambian economy, the mining/extractive sector remains very complex and its regulation is less than optimal, which constitutes a hindrance for sustainable investments, especially from Europe, where Corporate Sustainability Due Diligence Directive (CS3D) has been adopted by the EU Council in March 2024.

The development of the mining sector is strictly linked to the availability of reliable and well-managed logistic corridors. The rehabilitation and construction of existing and new connections to make Zambia a "land-linked" country is a key priority of the Government. The upcoming development of the Lobito Corridor, as foreseen in the Lobito Corridor Memorandum of Understanding, signed by the EU and six other partners¹¹, represents the most important investment to contribute to the overall development of the North-Western and Copperbelt Provinces, including, but not limited to, the mining sector.

The sustainability of the above measures requires a strong private sector. The current EU programmes in economic governance and for the promotion of the green economy and economic diversification will work on key factors affecting the sector (land, skills development, and regulatory framework, weak dialogue with the public sector) while supporting the private sector, and especially mining SMEs, through technical assistance and matching grants also to reap the opportunities that the mining sector can provide for local value addition, circular and green economy. In that context it is noted that Zambia is member of the UN Panel on Critical Energy Transition Minerals which on 11 September 2024 presented voluntary principles and recommendations to guide critical energy transition minerals towards equity and justice.

Mining Sector's Governance

The Ministry of Mines and Mineral Development (MMMD) is responsible for the development and management of mineral resources and deals with mining rights, licences, mining operations, gemstones mining, health and safety, environmental protection¹², geological survey, royalties and charges. The

¹⁰ <https://www.koboldmetals.com/news/#07>

¹¹ On the margin of the Global Gateway Forum in Brussels the 26 October 2023, Angola, Zambia, the Democratic Republic of Congo, the European Union, the United States, the African Development Bank and the Africa Finance Corporation signed a Memorandum of Understanding for the development of the Lobito Corridor.

¹² In close coordination with the Ministry of Green Economy and Environment and the Zambia Environmental Management Agency (ZEMA).

sector is administered through the MMMD Departments, in particular the Geological Survey Department, the Mines Development Department, the Mining Cadastre Department and the Mines safety Department of the MMMD.

The Zambian mining sector has undergone fundamental ownership transformation in the last decades¹³. It is now mainly governed by the [Mines and Minerals Development Act 2015](#)¹⁴ and the Environmental Management Act governs environmental issues and the potential impact of the extractive sector on the environment. The regulatory framework has been undergoing substantial transformations during the last years, including the upcoming bill on the establishment of the Mineral Commission and the drafting of new policy and legal instruments, such as the Local Content Regulation, the Geological and Minerals Development Bill, the National Critical Mineral Strategy and the National Strategic & Sensitive Assets Bill. Furthermore, the Mines and Minerals Development policy should draw lessons from the 2021 National Lands policy that placed a quota on the land distribution of 50% of available land for alienation being reserved for women and 20% for the youth and persons with disabilities, alignment with the commitments envisaged in the National Gender Policy, National Youth Policy and National Disability Policy.

The Cabinet in 2023 approved the publication and introduction in Parliament of the *The Minerals Regulation Commission Bill*. The objectives of this Bill include, among others, to establish the Minerals Regulation Commission and provide for its functions: regulate and monitor the development and management of mineral resources in the Republic and the establishment of the Mining Appeals Tribunal. As of May 2024, the Bill is at the third reading at the National Assembly.

The Local Content Regulation¹⁵, currently under negotiation through the Public Private Dialogue Forum (PPDF)¹⁶ requires mining and mining related companies to procure mining goods and all non-technical mining services from local companies or communities. This has prompted the reaction of the mining companies because compliance with such regulation would require substantial changes in the current sourcing network due to the allegedly limited capacity of Zambian companies. Similar concerns are also triggered by the the Mineral Regulation Commission Bill¹⁷, in particular by the risks that the expropriation clause creates.

On the fiscal front, the instability of Zambia's mining tax regime – which witnessed ten amendments in 16 years – has been one of the reasons that deterred foreign investment. However, since coming into Government in 2021, the new administration introduced tax incentives to encourage investments in the mining sector, such as the deductibility of mineral royalty in the 2022 budget and the restructuring of the mineral royalty tax to lower the effective payable rate in the 2023 budget. The recent fiscal reforms have contributed to the new investments in Mopani Copper Mine and the resolution of the dispute on Konkola Copper Mines (KCM)¹⁸.

In 2017, during the 3rd Cycle of the Universal Periodic Review (UPR), Zambia accepted a recommendation to develop a National Action Plan (NAP) on Business and Human Rights (B&HR). Since then, very little has been done to align domestic laws and policies to the UN guiding principles on

¹³ The sector has been nationalized in 1969 and re-privatized in the late 1990s. The period of state ownership and management had an enduring impact on national and popular perceptions of the role and performance of the sector, such as a community's expectations of mine-provided social services.

¹⁴ *The Mines and Minerals Act of 1995*, subsequently amended in 2015 and 2016, simplified licensing procedures significantly, placed minimum reasonable constraints on prospecting and mining activities and created a favourable investment environment. At the same time, the act allowed international arbitration to be written into development agreements, if deemed necessary (<https://www.parliament.gov.zm/node/5212>).

¹⁵ This regulation is promulgated under the Citizens Economic Empowerment Commission (CEEC) Act (Ministry of Commerce)

¹⁶ The PPDF was launched in 2022 by the President as a structured participatory and inclusive platform for public private sector engagements.

¹⁷ Key points of the Bill are: 1) replaces the current 2015 Act; 2) establishes the Mineral Regulation Commission; 3) allows for expropriation (section 15).

¹⁸ Zambia's previous government, which left office in mid-2021, took over control of KCM in 2019 and appointed a provisional liquidator after disputes with then-owner Vedanta. It also acquired Mopani from Glencore in 2021.

Business and Human Rights and other international and regional human rights standards¹⁹. A baseline assessment conducted by the Human Rights Commission²⁰ found out, on the one hand, that the State has not adequately put in place laws, policies and practices to prevent, investigate, punish and redress human rights abuses that take place in, and are associated with, business operations and has not sufficiently set up expectations that Zambian businesses respect human rights. On the other hand, the study also underlined that very few businesses understood and have put in place measures to prevent, mitigate and remedy human rights abuses²¹.

Minerals value chains

Independently of the production trends, the real downside of this situation is that most of the time the minerals are exported as raw materials, due to underdeveloped industries along the related value chains. Increasing value addition in the mining sector is a key priority and goal for the country's 2030 Vision and one of the expected outcomes of the 8NDP, through local metal beneficiation and manufacturing. Looking beyond extracting value is also a priority of the current government. Nevertheless, the existing examples are few, and concerning only a few products. For instance, Kagem Emerald Mine complements its production with a full downstream value addition, through processing emeralds into cut, polished and finished gemstones for export. In the gold sub-sector, the Zambia Gold Company Ltd. has a mandate to participate in different stages of the gold value chains, including exploration, production, mine development, processing and marketing, thus driving both the formalization and growth of the gold sub-sector. In the copper sub-sector, only Mopani Copper Mines plc. (Zambia-IRH) has a full scale chain of processing copper into refined cathodes, while Lumwana Copper Mine (Barrik Gold Corporation), presently producing only copper concentrate is prospecting possibilities for downstream processing in country. Modest Chinese and Zambian-Chinese investments in small-scale smelting facilities contribute to the development of the informal processing sector, through influx of cheap technologies that play a role in small-scale value addition at the price of accelerated environmental degradation and negative social impact. The Zambian government is taking steps towards monitoring and eventually formalizing the informal mining/processing sector, but the results are yet to be seen. The recently held business forum on copper value chain has showed an increased attention of the Government to create the conditions for the transformation of copper in the country, particularly through partnerships, and identified a number of investment opportunities along the full value chain, particularly rapidly growing investments in copper cable and wire manufacturing, and recycling of mining waste.

Artisanal and Small-scale Mining (ASM)

The Artisanal and Small-scale Mining (ASM) sub-sector has grown considerably in the recent past. It has become a crucial source of livelihood for many people in rural areas and also contributes to the country's socioeconomic development generally. The ASM is an important livelihood activity for millions of people in the developing world representing as many as 90% of the global mining workforce. ASM are characterized by non-adherence to environmental, health and safety regulations, which exposes them to toxic and hazardous working conditions and make them contributors of environmental disasters and damage. Non-adherence is mainly the result of inadequate technical knowledge and skills and awareness of regulations. Environmental, social, legal, business and labour challenges hinder the potential of ASM to contribute to sustainable development. In Zambia, all mining operations with license below 400 hectares are considering as part of the ASM sector, and are administratively managed under the Artisanal and Small-Scale Mining Unit at the Zambia Revenue Authority. The recent efforts by the government to formalize the sector are a testament to the importance that the government attaches to the ASM sector. Notably, the government has commenced a process of organising the ASM sector into

¹⁹ In 2023 the African Commission on Human and Peoples' Rights passed Resolution No. 550 on business and human rights (BHR) in Africa and a Resolution on a Human Rights- Based approach to the Implementation and Monitoring of the African Continental Free Trade Area Agreement (AfCFTA).

²⁰ <https://www.humanrights.dk/projects/national-baseline-assessment-business-human-rights-zambia>

²¹ https://globalnaps.org/wp-content/uploads/2023/01/The-Corporate-Responsibility-to-Respect-Human-Rights_Zambia-Case-Study-2-1.pdf

cooperatives with a view to better support and regulate the sector. The artisanal and small-scale mining sub-sector is facing many challenges. A recent census of development minerals in Zambia, conducted by the ministry of mines and ACP-EU Development Minerals programme, revealed that of the 109 mining plots visited in 10 provinces of the country, approximately 75% held legal licenses. A vast majority of the ASM operators were unaware that their activities required a licence.

Regarding gender equality, the ASM poses an opportunity for better participation of women in the mining industry. However, the study on Artisanal and Small-Scale Mining of 2019, revealed that of all the mines owned in the ASM sector, 17 percent were owned by women while 83 percent were owned by men due a number of challenges such as limited access to mining licences, inadequate information and financial support to enable women procure basic mining equipment, inequitable access to education and productive resources such as land, household labour, and limited empowerment as well as cultural norms that hinder their participation in the sector²². These challenges are mutually reinforcing by different factors that impact women differently depending on their socio-economic status, age, disability status, etc.

Skills development for the mining sector

Artisanal and small-scale miners in Zambia mainly comprise youth and women²³ who have low-level skills or are unskilled. Most of the individuals are self-taught or learn through informal means. As the demand for copper and cobalt is expected to rise significantly over the coming years, the subsequent push by stakeholders, including government, towards formalization of the sector increases the demand for skilled labour. As the sector is dominated by people who lack education and technical knowledge, a lot of individuals participate in the less lucrative ASM operations such as stone crushing, washing, and panning. The push to formalize the sector should force operators to improve their skills, especially business skills, to meet the regulatory needs of formal ASM. If they do not up-skill, the consequences will be dependence on others or be sustained by less lucrative roles in the ASM value chain. It is anticipated that skills in understanding good mining practices, access to geological information, and knowledge of processes such as exploration, extraction, and processing will be essential for ASM miners and/or entrepreneurs. Aside from mining knowledge, individuals will also need to have skills in navigating the licensing business procedures, which consist of drafting several proposals and filling in forms.

It is also essential that the right environment is created to ensure that people who gain skills are able, at the end of the day, to use them. In order to do this, the 8NDP requires the government to encourage the formation of cooperatives among small scale and artisanal miners, as well as facilitating access to support services to enhance their productivity²⁴. This is particularly important in the ASM sector that consists of individuals, cooperatives, and small companies for mineral extraction.

Upgrading skills and productivity of ASM goes hand in hand with improving their working conditions and knowledge and application of environmental and social standards. This becomes of paramount importance for ASM along the CRM value chain, to ensure that their mineral production can be part of a downstream industry able to attract foreign investors or to have access to international funds. The application of corporate social responsibility and ESG standards at all levels is increasingly scrutinized by international investors and condition to enter in many industrialised markets such as the European Union. Furthermore, inadequate technical skills and lack of access to geological information is also a major barrier for women to penetrate the sector and improve their financial capacity since geological information is crucial in developing bankable business proposals that can be avenues for funding.

In terms of large scale mining, mining companies currently employ around 80% of the people in the sector and contribute to local economic development through the training they provide to direct

²² National Gender Policy 2030 and Ownership of artisanal and small-scale mining rights in Zambia, challenges and opportunities for women's participation.. Policy Monitoring Research Centre, Report 2023.

²³ Zambia 2023 Mining Report November 2023 PWC

²⁴ TEVET Policies and Systems in Zambia: Analysis of opportunities and challenges based on country assessment and priorities of TEVET with a focus on four economic sectors (agriculture, energy, mining, and tourism), ILO, October 2023

employees and contractors. Such investments in human capital – through formal training activities as well as “learning on the job” – create a direct benefit for mining companies, but also have positive externalities for the country as a whole. Government agencies, mining companies and educational institutions collaborate to provide training programmes to equip the industry with the necessary skills, e.g. geology, mining engineering, environmental management, health and safety.

Partnership on the Development of Critical Raw Materials Value Chains (“CRM MoU”)

The EU and Zambia have signed in October 2023 a MoU, “Establishing a Partnership on Sustainable Raw Materials Value Chains (“CRM MoU”)). This MoU, together with the Roadmap of specific actions agreed by the EU and the Government of Zambia, and together with the MoU on the Lobito Corridor, also signed in October 2023, helps focus the cooperation between EU and Zambia around this strategic partnership, through an integrated approach to governance, business and people. Strategic partnerships to pool resources, technology and finance, are recognized as crucial elements within the CRM value chains, yet they require a sustainable development approach that considers the unique needs of partner countries. Furthermore, it is imperative to establish clear definitions of value addition and implement robust mechanisms to ensure the active involvement of civil society and indigenous peoples, both within the EU and partner countries. These partnerships must transcend mere economic analysis and encompass human rights, indigenous peoples’ rights and environmental frameworks on an international scale.

Private sector

Zambia economy is among the least diversified in the region. It is also characterised mostly by SME that represent the 90% of the private sector. While the mining sector is dominated by international corporations, there are Zambian SME along all value chain, from contractors, to miners, to metal processors and manufacturing. Like most of the private sector, these enterprises suffer from limited access to finance, complex business regulatory framework, reduced linkage to regional and international market. The strong ecosystem around mining, including in the financial sector, represent an opportunity to support consolidation and further development the local SMEs (including those led by women and youth) working in CRM by stimulating market linkages, opening new business opportunities for all, such as in circular economy, creating equal access to finance and to appropriate technical assistance.

Environmental protection and mining operations

The action aims to the formalisation of informal and illegal mining operations, first by targeting the ASM sector and secondly by improving the governance of the mining sector in general. By entering the formal sector, mining operations will be subject to the legislation in force. There is a rich (though poorly enforced) legislation in Zambia that aims to protect the environment from the negative effects of mining as for instance: i) Mines and Minerals Development Act of 2015, that requires mining companies to follow environmental best practices, mandates Environmental Impact Assessments (EIA) before the issuance of mining licenses and establishes environmental protection funds to address environmental damage; ii) the Environmental Management Act of 2011 requires EIAs for significant developmental projects, including in mining, and imposes strict regulations on waste management, air quality and pollution control; iii) the Forests Act of 2015 protects forests from degradation due to mining-related deforestation and requires companies to obtain permits for deforestations, mandating in exchange reforestation efforts; iv) the Zambian Wildlife Act of 2015 protects wildlife and their habitats from adverse impacts of mining activities and requires mining companies operating near wildlife reserves to implement conservation measures.

Through formalisation of illegal and artisanal mining, the Zambia Environmental Agency will be able to exercise its mandate and enforce compliance with environmental standards. In addition, the skills building component targeting ASM will also contribute to the awareness of environmental damage caused by the operations, as well as will support the implementation of best environmental practices. Also, the empowerment of communities as rights holders, will be key for increasing advocacy against mining-related environmental degradation.

2.2 Problem Analysis

If the mining sector in Zambia is one of the main contributors to the country's economy and income, the sector remains underperformant, with weak downstream value chains and heavily reliant on raw copper production – which makes the economy vulnerable to production constraints as well as fluctuations of global commodity prices. The sector is not even close in reaching its economic potential – due to incomplete exploration and geological mapping, transparency and governance issues, the weight of the informal sector in local economic systems, lack of skills, infrastructure deficiencies and low mitigation level to environmental and social impacts.

Incomplete and obsolete geological mapping

Currently the country's geological mapping stands at 55% of the total country surface and it was done before 1998. Moreover, not all map sheets and accompanying reports are digitized, no mineral occurrence maps have been produced and in general geodata are either not available or not of the adequate quality. The production of detailed and reliable geological information is a *a sine qua non* condition for attracting investments and diversifying the geographical scope of exploration and mineral production. Aiming to revitalise and to increase the potential of the sector, the government announced ZMW 160 million in its 2024 budget for airborne geological surveys, which has been welcomed as an important milestone for new exploration and eventually contribute to achieving Zambia's ambitious target of 3 million tonnes annual copper production by 2031.

Despite the commendable effort to produce new geodata, the investment is far from enough and strengthening the Public Private Partnerships would also be a solution for attracting funds for geological exploration.

Weak Transparency and governance

The mining sector-related regulatory framework is weak, uncertain and not adapted to sector needs for inclusive growth and development. The Mines and Minerals Development Act of 2015 does not adequately provide for, among others, the effective and efficient regulation, monitoring of compliance and carrying out of enforcement activities in the mining sector, resulting in challenges such as increase in illegal mining activities, environmental degradation, poor occupational health and safety standards, discrimination against women in all their diversity, unsustainable exploration and mining methods, as well as loss of Government revenues. This situation is expected to improve through the enactment of the Minerals Regulation Commission Bill, presently still in discussions at the National Assembly. In addition, initiatives such as the Zambia Extractive Industries Transparency Initiative (ZEITI), able to provide third party oversight of the mining sector in Zambia, are key to the sector's improvement. This signals to investors that the government is committed towards upholding the sector's transparency and accountability. An obsolete and incomplete regulatory system, both in terms of legislation and institutional capacity are the main reason for unsustainable mining practices both in the formal and informal sectors, with heavy repercussions on environment, communities, human health, safety and crossborder criminality.

A major hindrance to business development in the mining sector (including the formalisation of the small-scale and artisanal mining operations) remains the broader issue of the uncertainty in the regulatory environment, when it comes to the possibility for the Government to change the terms of a contract, and to the highly instable tax regime, modified many times during the last decade. This does also affect the mining-related downstream value chains. The weak manufacturing base in the mineral sector has been contributing to the very low level processing of mineral products within the country and, subsequently, to the generalization of export of low value raw materials. This can mainly be attributed to the lack of investment capacity at national level and to a weak enabling environment for foreign investments in the country. The prospects of processing minerals for value addition within the country comes with enormous benefits such as job creation as well as increased revenues to government. The need to create an enabling environment to support downstream value chains of mineral resources is critical for the socioeconomic development of the country. This should include also the support to circular economy opportunities

along the CRM value chains for its positive impact on the environment, capacity to attract green finance, and to create sustainable, inclusive and decent jobs.

Additionally, the weak regulatory framework and its enforcement, the inconherence of State policy across departments and functions in addressing adverse human rights impacts, the lack of clear expectations that business operating respect human rights add up to the instability and the underperformance of the sector. For instance, in 2022, a Chinese-owned open-cast copper mine begun operations within the Lower Zambezi National Park, threatening wildlife in Zambia and Zimbabwe, and clearly showing the gaps in the regulatory system. This is a major weakness in a country where 18% of the total land area is dedicated to national parks and reserves. Weak business and human rights regulatory frameworks translate into a highly developed informal/illegal mining sub-sector, violations of land and environmental rights, with heavy repercussions on labour rights, and on communities and individuals' health and safety.

While referring to an enabling environment for the mining and downstream processing sectors, reference needs to be made to the broader regulatory systems in the country: poor transport infrastructure, lack of reliable sources of energy, high cost and low availability of capital, as well as the high cost of doing business in Zambia are major challenges for the mining sector's development. Also, apart from discriminatory legislative framework and social norms, the gender related myths or taboos surrounding the mining activities are barriers to women's full participation and benefiting from the minerals as natural resources. There are a lot of beliefs which have affected women's participation and the same beliefs do not apply to men as far as mining activities are concerned.

Inadequate and insufficient skills

Zambia's mining labour market is characterised by a very diversified workforce engaged in various roles, from skilled engineers and geologists, to technicians, to day laborers involved in crushing stone, digging or panning. Generally, the industry faces significant challenges finding a skilled workforce.

The ASM sub-sector mainly employs people with low levels of education, exacerbating the general challenges the sector faces, and creating serious barriers to its formalization. Cumbersome and bureaucratic licensing process and difficulties in preparing Environmental and Social Impact Assessments and proposals are certainly more difficult for people of lower educational attainment. The government's emphasis on formalization of the sub-sector, accompanied by increasing measures to strengthen the regulatory framework, could increase the risk of unemployment and of driving away those in the sector, especially women and youth, who may face challenges, for instance, in obtaining licenses.. Low literacy levels, including financial literacy, make it very difficult to access financing options such as microfinance, grants, or soft loans to invest in operations and the sector as a whole. Lack of access to finance also hampers the ability to buy and use appropriate up-to-date technology and equipment such as efficient mining tools, safety gear, and environmental monitoring equipment. In particular, women and young people with inadequate access to financing are unable to meet the costs attached to obtaining mining rights which also makes their mining activities vulnerable as they operate outside the legal framework where formalisation strategies have little impact on their productivity. As a consequence of the weak regulatory framework, and due a lack of knowledge and inability to afford Personal and Protective Equipment (PPE), individuals are often exposed to hazardous pollutants. Lack of adequate skills and less power negotiating powers over their minerals increases also the chances of exploitation by buyers in the market, especially among women and young people, limiting their potential to expand and reap the benefits of the sector. There is also a correlation between families with lower levels of education and the risk of child labour, as limited livelihood options or access to education lead some children to join the workforce at very young ages. Lack of knowledge can also lead to the abuse and degradation of the environment.

In the large-scale mining sector, only skilled labour is generally required for most of employment offered, and mining companies often offer intensive training at the place of employment. However, making available specific mining skills in-country, would also improve the enabling environment for further investments in Zambia. The availability, locally, of the required skills is hindered by the fact that the

majority of institutions offering TEVET courses are located in non-mining provinces²⁵. Gender discrimination against women continued even in institutions of learning that offer training in mining jobs such as colleges and universities. Under-representation of women in tertiary institutions that offer training in mining professions leads to women employees in mining corporations in technical jobs and this is currently the situation in Zambian mining companies. In addition, mining technology is evolving at a fast rate but the curriculum offered by TEVET-accredited institutions does not tally with technology. Moreover, most TEVET institutions do not have necessary equipment for acquiring practical skills during trainings. If the phenomenon continues, the gap between available and desired skills may continue to widen in Zambia.

Lack of Climate Resilience and the impact of the mining sector

The mining sector contributes to deforestation, soil erosion, and pollution of water bodies. These environmental impacts exacerbate the effects of climate change, making it harder for ecosystems and communities to adapt. For instance, deforestation reduces the natural carbon sink capacity, while soil erosion affects agricultural productivity, which is vital for food security in rural areas. Reducing the mining sector's demand for water resources is important too, as it competes with the needs of agriculture and local communities. During periods of drought, which are becoming more frequent due to climate change, this competition intensifies, leading to conflicts and reduced resilience of communities dependent on water resources for their livelihoods. The Zambian government has developed several policies aimed at improving climate resilience to address these problematics, such as the National Policy on Climate Change and the National Adaptation Plan, but there are still gaps in the implementation and enforcement of regulations specific to the mining sector. Effective governance and regulatory frameworks are crucial for ensuring that mining activities do not undermine climate adaptation efforts. Overall, the country's heavy reliance on mining for economic growth limits its ability to diversify its economy and build resilience against climate change impacts. Efforts to promote economic diversification, including the development of mining-related value chains, sustainable agricultural practices and renewable energy sources, are essential too for enhancing overall climate resilience.

Identification of **main stakeholders** and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

As duty bearer, the **MMMD** is, at central level, the institution responsible for the development and management of the mineral resources. Within the ministry, there are key departments to support and partner with within this action: 1) *The Geological Survey Department*, custodian of the geological and related data and information; 2) the *Mines Cadastre Department* (MCD), managing the application process for mineral rights, issuing mining licenses and maintaining the registry of current mineral rights; 3) *Mines Safety Department* (MSD), responsible for the oversight of the sector's health, safety and environmental performance – the latter in conjunction with the Zambia Environmental Management Agency (ZEMA) and Water Resources Management Authority (WARMA); 4) *Mines Development Department* (MDD), responsible for receiving and verifying the mines' monthly production reports, and sharing the results with the Zambia Revenue Authority (ZRA), as well as for issuing export permits for mineral products.

Other central government stakeholders include: the Ministry of Technology and Science (Department of Vocational Education and Training); the Ministry of Green Economy and the Environment (MGEE), including ZEMA; the Ministry of Finance (including the Zambia Revenue Authority (ZRA)); the Ministry of Labour and Social Security; the Ministry of Commerce, Trade and Industry; the Ministry of Education; the Ministry of Justice; the TEVETA Authority under the Ministry of Technology and

²⁵ Rapid mapping of skills development in mining sector, EM ASSOCIATES LIMITED, September 2023

Science; the Ministry of Small and Medium Enterprises Development; the Office of Public Protector; the Attorney General; the National Prosecution Authority and Judiciary; the Police, the Human Rights Commission, the Division of Gender under the Office of the President, Ministry of Youth, Sport and Arts, the Zambia Agency For Persons with Disabilities, the Anti Corruption and Drug Reinforcement Commissions, the Vice – president office .

Key stakeholders will also be the Mineral Regulation Commission and the Geological Survey when the related bills will be enacted.

Local authorities in the Copperbelt, Luapula and North-Western Provinces will also be involved in specific actions under this programme.

Among the **non-governmental partners**, the main interlocutors for this action will be: the Zambian Chamber of Mines (ZCM); the Federation of Small-scale Mining Associations; the Zambian Association of Women in Mining; the Copperbelt University (CBU) and other academia; training institutions that play a crucial role in the sector, such as the Northern Technical College (NORTEC) and the Gemstone Processing and Lapidary Training Centre (GPLTC); the private sector, with a focus on private mining, processing and trading companies as well as financial institutions, local and international NGOs and thinktanks (e.g. ZEITI) , ASM associations and cooperatives.

In terms of rights holders, the action will interact with communities, and in particular with the most vulnerable members of the communities to the negative effects of mining operations, namely the women, young people and persons with disabilities.

Traditional leadership will be involved at all levels of the action, given their responsibility towards communities and the land ownership system in most of the targeted areas.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to enhance the sustainability of the Critical Raw Materials (CRM) Value Chains in Zambia, guided by the Memorandum of Understanding signed between the EU and Zambia.

The Specific(s) Objective(s) of this action are to:

SO1: Improve governance, transparency and environmental sustainability of the mining sector and related value chains ;

SO2: Increase decent employability along the mineral value chain, with a focus on women and youth

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

Contributing to Outcome 1 (or Specific Objective 1):

Output 1.1: Improved capacity of Mining sector stakeholder for development of policies, laws and regulations in line with the environmental standards, including from a gender/age/disability and from an environmental sustainability perspective

Output 1.2: Increased knowledge and understanding of rights holders (including women, youth and people with disabilities) and duty bearers on business and human rights.

Output 1.3: Improved inclusive stakeholder dialogue and coordination mechanisms.

Contributing to Outcome 2 (or Specific Objective 2):

Output 2.1: The identification, provision, and equal access to appropriate skills and capacities for artisanal and small scale mining and downstream processing is increased, including for women, youth and people with disabilities.

Output 2.2: equal Diversified vocational pathways for integration within the labour market during and after training , including for women, youth and people with disabilities.

Output 2.3: Improved decent employment opportunities of local communities along the mineral value chain sectors.

3.2 Indicative Activities

Activities relating to Output 1.1: Improved institutional and regulatory framework for the Mining sector, including from a gender/age/disability and from an environmental sustainability perspective.

Indicative activities under this expected output could comprise:

- a) provide technical assistance to support the establishment/operationalisation of the Mineral Commission, the Geological Survey (subject to the enactment of the Act);
- b) provide support/technical assistance to the MMMD to improve its operations and in particular the licensing system and related enforcement;
- c) provide technical support to other national bodies to identify best practices and bottlenecks, and enhance gender responsive and environmental protection policies, legal and regulatory frameworks;
- e) analyse gaps in terms of ESG (including in relation to gender equality, youth and people with disabilities rights as well as in terms of climate mitigation and adaptation) and identify best practices;
- f) identify major challenges and opportunities of ASMs, addressing gender, and promoting youth and people with disabilities inclusion as well as environmental aspects;
- g) support the implementation of the EITI in Zambia through enhancement of the operations of the Zambia EITI Secretariat (ZEITI) and the Zambia EITI Council (ZEC);
- h) deploy a digitalized cadastre program to strengthen transparency and accountability mechanisms, to enhance government's stakeholder collaboration oversight.

These activities will be carried out in close coherence and coordination with the activities under the programme “ Economic Governance Support” and in particular the Inclusive business environment leading to green investments project and the land governance support project, and with the support to the elaboration of a Circular Economy Action Plan (under the GEPD programme).

Activities relating to Output 1.2: Increased knowledge and understanding of rights holders (including women, youth and people with disabilities) and duty bearers on business and human rights.

Indicative activities under this expected output could comprise:

- a) conducting surveys and interviews to assess understanding on business and human rights among rights holders (with a particular focus on women, youth and people with disabilities) and duty bearers
- b) collaborating with academia and civil society (including those representing the rights of women, youth and people with disabilities) to conduct studies on business and human rights and gender equality in the Zambian CRM context;
- c) organising workshops and training sessions for private sector both at management and employee level;
- d) organising accessible media campaigns/public awareness campaigns on business and human rights;
- e) conducting human rights impact assessments for business, to identify potential risks and opportunities (including from a gender perspective).

Activities relating to Output 1.3: Improved inclusive stakeholder dialogue and coordination mechanisms.

Indicative activities under this expected output could comprise:

- a) facilitating multi-stakeholder dialogue on business and human rights between government, businesses, civil society and affected communities/individuals;
- b) developing accessible communication channels and mechanisms for sharing information and best practices on business and human rights among stakeholders;
- c) providing technical assistance and capacity building support to companies, government agencies and civil society organisations to improve their understanding and implementation of human rights principles and gender equality in business context.

Close cooperation and complementarity will be ensured with the actions under preparation at global level on CSR and Due Diligence.

Activities relating to Output 2.1: Identification, provision, and equal access to appropriate skills and capacities for artisanal and small scale mining and downstream processing, including for women, youth and people with disabilities.

Indicative activities under this expected output could comprise:

- a) Strengthen policy instruments (regulatory framework, exceptions, market based approaches);
- b) conduct a skills needs assessment and labour market needs forecast (upstream and downstream), including from a gender/age and disability perspective;
- c) conduct a gap analysis of the current training offer, including from a gender/age and disability perspective;
- d) institutional capacity assessment of training institutions (training capabilities assessment, and physical and digital infrastructure needs of the selected partner training centers);
- e) update and/or develop gender responsive and accessible curricula and learning materials in close collaboration with TEVETA and private sector in identified trades and skills development areas;
- f) inclusive training of trainers and certification of teachers;
- g) gender responsive and accessible training and upskilling through development of on-the-job training modalities and apprenticeship schemes with participation of industries;
- h) awareness raising to attract target groups, especially women and youth as people with disabilities when possible, to training centers and strengthen link between training center and private sector (ASM/LSM).

Activities relating to Output 2.2: The equal access to vocational pathways for integration within the labour market during and after training is increased, including for women, youth and people with disabilities

Indicative activities under this expected output could comprise:

- a) conduct a needs assessment on and gap analysis (including from a gender/age and disability perspective) on vocational skills in the sector;
- b) facilitate inclusive apprenticeships and on the job training with training institutions including large scale mining companies;
- c) provide tools, trainings, guidelines and linkages to support association and cooperative initiatives;
- d) develop a roadmap to support networking and partnerships with stakeholders in the sector, including private sector and civil society organisations.

This will take into consideration the work started under the project” skills development for increased employability“ (6.5M EUR) implemented by ILO and with mining as one of the focal sector.

Activities relating to Output 2.3: The decent employment opportunities of local communities along the mineral value chain sectors are improved

Indicative activities under this expected output could comprise:

- a) conduct a needs assessment on employment opportunities in the sector;
- b) conduct gap analysis of existing government initiatives to enhance livelihood opportunities in the sector;
- c) provide workshops and training sessions, to enhance technical, management, leadership skills;
- d) facilitate connections with financial institutions such as micro-finance banks, grants, funding opportunities and training on processes and requirements to access finance as well as tools and equipment;
- e) provide practical training on use of up-to-date equipment and tools;
- f) support networking and partnerships with stakeholders in the sector, including private sector, through initiatives such as breakfast meetings, expositions, etc.;
- g) offer tools and guidance to support formalisation processes;
- h) offer support and guidelines to access the Constituency Development Fund (CDF) to invest in improving the sector;
- i) provide trainings on ESG, human and labour rights, as well as health and safety;
- j) conduct awareness raising through local radio and other channels on child labour and other human rights issues, including the promotion of women in mining.

The aboved-mentioned needs assessment, gap analysis, work-shops and trainings will take into consideration a gender/age and disability perspective to ensure that mineral value chain sectors are inclusive and gender-responsive.

Activities relating to Output 2.1, 2.2 and 2.3 could build on the work of the EU-funded TEI ‘Opportunity-driven Skills and VET in Africa’ (TEI OP-VET). In particular, the action can be supported by the TEI OP-VET Technical Assistance (TA) Facility. The implementation of the recommendations formulated by the TA is not part of this facility, but remains the responsibility of this action.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality and women’s empowerment will be a significant objective of the Action. The Action contributes to the CLIP and GAP III thematic objective on economic and social rights and the empowerment of girls and women. It targets women, along with youth, to build their capacity, develop knowledge and increase skills to improve equitable access to employment and livelihoods within the critical raw material value chain. The Action will also work to improve the governance of the mining sector, and will include ensuring gender sensitive policy, legal and regulatory frameworks. A gender analysis from an intersectional approach will be conducted to identify gender differences and power dynamics to inform programming.

Human Rights

This action applies Human Rights Based Approach as outlined in the 2021 European Commission's updated Toolbox. In particular, its working principles will be taken into consideration by applying all human rights for all; ensuring meaningful and inclusive participation and access to decision-making; promoting non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data. It will also work on improvement of good governance framework including better respect of human rights related to business according to the UN guiding principles on Business and Human Rights and other international and regional human rights standards.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that persons with disability will not be specifically targeted by this action, but rights of PWD will be mainstreamed. The action will have an underlying target of improving the situation of people with disabilities in the mining/processing sectors, through improving the regulatory framework and provision of necessary skills to increase inclusion and employability of people with disabilities in the targeted sectors, and protection of human rights abuses related to business activities. The Action will be in line with the EU Strategy for the Rights of Persons with Disabilities 2021-2030, and the EU Guidance Note Disability inclusion in EU external action.

Reduction of inequalities

Zambia's Gini Coefficient Index is estimated to be at 0.54²⁶ in 2024, making it one of the most unequal countries in the world. Economic growth has been slow in recent years with real GDP growth averaging 2.5 per cent per year between 2015 and 2021, compared to 7.4 per cent between 2004- 2014²⁷. The country's poverty rate is estimated to be at 62 per cent and has increased from 58.7 per cent in 2015²⁸. The drivers of inequality generally are intersectional and multi-dimensional. Zambia's increasing poverty is a critical factor and even during times of economic growth, a significant number of the population remain below the poverty line. In 2024 the President declared a state of emergency after the driest agricultural season in more than forty years. This extreme weather will only exacerbate inequality and poverty as over 9 million Zambians will be affected²⁹. Limited access to quality education is also a key driver of inequality, especially in rural areas and other marginalized communities. Unemployment is on the rise from 7.8 per cent in 2012 to 13.8 per cent in 2020³⁰. In addition, people who aspire to engage in self-employment due to lack of employment opportunities face challenges to start a business, including access to finance and lack of networking opportunities. Geographical location, and the rural/urban divide, means more well off towns and cities along the railway are significantly more advantaged than isolated poor provinces such as Luapula. The more remote a community, the more likely to be disadvantaged. In mining specifically, only 9.6% of the workforce in the formal (large scale mining) industry are women. This signifies a significant gender imbalance in a sector considered the cornerstone of Zambia's economy. In addition, women and men who are employed can face inequality in terms of social benefits and rights of workers. Women and youth however, dominate the artisanal and small scale mining sector, and inequalities between the two sectors are numerous. Although government is taking several steps to invest in the artisanal and small scale mining sector, its bias to working alongside foreign partners has raised concerns that artisanal or small scale miners, as well as local communities, will not benefit as

²⁶ [Socioeconomic Indicators - Zambia | Market Forecast \(statista.com\)](#)

²⁷ [Promoting Skills Development for Youth in Zambia : A Review of the Landscape of TEVET and Skills Development \(worldbank.org\)](#)

²⁸ [ibid](#)

²⁹ [Zambia: Drought Response Appeal May 2024 - December 2024 \(May 2024\) - Zambia | ReliefWeb](#)

³⁰ [Promoting Skills Development for Youth in Zambia : A Review of the Landscape of TEVET and Skills Development \(worldbank.org\)](#)

much as they should. There is also a risk that the governments commitment to a transparent, predictable, and fair regulatory environment may not be equally applied to all stakeholders, and risks pushing out those working in less formalised and resource poor operations. ASM operators face serious financial and technological challenges, with most of them using basic tools such as pickaxes and shovels due to limited financial resources. These limit their ability to economically enhance. The types of environments they are working in also come with exploitation, health and safety risks as well as child labour issues. The environmental impact of mining, in all sectors, is not well regulated in Zambia and as investments in mining increase so will the risks to the environment as well as local communities.

In the areas of intervention of the programme, the main inequalities are based on access to education, income level, gender and to a lesser extent geographical location.

Democracy

The Action will contribute to the improved respect Human Rights and Business and good governance of the mining sector, resulting in transparency of decision making and reducing corruption.

Conflict sensitivity, peace and resilience

Although Zambia is a peaceful country, any actions that contribute to reducing marginalisation, exclusion and inequalities is contributing to further building societal peace and resilience. This particular action aims to increase the resilience of the population in the targeted areas through economic empowerment, with decent chances for both youth and women to act as transformative agents and impact the development of one of the key economic sectors in the country.

Disaster Risk Reduction

Specific shock-sensitive solutions, including application of pre-defined DRR/resilience standards and crisis modifiers may be defined under the implementation contracts, wherever necessary and feasible.

Other considerations if relevant

None

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
3 – people and the organisation	Constrained implementation capacity undermines implementation	Low	High	A mix of international organisations, CSOs and technical assistance will be chosen to implement the programme, to bring value added to the specific sub-sectors and diversify the risk. Working through already established programmes like Africa MaVal and PanAfGeo will also reduce this risk, as well as choosing an international organisation with proven track record of working on skills development specifically for the mining sector. Solid monitoring systems will be put in place involving stakeholders, including the Government.

2– planning, processes and systems	Low or no involvement of the Government endangers the Action's feasibility and sustainability	Low	High	The action is based on the CRM MoU and the subsequent Roadmap, which engage both signatories on a wide range of areas and activities. The action is fully aligned with the Government's priorities and addresses the key needs of the mining sector and broadly the mineral value chains. Last but not least, the action comprises a solid technical assistance component, which will support the Government throughout the programme. The present risk could considerably increase in case of a change of attitude of the government towards the CRM partnership with the EU (either linked or independently from the elections' results in 2026).
2 – planning, processing and systems	Slow or no advancements on the current policy and legal framework related to the sector	Low	Medium	Weak consultation process, introduction of provisions that are incoherent with the main Government's line, delays in passing crucial policy and legal acts could have an impact on the actions under this programme, which is aiming to support the modernisation of the sector and operationalisation of those legal documents. This can be mitigated through an improved policy dialogue, including the PPDF, and a certain degree of flexibility in the definition of the actions with the possibility of redirecting the funds and the technical assistance towards similar support. From a human rights and gender perspective, the foreseen analysis, assessments and trainings will reinforce institutional capacities to overcome potential resistances and capacity gaps.
1 – external environment	The economic and social impact of the debt restructuring process or climate change-disasters can lead to changes in priorities of the Government, especially on the social sectors	Low	Medium	The programme is strongly aligned with GRZ priorities as translated into programmatic documents like the 8NDP and into commitments under the IMF programme. The high potential of the mining sector to increase its contribution to the country's economy is likely to be harnessed by the government during the next years, and activities related to the sector's improvement will be a priority.

Lessons Learnt:

Supporting existing government priorities: In a context where the low fiscal space does not allow the government to fully implement its policies and commitments, projects that align with these priorities, and that come in support of the government efforts, are more likely to reach their targets, to generate high quality policy and political dialogue and to be more impactful on the ground.

Local ownership and participation: as the project is targeting the mining sector as well as the ASM sub-sector at grassroots level, it is important to involve local communities, local government actors and traditional leadership in both planning and implementation process. Timely engagement with these actors,

especially when building the skills development component, will ensure that the project address the specific local challenges and needs.

Environmental sustainability: the mining sector, both formal and informal, can have significant environmental impacts, such a deforestation, water pollution, human/biodiversity conflicts, soil degradation, etc. The projects need to address these issues by promoting responsible mining practices, environmental monitoring and reclamation efforts.

Social responsibility: mining projects can also have impacts on local communities, both positive (improved livelihoods, increased employability) and negative (including displacements, conflict and human and labour rights abuses, in particular for women and those people living in a more vulnerable situation). Projects need to prioritise social responsibility by respecting the rights of the involved communities, promoting inclusive and gender-responsive decision-making processes and supporting local development initiatives.

Capacity building: it is important focus on building technical and institutional capacity at national and local level to manage and regulate the mining sector effectively. This includes training local stakeholders, enhancing governance mechanisms and improving equal access to technical expertise and resources. This includes key areas like transparency and accountability aiming to lower the levels of corruption and encouraging stakeholder engagement and dialogue.

Long-term planning and sustainability: as the project is targeting the mining sector, the need for a long term perspective and building sustainable outcomes is critical. Actions could also aim to promoting economic diversification along the mineral value chains, supporting local complementary value chains and promoting responsible mineral supply chains.

3.5 The Intervention Logic

The underlying intervention logic for this Action is based on the EU-Zambia CRM partnership, by combining and connecting the Government's priorities of transforming the Zambian Mining sector into a modern, performant and sustainable economic drive for the country with the EU priorities of ensuring sustainable supply chains for CRM.

The GRZ' desired mining output and formalisation of the (ASM) mining sector is tightly linked to mine operators' adherence to legally required labour rights, necessary environmental standards and social protection norms. The proposed action would complement the efforts of the government by **first** focusing on transparency, good governance and accountability of the sector, which would considerably increase investments, mining revenues and related economic activities, due to an overall improved business environment and also a reduction in theft, corruption and illegal activities. Working together with the Government and various stakeholders on improving the legal and institutional framework (through the operationalisation of the Mineral Commissions among other interventions), on improving the coordination mechanisms in the Mining sector as well as focusing on business and human rights from the private sector perspective will lead to the overall improvement of the governance and the transparency in the sector and its related value chain. **Second**, the action will aim at improving the employability of those active in the mineral value chains-related activities, in particular women, young people and persons with disabilities. This will be done through the improvement of the quality and availability of skills and TVET qualifications in the sector as well as vocational pathways. This will be done by supporting curriculum revisions, teacher/trainer training delivery, improving facilities and equipment, as well as on the job trainings and apprenticeships. The Action will also support the activities to ensure employment and livelihoods options post trainings through activities to support associations and co-partatives, linkages to finance options, access to appropriate technology and sector support services.

Improving the governance, transparency and accountability of the Mining sector, together with the enhancement and diversification of skills not only related to the extractive industry, but also along the wider value chains, will lead to an increased sustainability of the government's efforts to develop the mineral value chains in the country.

The objectives of the action will be complemented by a specific support within the PanAfGeo+ programme (ACT-62321) to increase the knowledge and information on the sector's potential resources through an updated and high-quality geological data and related public dissemination.

Horizontally, the proposed action will also look into the sensitive issues of gender equality and human and labour rights and will support stakeholders to comply with the Corporate Sustainability and Due Diligence Directive, and support the GRZ in developing/ implementing Business and Human Rights frameworks that may constitute the National Action Plan on Business and Human Rights. The involvement of CSOs and specialised NGOs, as well as the media, will be ensured for the Human Rights component, including monitoring and promoting accountability and civic control on the mining operations.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years) TBD during inception phase	Targets (values and years) TBD during inception phase	Sources of data	Assumptions
Impact	To enhance the sustainability of the CRM Value Chain in Zambia, guided by the MoU signed with the EU.					<i>Not applicable</i>
Outcome 1	Improve governance, transparency and environmental sustainability of the mining sector and related value chains	1.1 Number of new or amended public administration acts adopted with EU-support. 1.2 Budgetary allocations for duty bearer organisations disaggregated by duty bearer 1.3 Level of compliance of the Mining Sector with Business and Human Rights			National Assembly database National Budget	Timely progress of the policy and of the operationalisation of the Mineral Commission. IMF programme on track and debt restructuring process successful
Outcome 2	Increase decent employability along the mineral value chain, with a focus on women and youth	2.1 Number of people in gainful employment within the CRM value chain, disaggregated by sexgender, age and disability 2.2 Number of practices aimed at removing barriers preventing women from market access, investment and business development (GAP III)			Progress reports for the EU-funded intervention Progress reports for the EU-funded intervention	Continued commitment to compliance with BHR principles after the before and after the elections of 2026 Continued collaboration with the gender division, and project setups allowing for wider gender mainstreaming

Output 1.1	Improved institutional and regulatory framework for the Mining sector, including from a gender/age/disability and from an environmental sustainability perspective.	<p>1.1.1 Number of laws/ policies on good governance of the mining sector drafted with support of the EU-funded intervention</p> <p>1.1.2 The EU-funded intervention contributed to the operationalisation of the Mineral Commission</p>			Ministry of Mines and Mineral Development/ Project report Mineral Commission staffing levels, reports Progress reports for the EU-funded intervention Pre- and post-training test reports	Policy advancement and continues support from the government to the development of mineral value chains
Output 1.2	Increased knowledge and understanding of rights holders (including women, youth and people with disabilities) and duty bearers on business and human rights.	<p>1.2.1 Number of right-holders trained by the EU-funded intervention with increased knowledge on business and human rights, disaggregated by gender, age and disability</p> <p>1.2.2 Number of duty bearers representatives trained by the EU-funded intervention with increased knowledge and/or skills on business and human rights, disaggregated by gender age and disability</p>				<p>The Mineral Regulation Commission Bill of 2024 is approved by the National Assembly</p> <p>Maintained active involvement of communities and civil society in the mining sector</p> <p>Maintained commitment of government in improving governance of the mining sector</p>
Output 1.3	Improved inclusive stakeholder dialogue and coordination mechanisms	<p>1.3.1 Number of dialogues/ coordination mechanism supported by the EU-funded intervention</p> <p>1.3.2 Number of dialogue strategies/plans revised with support of the EU-funded intervention</p>				Functional coordination mechanism established

Output 2.1	Identification, provision, and equal access to appropriate skills and capacities for artisanal and small scale mining and downstream processing is increased, including for women, youth and people with disabilities.	<p>2.1.1 Number of training institutions providing skills in the critical raw material value chain with the support of the EU-funded intervention</p> <p>2.1.2 Number of people enrolled, with the support of the EU-funded intervention, in skills training in the critical raw material value chain with support of the EU-funded intervention, disaggregated by gender, age and disability</p> <p>2.1.3 Number of people trained by the EU-funded intervention with increased knowledge and/or skills in the critical raw material value chain, with the support of the EU-funded intervention, disaggregated by gender, age and disability</p>			Progress reports for the EU-funded intervention	<p>The government continues policy work on development of mineral value chains, integrating business and human rights principle</p> <p>Availability of employment along the critical raw material value chain</p>
Output 2.2	The equal access to vocational pathways for integration within the labour market during and after training is increased, including for women, youth and people with disabilities.	<p>2.2.1 Number of institutions providing apprenticeship, on the job learning, and internships as part of training in the critical raw material value chain, with the support of the EU-funded intervention.</p> <p>2.2.2 Number of Artisanal and Small-scale Scale Mining operations involved in the associations and cooperatives with the support of the EU-funded intervention.</p> <p>2.2.3 Number of support service mechanisms for the critical raw material value chains designed with support of the EU-funded intervention</p>			Project reports, TEVETA reports	<p>Dialogue mechanisms between government and ASM operations functional</p> <p>Fiscal and other policy measures continue to be in place for the formalisation of ASM operations</p>
Output 2.3	The decent employment opportunities of local	2.3.1 Number of people supported by the EU-funded intervention with				

	<p>communities along the mineral value chain sectors are improved.</p>	<p>increased knowledge of formalisation of of Artisanal and Small-scale mining and processing operations along the critical raw material value chain</p> <p>2.3.2 Number of people with equal opportunities of access to finance in the critical raw material value chain with the support of the EU-funded intervention in the critical raw material value chain, disaggregated by gender, age and disability</p> <p>2.3.3 Number of jobs (supported/sustained by the EU)</p>				
--	--	--	--	--	--	--

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Government of the Republic of Zambia.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

NA

4.4 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³¹.

4.4.1 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: a) demonstrated capacity to manage EU programmes and funds; b) demonstrated capacity to effectively work with the governmental stakeholders; c) extensive experience in the sectors targeted by the programme with a focus on the mining sector governance, more specifically on the modernisation of the regulatory framework and capacity building at institutional level. The implementation by this entity entails the implementation of the Specific Objective 1 (Improve governance, transparency and environmental sustainability of the mining sector and related value chains;), output 1.1 (Improved institutional and regulatory framework for the Mining sector, including from a gender/age/disability and from an environmental sustainability perspective) and 1.3 (Enhanced inclusive stakeholder dialogue and coordination effectiveness).

If negotiations with the above-mentioned entity fail, that part of this action may be implemented in indirect management with the Republic of Zambia. The implementation by this alternative entity would be justified because of the following criteria: a) demonstrated capacity to effectively work with the mining sector stakeholders; b) extensive experience in the sectors targeted by the programme with a focus on the mining sector governance, more specifically on the modernisation of the regulatory framework and capacity building at institutional level.

The partner country will act as the contracting authority for the procurement. The Commission will control ex- ante all the procurement and grant procedures.

³¹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Payments are executed by the Commission.

Overview of implementation

Activity/objective/Output, include location	Type of financing (works, supplies, or service contract, grant, programme estimate)
Technical Assistance: Improved institutional and regulatory framework for the Mining sector (mainly Lusaka and Copperbelt)	Service Contract

If negotiation with any of the above-mentioned entities fails, the action (or its part) may be implemented in direct management in accordance with the implementation modalities identified in section 4.4.4

4.4.2 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: a) demonstrated capacity to manage EU programmes and funds; b) demonstrated capacity to effectively work with the governmental stakeholders of the proposed action; c) extensive experience of working on the sectors targeted by the programme, with a particular focus on business and human rights and corporate responsibility; d) proven experience of working in Zambia in the sectors targeted by the programme. The implementation by this entity entails the implementation of the Specific Objective 1 (Improved governance, transparency and environmental sustainability of the mining sector and related value chains), outputs 1.2 (Increased knowledge and understanding of rights holders (including women, youth and people with disabilities) and duty bearers on business and human rights)

If negotiation with any of the above-mentioned entities fails, the action (or its part) may be implemented in direct management in accordance with the implementation modalities identified in section 4.4.4

4.4.3 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: a) demonstrated capacity to manage EU programmes and funds; b) demonstrated capacity to effectively work with the governmental stakeholders of the proposed action; c) extensive experience of working on the sectors targeted by the programme, with a particular focus on skills improvement, technical and vocational training and linking skills to businesses; d) proven experience of working in Zambia in the sectors targeted by the programme.

The implementation by this entity entails the implementation of the Specific Objective 2, Increased capacities and decent employability along the mineral value chain, with a focus on women and youth

If negotiation with any of the above-mentioned entities fails, the action (or its part) may be implemented in direct management in accordance with the implementation modalities identified in section 4.4.4

4.4.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If due to exceptional circumstances outside of the Commission's control, the activities foreseen under indirect management with an entrusted entity cannot be implemented under 4.4.1, the management mode can be changed to direct management mode, through procurement.

If due to exceptional circumstances outside of the Commission's control, the activities foreseen under indirect management with an entrusted entity cannot be implemented under 4.4.2 and 4.4.3, the management mode can be changed to direct management mode, through grants's recipients (e.g. legal entities, local authorities, public bodies, international organisations or NGOs) using the following criteria: a) demonstrated capacity to manage EU programmes and funds; b) demonstrated capacity to effectively work with the governmental stakeholders of the proposed action; c) extensive experience of working on the sectors targeted by the programme, with a particular focus on skills improvement, technical and vocational training and linking skills to businesses; d) proven experience of working in Zambia in the sectors targeted by the programme

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.4	
Specific objective 1: Improve governance, transparency and environmental sustainability of the mining sector and related value chains	
Output 1.1 and 1.3 Indirect management with an International Organisation - cf. section 4.4.1	3 900 000
Output 1.2 Indirect management with an International Organisation - cf. section 4.4.2	1 000 000
Specific Objective 2: Increase decent employability along the mineral value chain, with a focus on women and youth	
Output 2.1, 2.2 and 2.3 Indirect management with an international organisation - cf. section 4.4.3	9 800 000
Evaluation – cf. section 5.2	100 000
Audit – cf. section 5.3	100 000
Totals	14 900 000

4.7 Organisational Set-up and Responsibilities

To ensure a smooth and successful delivery of results of a wide range of actors under this programme, as well as the Government's ownership, the Action will be overseen by a Steering Committee (SC) and supported by a Technical Committee (TC) including GRZ structures both at national and local level.

All implementing partners will contribute to the coordination and steering of decision making through regular monitoring and timely identification of bottlenecks. The governance structure will maximise coordination between stakeholders and will ensure that the effective coordination needed for the adopted integrated approach is efficiently working at all times.

The SC will be responsible for the overall strategic guidance of the project. The SC resolves strategic and policy issues, review and endorse annual work-plans and progress reports, identify achievements and constraints, and propose adjustments, if needed. The SC will meet once a year, but will be able to approve changes, whenever necessary in writing, and will be co-chaired by the GRZ and the EU. The co-chair government entity will be the Ministry of Mines.

The SC will be assisted by a TC, which will improve information sharing and coordination, will monitor implementation and provide solutions for improvement of efficiency and sustainability of actions. The TC is an advisory body that will provide timely and accurate feedback and information for strategic decision-making. The TC is meeting regularly (2 or 3 times a year, and always before the SC). The technical coordination will review progresses, identify constraints, and propose corrective actions, provides recommendations to the SC on the annual work plans and progress reports. The TC will meet at least twice a year. The TC will consist of representatives of the implementation partners and Governmental institutions at technical level. Representatives of private sector and NGOs active in the mining sector and related value chains, as well as traditional leaders can be invited upon proposal of the members.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners will be responsible for data collection, analysis, and monitoring. The action is fully harmonised with regards to data collection with the implementation partners systems

and will be gradually harmonized with the GRZ M&E systems. Project-specific logframes will be defined in the respective contributions agreements and during the inception phases, in a way that will allow as much as possible for aggregation of results of the Action globally.

The selection of implementing partners will also be based on their current M&E systems, to include comprehensive results-based monitoring systems which assigns clear responsibilities for data collection and reporting and ensures that all relevant data to report on the indicators in the log frame is collected on a regular basis.

In addition, the implementing partners will be required to contribute to the regular and structured monitoring of the results achieved by EU-funded actions through OPSYS. This responsibility will include encoding of the log-frame and regularly update indicator values in OPSYS.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach³², and rights of persons with disabilities including inclusion and diversity indicators shall be disaggregated at least by sex age, and disability when applicable.

5.2 Evaluation

Having regard to the nature of the action, a finalevaluationmay be carried out for this action or its components via independent consultantscontracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this action is the first in a long time that targets the mining sector in

Zambia, and it is an important action for the EU-Zambia CRM partnership. The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

Evaluation shall also assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem

³² In particular the HRBA Working Principles: Applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data.

and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Three separate contribution agreements with pillar assessed entities.