



Invertir en la población rural

Junta Ejecutiva

143.º período de sesiones

Roma, 11 y 12 de diciembre de 2024

Informe del Presidente

Propuesta de préstamo

República de Zambia

Proyecto de Inclusión Financiera para el Fomento de la Resiliencia y la Innovación

N.º de identificación del proyecto: 2000004924

Signatura: EB 2024/143/R.5

Tema: 3 a) i) b) i)

Fecha: 13 de noviembre de 2024

Distribución: Pública

Original: Inglés

Para aprobación

Medida: Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 55.

Preguntas técnicas:

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Mapa de la zona del proyecto



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Mapa elaborado por el FIDA | 25-6-2024

Resumen de la financiación

Institución iniciadora:	FIDA
Prestatario/receptor:	República de Zambia
Organismo de ejecución:	Ministerio de Finanzas y Planificación Nacional
Costo total del proyecto:	USD 49,87 millones
Monto del préstamo del FIDA [con arreglo al Sistema de Asignación de Recursos basado en los Resultados]:	USD 8,90 millones
Condiciones del préstamo del FIDA:	Muy favorables: plazo de reembolso de 40 años, incluido un período de gracia de 10 años, con un cargo por servicios del 0,75 % anual en USD (ajustes para los préstamos en una sola moneda)
Cofinanciadores:	Sector privado, asociados estratégicos (pendiente de definir)
Monto de la cofinanciación:	Sector privado: USD 12,3 millones Asociados estratégicos: USD 0,3 millones
Condiciones de la cofinanciación:	Efectivo, cofinanciación paralela en forma de préstamo
Contribución del prestatario/receptor:	USD 2,2 millones
Contribución de los beneficiarios:	USD 5 millones
Déficit de financiación:	USD 21,1 millones
Monto de la financiación del FIDA para el clima:	USD 12,9 millones
Institución cooperante:	Supervisado directamente por el FIDA

I. Contexto

A. Contexto nacional y justificación de la actuación del FIDA

Contexto nacional

1. **Contexto político, económico y social.** Zambia se ha ido recuperando de un período de crecimiento económico lento (2015-2018), provocado por la elevada inflación, un rápido aumento de la deuda pública, los bajos precios del cobre y las malas cosechas causadas por la sequía relacionada con El Niño. La inflación descendió gradualmente desde el 22 % en 2021 hasta el 10,9 % en 2023¹, mientras que el producto interno bruto (PIB) creció un 5,8 % en 2023, hasta alcanzar USD 28 160 millones, y el ingreso nacional bruto (INB) per cápita se situó en USD 1 369. La economía del país continúa dependiendo en exceso del cobre para la obtención de ingresos tributarios y reservas de divisas.
2. La inestabilidad macroeconómica ha afectado al sector financiero, en particular a la disponibilidad y los costos de la financiación para el sector privado, incluida la agricultura. Impulsado por los déficits fiscales, el crédito al sector público ha desplazado al crédito al sector productivo, que únicamente recibió el 27,7 % del total de los préstamos en 2022². El crédito al sector privado suponía tan solo un 10 % del PIB, en comparación con una media del 34,5 % en el conjunto de África subsahariana³.
3. **Pobreza, inseguridad alimentaria y agricultura en pequeña escala.** En 2023, Zambia tuvo una puntuación de 0,559 en el índice de desarrollo humano (IDH) y ocupó el puesto 153 de 193 países⁴. El país presenta niveles elevados de pobreza y desigualdad: en 2022, el 60 % de su población vivía por debajo del umbral de pobreza y tenía un índice Gini de 51,2. La pobreza rural ha aumentado ligeramente, del 76,6 % en 2015 al 78,8 % en 2022, y es 2,5 veces superior a la pobreza urbana (el 31,9 %). La inseguridad alimentaria y la malnutrición continúan siendo altas: el 31 % de la población está subalimentada y un porcentaje similar de niños menores de 5 años sufren retraso en el crecimiento. La agricultura sigue siendo la principal fuente de medios de vida para 2,3 millones de hogares rurales⁵, entre los que se incluyen 1,65 millones de hogares con pequeñas explotaciones agrícolas⁶.
4. **Marco estratégico nacional.** El octavo Plan Nacional de Desarrollo de Zambia (2022-2026) señala la diversificación agrícola como un motor clave de la transformación económica y la creación de empleo⁷. Otras estrategias incluyen la segunda Estrategia Nacional de Inclusión Financiera (2024), el Programa Integral de Transformación de la Agricultura (2024-2033), el Plan Nacional de Adaptación (2023) y las políticas nacionales en materia de género (2023), juventud (2024) y desarrollo de las microempresas y las pequeñas y medianas empresas (mipymes) (2023).

Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

5. En consonancia con los compromisos transversales asumidos por el FIDA, el proyecto ha recibido las clasificaciones que se detallan a continuación:
 - Abarca la financiación para el clima
 - Incluye una perspectiva transformadora de género

¹ Zambia | Datos (worldbank.org).

² Informe Anual del Banco de Zambia, 2023.

³ <https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS?locations=ZG>, consultado el 28 de julio de 2024.

⁴ PNUD en Zambia, consultado el 27 de agosto de 2024.

⁵ Censo de Población y Vivienda 2022, Oficina de Estadística de Zambia, ZAMSTAT.

⁶ Según la Evaluación de la pobreza en Zambia de 2022 de ZAMSTAT.

⁷ <https://www.sh.gov.zm/wp-content/uploads/2022/09/EIGHTH-NATIONAL-DEVELOPMENT-PLAN-2022-2026-05-07-2022.pdf>, páginas 28 y 34.

- ☒ Tiene en cuenta a la gente joven
 - ☒ Tiene en cuenta la capacidad de adaptación
6. **Género.** Las mujeres son algo más del 50 % de la población en Zambia y encabezan el 27 % de los hogares. Aunque en la agricultura constituyen aproximadamente la mitad de la fuerza de trabajo, la mayoría participan como trabajadoras familiares o en actividades informales y estacionales que ponen en riesgo su estabilidad económica y financiera.
 7. **Juventud.** Las personas jóvenes (de entre 19 y 34 años) son el 26,7 % de la población (2,67 millones de mujeres y 2,69 millones de hombres). Pese a que representan el 56,2 % de la población activa total y son una parte clave de la sociedad de Zambia, afrontan considerables dificultades socioeconómicas, entre las que cabe citar: i) el acceso limitado a la educación; ii) la capacitación insuficiente para acceder a oportunidades de empleo decente, y iii) los elevados niveles de desempleo. Además, existe una percepción sociocultural negativa de los jóvenes (especialmente en entornos rurales) y con frecuencia se los considera volubles o poco fiables, perezosos, irresponsables e insolventes.
 8. **Creación de capacidad de adaptación.** Zambia también afronta perturbaciones climáticas graves y recurrentes, como crecidas estacionales repentinas, sequías, temperaturas extremas y períodos lluviosos y secos, que suponen una grave amenaza para la seguridad alimentaria y los medios de vida y causan interrupciones frecuentes del suministro de energía eléctrica.
- Razones que justifican la intervención del FIDA**
9. Las dificultades en materia de inclusión financiera en las zonas rurales de Zambia siguen siendo significativas, pese a ciertos avances logrados en los últimos años. El acceso a los servicios financieros ha crecido rápidamente en las zonas urbanas, pero las regiones rurales se han quedado atrás y solo experimentaron un leve aumento de la inclusión financiera, del 50,1 % al 56,9 %, entre 2015 y 2020. La creciente brecha pone de manifiesto las barreras sistémicas que los grupos rurales deben salvar para acceder a productos de crédito, de ahorro y de seguros. Aunque los pequeños agricultores constituyen una parte importante de la población rural, solo el 0,5 % de ellos tuvo acceso a crédito agrícola formal en 2023, y el 40 % continúa estando completamente excluido desde el punto de vista financiero. Las mipymes rurales afrontan obstáculos similares, ya que solo el 6,5 % de ellas tenía una cuenta bancaria y menos del 8 % solicitó préstamos formales entre 2017 y 2022.
 10. Estos problemas del medio rural se ven agravados por la creciente frecuencia con la que se producen perturbaciones climáticas, como sequías e inundaciones, que ponen en peligro los medios de vida del 60 % de la población que depende de la agricultura. Los hogares rurales también son vulnerables a riesgos relacionados con los mercados y la inestabilidad macroeconómica. Las desigualdades sociales relativas al acceso a la tierra, la mano de obra y los mercados afectan de manera desproporcionada a las mujeres y a los jóvenes, de manera que la contribución que estas personas podrían realizar al desarrollo de Zambia se desperdicia en gran medida. Además, problemas como la violencia de género —el 52 % de las mujeres declaran haber sufrido violencia física— continúan lastrando la plena participación económica de las mujeres. Estas dificultades interrelacionadas ponen de relieve la urgente necesidad de la intervención del FIDA a través del Proyecto de Inclusión Financiera para el Fomento de la Resiliencia y la Innovación (FIRIP), cuyo objetivo es promover la inclusión financiera como vía para potenciar la resiliencia, el empoderamiento y el crecimiento económico de las comunidades rurales⁸.

⁸ Grupo Banco Mundial (2023): *Promoting Skills Development for Youth in Zambia*.

B. Enseñanzas extraídas

11. El proyecto aprovecha las enseñanzas extraídas del Programa de Expansión de la Financiación Rural en Zambia, de otras operaciones de financiación rural y otros proyectos de distinta índole en Zambia, así como de la evaluación de un grupo de proyectos de financiación rural en la región de África Oriental y Meridional, finalizada recientemente. Entre esas enseñanzas cabe destacar:
- La creación de puntos de acceso a servicios financieros digitales de primera generación a través de redes de agentes y del dinero móvil puede propiciar un rápido progreso de la inclusión financiera, especialmente en zonas rurales con presencia limitada o sin presencia de proveedores de servicios financieros formales. También prepara el terreno para servicios financieros de segunda generación más centrados en el cliente que den respuesta a las necesidades concretas de los grupos objetivo.
 - Los servicios financieros digitales genéricos basados en la banca móvil no ofrecen respuesta a muchas de las necesidades específicas de los distintos grupos rurales, lo que con frecuencia se traduce en un nivel bajo de utilización de las cuentas. Esta brecha puede corregirse mediante servicios financieros centrados en el cliente y mecanismos de prestación de servicios adaptados a las necesidades de los pequeños agricultores, las mujeres y la gente joven, así como a los requisitos de diferentes sectores y a fines concretos, como la agricultura y las tecnologías climáticamente inteligentes y verdes. Desarrollar y poner en marcha ese tipo de servicios resulta caro y arriesgado para los proveedores de servicios financieros privados.

II. Descripción del proyecto

A. Objetivos, zona geográfica de intervención y grupos objetivo

12. El objetivo de desarrollo del proyecto es mejorar el acceso a servicios financieros y su utilización para fortalecer la resiliencia y el crecimiento ecológico de los sistemas de producción rurales, las cadenas de valor y los medios de vida de los hombres, las mujeres y los jóvenes pobres de las zonas rurales. El proyecto se ajusta al Marco Estratégico del FIDA (2016-2025), a las esferas transversales prioritarias del Fondo y al Programa sobre oportunidades estratégicas nacionales (COSOP) para 2019-2024, que hace hincapié en el desarrollo rural, la inclusión financiera, la adaptación al cambio climático y los medios de vida sostenibles.
13. **Zona del proyecto.** El proyecto se centrará en las zonas rurales desatendidas de todo el país, que se identificarán por medio de un proceso impulsado por la demanda que se regirá por criterios de selección claros y arreglos de participación en la financiación de los gastos. La expansión de los puntos de acceso a los servicios financieros formales se llevará a cabo mediante un mecanismo de innovación y divulgación. Se crearán tres ventanillas diferentes. La ventanilla 1 se centrará en los distritos rurales excluidos desde el punto de vista financiero, que se identificarán en colaboración con el Banco de Zambia y la Autoridad de Tecnología de la Información y las Comunicaciones de Zambia en la fase inicial del proyecto. Los servicios financieros centrados en el cliente para la agricultura, las mipymes rurales, la ecologización y la resiliencia climática (con arreglo a las ventanillas 2 y 3 del mecanismo de innovación y divulgación, un mecanismo de financiación combinada) se pondrán en marcha en zonas rurales pobres que cuenten con infraestructura y servicios financieros y económicos básicos y en las que exista demanda y capacidad de absorción de servicios financieros.

14. **Grupo objetivo.** El proyecto favorecerá a 370 110 hogares gracias a la mejora del acceso a los servicios financieros y al empleo generado, concretamente a 315 511 por medio del acceso a los servicios financieros y a 54 599 por medio de la creación de empleo (excluyendo a los beneficiarios por ambas vías). Dado que el tamaño medio de los hogares es de 5 personas, el número total de beneficiarios es 1 850 550 (el 16 % de los hogares rurales).
15. El proyecto utilizará un abanico de medidas de focalización bien definidas para garantizar que las inversiones y los servicios promuevan la inclusión financiera sostenible, la resiliencia, la reducción de la pobreza y la seguridad alimentaria de grupos pobres y excluidos, como los pequeños agricultores, las mujeres, la gente joven, las personas con discapacidad, quienes viven con el VIH/sida y otros grupos vulnerables.

B. Componentes, efectos directos y actividades

16. El proyecto abarcará los componentes y subcomponentes que se enumeran a continuación:

Componente 1: Mejora de la disponibilidad y la adopción de servicios financieros centrados en el cliente y sostenibles en el medio rural.

- Subcomponente 1.1: Productos y mecanismos de prestación innovadores para la difusión de servicios financieros inclusivos en el medio rural.
- Subcomponente 1.2: Mejora del acceso a financiación asequible para la agricultura y la inversión verde.

Componente 2: Fomento de un entorno propicio para los servicios financieros inclusivos en el medio rural.

Componente 3: Coordinación y gestión del proyecto, seguimiento y evaluación y gestión de los conocimientos.

C. Teoría del cambio

17. El proyecto se dirige a hombres, mujeres y jóvenes vulnerables del medio rural que afrontan dificultades significativas relacionadas con el cambio climático, las crisis sanitarias y la escasa integración en los mercados y las cadenas de valor. La agricultura es su principal fuente de ingresos, con frecuencia complementada con actividades no agrícolas. Sin embargo, la inclusión financiera en las zonas rurales sigue siendo baja y muchas regiones carecen de puntos de acceso al sistema financiero formal. En muchas ocasiones, los servicios financieros disponibles no satisfacen las necesidades específicas de la agricultura y la adaptación al cambio climático o de grupos como los pequeños agricultores, las mujeres y la gente joven. Esta falta de servicios financieros centrados en el cliente limita su capacidad para gestionar los riegos, invertir en actividades económicas y adoptar tecnologías climáticamente inteligentes. Entre los problemas subyacentes cabe citar la escasa penetración de los servicios financieros en el medio rural, los elevados costos de la financiación, la reducida capacidad de los proveedores de servicios financieros para ofrecer productos pertinentes, la falta de alfabetización financiera y un entorno de políticas poco propicio para los servicios financieros inclusivos en las zonas rurales.
18. El proyecto pretende afrontar estos desafíos fomentando la capacidad de los proveedores de servicios financieros para aumentar su presencia en el mundo rural y ofrecer productos financieros adaptados. A través del mecanismo de innovación y divulgación, el proyecto apoyará a los proveedores de servicios financieros de modo que puedan desarrollar y poner en marcha servicios innovadores, en particular para la agricultura y las inversiones climáticamente inteligentes, y reducir los costos para los usuarios finales. También se creará un mecanismo de financiación combinada destinado a movilizar recursos privados adicionales y reducir las tasas de interés para los habitantes del medio rural. Con el fin de asegurar que estos servicios financieros se utilicen de manera eficaz, el proyecto mejorará la alfabetización

financiera y digital, dedicando especial atención a las mujeres, las personas jóvenes y los pequeños agricultores, y promoviendo la adquisición de capacidades empresariales y la adopción de tecnologías verdes.

D. Armonización, sentido de apropiación y asociaciones

19. El proyecto contribuirá al logro de los Objetivos de Desarrollo Sostenible 1, 2, 5, 8 y 13. Además, se ajusta al Marco Estratégico del FIDA, a sus esferas transversales prioritarias y al COSOP 2019-2024, puesto que se centra en el desarrollo rural, la inclusión financiera, la adaptación al cambio climático y los medios de vida sostenibles. El proyecto también cumple las políticas y estrategias del FIDA en materia de inclusión financiera rural (2021), focalización en la pobreza (2023), igualdad de género y empoderamiento de la mujer (2021), sector privado (2011), medio ambiente y cambio climático (2019-2025), y con los Procedimientos para la Evaluación Social, Ambiental y Climática (PESAC) (2021).
20. El proyecto se ajusta plenamente al octavo Plan Nacional de Desarrollo de Zambia y la Agenda Visión 2030 al prestar apoyo a programas en los ámbitos de la agricultura y la mejora de la productividad, la agregación de valor, la inclusión financiera, la capacidad digital, el desarrollo de las mipymes, el crecimiento verde y la resiliencia ante el clima. Da respaldo a estrategias nacionales clave, como i) la segunda Estrategia Nacional de Inclusión Financiera (2024-2028), que hace hincapié en la inclusión financiera rural, el apoyo a la agricultura y las pequeñas empresas, la atención a los grupos desatendidos y la promoción de la financiación verde; ii) la Política Agrícola Nacional (2012-2030) y el plan de inversión relacionado (el Programa Integral de Transformación de la Agricultura) (2022-2026), así como el Servicio de Financiación Sostenible puesto en marcha en 2023; iii) la Política Nacional de Desarrollo de las Mipymes revisada (2023); iv) la Política Nacional de Género (2023); v) la Ley de Empleo de Zambia (2019); vi) la Política Nacional de la Juventud (2024); vii) el Plan Nacional de Adaptación para Zambia (2023); viii) la Estrategia Nacional de Crecimiento Verde 2024-2030; ix) las Contribuciones Determinadas a Nivel Nacional actualizadas (2021), y x) la Política Nacional de Cambio Climático (2016).

E. Costos, beneficios y financiación

21. El déficit de financiación de USD 21,1 millones podrá subsanarse a través de ciclos posteriores del Sistema de Asignación de Recursos basado en los Resultados o del Mecanismo de Acceso a Recursos Ajenos (con arreglo a condiciones financieras que habrán de determinarse y con sujeción a los procedimientos internos y la posterior aprobación de la Junta Ejecutiva) o mediante la obtención de cofinanciación durante la fase de ejecución.
22. Los componentes 1 y 2 del proyecto se contabilizan en parte como financiación para el clima. De conformidad con las metodologías que emplean los bancos multilaterales de desarrollo en el seguimiento de la financiación para la adaptación al cambio climático y la mitigación de sus efectos, se calcula que el monto total de la financiación para el clima concedida por el FIDA a este proyecto es de USD 12,9 millones, es decir, el 43 % de la financiación, de manera que se cumple la meta de financiación para el clima de la Duodécima Reposición de los Recursos del FIDA (FIDA12).

Costos del proyecto

23. Se estima que el costo total del proyecto, con inclusión de los costos básicos y los imprevistos por alza de los precios, es de USD 49,8 millones. Se calcula que la inversión ascenderá a USD 43,7 millones (el 89 % de los costos básicos) y que los gastos recurrentes serán de USD 5,2 millones (el 11 % de los costos básicos). Se han estimado unos imprevistos por alza de precios de USD 0,9 millones.

Cuadro 1

Costos del proyecto, desglosados por componente, subcomponente y entidad financiadora

(en miles de dólares de los Estados Unidos)

Componente/subcomponente	FIDA		Asociados estratégicos		Sector privado		Beneficiarios		Prestatario/receptor		Déficit de financiación		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%
1. Mejora de la disponibilidad y la adopción de servicios financieros centrados en el cliente y sostenibles en el medio rural														
1.1. Productos y mecanismos de prestación innovadores para la difusión de servicios financieros inclusivos en el medio rural	1 027	9			4 041	34			22	0,2	6 745	57	11 835	24
1.2. Mejora del acceso a financiación asequible para la agricultura y la inversión verde	3 462	13			8 325	31	5 000	19	719	3	9 320	35	26 826	54
2. Fomento de un entorno propicio para los servicios financieros inclusivos en el medio rural	1 941	49	300	8					235	6	1 511	38	3 987	8
3. Coordinación y gestión del proyecto, seguimiento y evaluación y gestión de los conocimientos	2 470	34							1 224	17	3 524	49	7 218	15
Total	8 900	18	300	1	12 366	25	5 000	10	2 200	4	21 100	42	49 866	100

Cuadro 2

Costos del proyecto, desglosados por categoría de gastos y entidad financiadora

(en miles de dólares de los Estados Unidos)

Categoría de gasto	FIDA		Asociados estratégicos		Sector privado		Beneficiarios		Prestatario/receptor		Déficit de financiación		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%
Costos de inversión														
1. Asistencia técnica	2 313	55			450	11			443	11	1 024	24	4 229	9
2. Capacitación	587	77									176	23	763	2
3. Bienes, servicios e insumos	1 551	29	300	6					227	4	3 211	61	5 289	11
4. Equipos y vehículos	426	86							66	13	5	1	497	1
5. Donación de la ventanilla del mecanismo de innovación y divulgación	391	6			2 691	43					3 128	50	6 210	13
6. Donación de la ventanilla de instituciones financieras comunitarias	360	8			900	20					3 240	72	4 500	9
7. Líneas de crédito	2 039	9			8 325	36	5 000	22	500	2	7 136	31	23 000	46
Total de costos de inversión	7 667	17	300	1	12 366	28	5 000	11	1 236	3	17 919	40	44 488	89
Gastos recurrentes														
1. Sueldos y prestaciones	1 018	24							648	15	2 655	61	4 321	9
2. Costos de funcionamiento	215	20							316	30	526	50	1 057	2
Total de gastos recurrentes	1 233	23							964	18	3 181	59	5 378	11
Total	8 900	18	300	1	12 366	25	5 000	10	2 200	4	21 100	42	49 866	100

Cuadro 3

Costos del proyecto, desglosados por componente, subcomponente y año del proyecto

(en miles de dólares de los Estados Unidos)

	2025	2026	2027	2028	2029	2030	2031	Total
<i>Componente/subcomponente</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>	<i>Monto</i>
1. Mejora de la disponibilidad y la adopción de servicios financieros centrados en el cliente y sostenibles en el medio rural								
1.1. Productos y mecanismos de prestación innovadores para la difusión de servicios financieros inclusivos en el medio rural		1 371	2 513	2 500	2 500	1 810	1 140	11 835
1.2. Mejora del acceso a financiación asequible para la agricultura y la inversión verde		5 452	5 648	5 661	5 675	3 688	701	26 826
2. Fomento de un entorno propicio para los servicios financieros inclusivos en el medio rural		843	1 049	716	589	562	227	3 987
3. Coordinación y gestión del proyecto, seguimiento y evaluación y gestión de los conocimientos	674	1 284	1 011	1 071	1 049	1 041	1 089	7 218
Total	674	8 951	10 222	9 949	9 812	7 101	3 158	49 866

Estrategia y plan de financiación y cofinanciación

24. La financiación puesta a disposición por el FIDA asciende a USD 8,9 millones. El proyecto se ha diseñado con un déficit de financiación de USD 21,1 millones, que podrá subsanarse mediante ciclos posteriores del Sistema de Asignación de Recursos basado en los Resultados. Si esos recursos se materializaran, la contribución total del FIDA alcanzaría los USD 30 millones. La cofinanciación nacional es de USD 19,8 millones, desglosada como sigue: sector privado, USD 12,3 millones (25 %); proveedores de servicios financieros en el marco del mecanismo de financiación combinada y otros asociados en la ejecución con arreglo al mecanismo de innovación y divulgación, USD 0,3 millones; beneficiarios, USD 5 millones, y Gobierno, USD 2,2 millones. Los gastos recurrentes totales representan el 11 % de la inversión total. De manera similar, los gastos recurrentes de la financiación del FIDA son aceptables tanto en la FIDA12 como en la FIDA13, ya que se sitúan por debajo del umbral del 15 %. La contribución del Gobierno será tanto en efectivo como en especie (derechos e impuestos).

Desembolsos

25. Se abrirá una cuenta designada en el Banco de Zambia (el banco central) para recibir los fondos del FIDA. También se abrirán las cuentas designadas para fondos procedentes de otros cofinanciadores que sean necesarias con el fin de garantizar la plena trazabilidad de las transacciones financieras en consonancia con los requisitos del Gobierno y de los donantes. Dichos fondos se transferirán luego a cuentas operacionales que se abrirán en bancos comerciales. Los fondos de contrapartida del Gobierno se canalizarán a través de su sistema de información de gestión financiera integrado y se transferirán a la cuenta operacional del proyecto. Los retiros de fondos del FIDA se basarán en las previsiones trimestrales de efectivo que se comuniquen al Fondo en los informes financieros provisionales que habrán de presentarse en el plazo de 30 días a partir del final de cada trimestre.

Resumen de los beneficios y análisis económico

26. Se prevé que el proyecto genere una tasa de rendimiento económico de referencia del 33 %, con un valor actual neto positivo de USD 33,9 millones, equivalentes a 847,8 millones de kwacha zambianos (USD 1 = ZMW 25). El descuento de los beneficios cuantificables se realizó en un período de 20 años, incluidos los 7 años del período de ejecución del proyecto, empleando una tasa del 25,5 %. Se calcula una relación beneficio-costos de 3,7. El análisis de sensibilidad indica que, ante un incremento del 20 % de los costos y un descenso de los beneficios, si se utiliza la misma proporción, el proyecto genera tasas de rendimiento económico del 32,7 % y del 32,5 %, con valores actuales netos positivos de USD 31,4 millones y USD 24,6 millones, respectivamente. Con un incremento de los beneficios del proyecto del 10% o del 20%, este genera una tasa interna de rendimiento más alta, del 33,8 % o del 34,1 %, con valores actuales netos positivos de USD 38,5 millones o USD 43,1 millones, respectivamente. Un retraso de uno o dos años en la obtención de beneficios del proyecto aún genera resultados positivos, ya que en las dos hipótesis correspondientes se generan unas tasas internas de rendimiento respectivas del 32,1 % y del 30,5 %, con valores actuales netos positivos.

Estrategia de salida y sostenibilidad

27. La estrategia de salida y el plan de sostenibilidad del proyecto se centran en garantizar el impacto a largo plazo colaborando con otras entidades de financiación para ampliar el mecanismo de financiación combinada y explorar opciones para institucionalizar el mecanismo y otros servicios de apoyo. La sostenibilidad se persigue en cinco dimensiones. La sostenibilidad socioeconómica se promoverá focalizando el proyecto en los grupos rurales excluidos desde el punto de vista financiero a través de iniciativas de ahorro y medidas de fomento de la capacidad. La sostenibilidad institucional se centrará en el refuerzo de instituciones de nivel macro y medio, la prestación de servicios regulatorios y de apoyo fundamentales y

el fomento de un entorno sólido y propicio. La sostenibilidad técnica se asegurará mediante el intercambio de conocimientos y la colaboración con instituciones clave, mientras que la sostenibilidad ambiental se fomentará mediante la promoción de tecnologías verdes y climáticamente inteligentes. Para fomentar la sostenibilidad financiera se pedirá a los proveedores de servicios financieros que cofinancien iniciativas, lo que mejorará sus procesos de crédito y gestión de negocios a largo plazo.

III. Gestión del riesgo

A. Riesgos y medidas de mitigación

28. El proyecto afronta varios riesgos, relacionados con esferas como el compromiso político, la gestión financiera y las adquisiciones y contrataciones. Como se indica en el cuadro 4, la calificación del riesgo inherente del proyecto es moderada en la fase de diseño, con la excepción de la gestión financiera y la adquisiciones y contrataciones, cuyo riesgo se califica como considerable.

Cuadro 4
Calificación general de los riesgos

<i>Esferas de riesgo</i>	<i>Calificación del riesgo inherente</i>	<i>Calificación del riesgo residual</i>
Compromiso político	Moderado	Moderado
Políticas y estrategias sectoriales	Moderado	Moderado
Medio ambiente y clima	Moderado	Moderado
Alcance del proyecto	Moderado	Moderado
Capacidad institucional de ejecución y sostenibilidad	Moderado	Moderado
Gestión financiera	Considerable	Considerable
Adquisiciones y contrataciones en el marco del proyecto	Considerable	Considerable
Impacto ambiental, social y climático	Moderado	Moderado
Partes interesadas	Moderado	Moderado
Riesgo general	Moderado	Moderado

B. Categoría ambiental y social

29. El riesgo ambiental y social del proyecto se considera moderado.
30. Los principales riesgos ambientales y sociales incluyen el uso no sostenible de los recursos naturales y la contaminación causada por la ganadería (norma 2), el empleo asalariado informal, la elevada desigualdad de género y la desigualdad de oportunidades (norma 5), los riesgos relacionados con la violencia de género (norma 6), los efectos que tiene la limitada propiedad de la tierra en el acceso al crédito (norma 7), y la necesidad de mejorar los sistemas de gestión ambiental y social y los mecanismos de presentación de denuncias y reclamaciones para las instituciones financieras y los proveedores de servicios asociados (norma 8). El proyecto llevará a cabo estudios de viabilidad y de mercado con el fin de desarrollar productos financieros para inversiones en diversos ámbitos, desde las tecnologías agrícolas climáticamente inteligentes, la energía renovable, la agrosilvicultura y la agricultura de precisión, hasta tecnologías que ahorren mano de obra, de control de desechos, infraestructura resiliente al clima, tecnologías de elaboración energéticamente eficientes y embalajes respetuosos con el medio ambiente, en cadenas de valor agrícolas y no agrícolas.

C. Clasificación del riesgo climático

31. La clasificación del riesgo climático del proyecto es moderada. Zambia afronta problemas significativos debido a su elevada puntuación en vulnerabilidad y su baja puntuación en preparación, que la sitúan en los puestos 56 y 141,

respectivamente, según el Índice Mundial de Adaptación de la Universidad de Notre Dame. A principios de marzo de 2024, el Presidente de Zambia declaró la sequía como catástrofe y emergencia nacional en respuesta a las devastadoras consecuencias de los períodos secos prolongados que han afectado a más de un millón de hogares agrícolas en 84 de los 116 distritos del país. La sequía ha afectado a la producción de alimentos, la disponibilidad de agua y el suministro de energía.

D. Sostenibilidad de la deuda

32. Según el último análisis de sostenibilidad de la deuda publicado en junio de 2024 por el Grupo Banco Mundial, Zambia se encuentra en la categoría de países "con sobreendeudamiento". La elevada deuda pública del país (un 98,5 % de su PIB en 2022) continúa siendo un importante escollo para el desarrollo económico. Pese al significativo ajuste fiscal, en ausencia de un acuerdo de reestructuración de la deuda, Zambia se encuentra en una situación de sobreendeudamiento externo y general, y su deuda pública continúa siendo insostenible. Esto puede frenar la inversión pública, lo que tendría consecuencias negativas para las metas de reducción de la pobreza del país.

IV. Ejecución

A. Marco organizativo

Gestión y coordinación del proyecto

33. El Ministerio de Finanzas y Planificación Nacional será el principal organismo de ejecución. El ministerio ha encomendado la responsabilidad directa de la ejecución y la supervisión técnica del proyecto a la unidad de financiación rural creada y financiada en el marco del proyecto anterior (Programa de Expansión de la Financiación Rural) y ubicada en el seno de la División de Gestión Económica.
34. **Supervisión del proyecto.** El comité directivo del proyecto, presidido por el Secretario Permanente de Presupuesto y Asuntos Económicos del Ministerio de Finanzas y Planificación Nacional, supervisará y orientará la ejecución. Este comité estará debidamente representado a escala nacional y garantizará la supervisión, la dirección de las políticas y la coordinación entre las principales instituciones públicas.
35. Una unidad de coordinación del proyecto, formada por un equipo de funcionarios contratados mediante procesos selectivos o cedidos, gestionará las operaciones diarias.

Gestión financiera, adquisiciones y contrataciones, y gobernanza

36. La ejecución se trasladará en cascada a varios asociados en esa tarea, como bancos e instituciones de microfinanciación, que serán los principales responsables de la ejecución de la línea de crédito.
37. Las disposiciones relativas a la gestión financiera serán similares a las del Programa de Expansión de la Financiación Rural, que contaba con una unidad de coordinación del proyecto dedicada específicamente a la gestión de las operaciones diarias. El equipo financiero de la unidad de coordinación del proyecto estará integrado por un contralor financiero, dos contables y un auxiliar administrativo, con miras a garantizar la separación de funciones y la cobertura eficiente de la función de gestión financiera.
38. La elaboración del plan operacional anual y presupuesto será participativa y contará con la colaboración de varios asociados en la ejecución. El comité directivo del proyecto garantizará la supervisión del proceso de presupuestación. El plan y el presupuesto se remitirán al FIDA 60 días antes del final de cada ejercicio económico para obtener su visto bueno.

39. El proyecto utilizará un sistema de contabilidad comercial, preferiblemente uno que pueda adaptarse a los requisitos de presentación de información financiera del Fondo. Las contribuciones en efectivo de las contrapartes se registrarán en el programa informático de contabilidad. Las contribuciones en especie, como el espacio de oficinas y el trabajo de beneficiarios, se contabilizarán por separado según lo previsto en el manual de ejecución del proyecto. Se elaborarán informes financieros provisionales con periodicidad trimestral utilizando los datos procedentes del sistema contable y se presentarán al FIDA a través de su Portal de los Clientes en un plazo de 30 días a partir del final de cada trimestre.

Participación y observaciones del grupo objetivo y resolución de reclamaciones

40. La participación del grupo objetivo tendrá lugar en distintos niveles y fases. La colaboración con los promotores de las instituciones financieras comunitarias se articulará mediante medidas de fomento de la capacidad, iniciativas de sensibilización de la comunidad, mentorías, sesiones periódicas de seguimiento y el examen de los informes. Se organizarán sesiones de sensibilización destinadas a presentar los objetivos, las reglas de participación y las expectativas del proyecto. La participación del grupo objetivo incluirá un estudio de mercado para evaluar las necesidades de los beneficiarios, que ayudará a los proveedores de servicios financieros a prestar los servicios más adecuados. La colaboración con los usuarios finales se llevará a cabo mediante sesiones de sensibilización y consultas con las instituciones que prestarán servicios financieros. El proceso de sensibilización se plasmará en reuniones públicas comunitarias para dar a conocer los objetivos del proyecto y describir los diversos productos y servicios financieros, los criterios y las expectativas de participación en el proyecto. Estas reuniones se celebrarán en los idiomas locales y a horas que permitan la máxima participación de distintos grupos, es decir, las mujeres, los hombres, los jóvenes y las personas con discapacidad.

Resolución de reclamaciones

41. El mecanismo de resolución de reclamaciones atenderá las posibles reclamaciones o quejas derivadas de las actividades del proyecto por medio de un enfoque estructurado que tendrá tres niveles: un sistema comunitario, un sistema formal y, como último recurso, el procedimiento de reclamación del FIDA. Los particulares que deseen presentar una reclamación podrán optar por la vía comunitaria o por la vía formal. El mecanismo de resolución de reclamaciones comunitario aprovechará las estructuras tradicionales existentes para resolver los problemas en el ámbito local, lo que garantizará la accesibilidad gracias a una comunicación sensible a las particularidades culturales. Las principales instituciones comunitarias que participarán en este proceso son los jefes de comunidades rurales, los jefes de zona, los jefes principales, los consejos de barrio y los consejos de distrito. Este proceso hará especial hincapié en la negociación, la forja de consensos y la posible remisión del caso a los líderes tradicionales o a los tribunales cuando sea necesario.

B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación

42. **Planificación.** Con el fin de garantizar una planificación participativa, el proyecto movilizará a los principales asociados públicos y privados para la ejecución del plan operacional anual y presupuesto correspondiente durante los primeros 18 meses. Se organizará un taller anual de planificación y examen con los proveedores de servicios financieros, las instituciones financieras y otros organismos de desarrollo. Este taller proporcionará una plataforma para presentar el proyecto de plan operacional anual y presupuesto, recabar observaciones y velar por la armonización de las actividades del proyecto con las de otras instituciones. El plan y el presupuesto estarán orientados a la consecución de resultados, por lo que relacionarán claramente las actividades programadas con los resultados esperados del proyecto y garantizarán que todos los asociados se ajusten a las metas y plazos establecidos.

43. **Seguimiento y evaluación.** El seguimiento será un proceso continuo centrado en las actividades, los resultados esperados y el alcance. Todos los asociados en la ejecución deberán presentar los datos relativos a sus intervenciones específicas en el proyecto. Los requisitos concretos en materia de seguimiento variarán y se especificarán en mandatos o en memorandos de entendimiento. Se prepararán plantillas electrónicas para informar sobre las actividades previstas en el plan y el presupuesto, que se utilizarán para presentar los datos sobre los indicadores (véase la matriz de seguimiento y evaluación en el manual de ejecución del proyecto).

Aprendizaje, gestión de los conocimientos y comunicación

44. La gestión de los conocimientos se centrará en apoyar la preparación de productos del conocimiento y en organizar foros para el intercambio de información y el aprendizaje sobre temas emergentes e innovaciones en el ámbito de la financiación agrícola y rural. Esto podría incluir la elaboración de una estrategia de financiación de las mipymes; el diseño de mecanismos de garantías y mejora crediticia; el desarrollo de una estrategia de financiación de la agricultura; el examen del Servicio de Financiación Sostenible; y la mejora de los conocimientos de los consumidores acerca de los mecanismos de resolución de reclamaciones.
45. Las enseñanzas extraídas se agruparán en función de los distintos públicos y las diferentes finalidades y se utilizarán para mejorar la ejecución y detectar posibles necesidades de adaptación de los enfoques de ejecución.

Innovación y ampliación de escala

46. El proyecto promoverá activamente soluciones que permitan la ampliación de escala y puedan replicarse a mayor escala, lo que fomentará la adopción generalizada de servicios financieros innovadores en las zonas rurales de Zambia. Se estimulará la innovación en la prestación de servicios financieros centrados en el cliente a través del mecanismo de innovación y divulgación. Los beneficiarios podrán acceder a productos de microfinanciación innovadores, como los microseguros, ofertas de ahorro y préstamo a medida y servicios financieros digitales. También se promoverán los vínculos entre las mipymes y las instituciones financieras mediante modelos de negocio inclusivos e innovaciones en la financiación de la cadena de valor, como los resguardos de depósito. Una parte significativa de los préstamos concedidos en el marco del mecanismo de financiación combinada se dedicará a apoyar estas innovaciones para lograr que el alcance y el impacto sean mayores.

C. Planes para la ejecución

Preparación para la ejecución y planes para la puesta en marcha

47. La preparación para la ejecución del proyecto se garantizará por medio de un amplio conjunto de medidas, que incluyen la gestión proactiva de los posibles retrasos y el establecimiento de plazos adecuados para procesos críticos como la obtención de autorizaciones, la participación y las adquisiciones y la contratación, con miras a facilitar una transición fluida del diseño a la ejecución, de conformidad con los marcos establecidos por el Gobierno y el FIDA.
48. Utilizando como punto de partida el Programa de Expansión de la Financiación Rural, el proyecto aprovechará las disposiciones institucionales existentes para garantizar un proceso de puesta en marcha más rápido. La unidad de financiación rural, que se encargó de la supervisión técnica del mencionado programa y facilitó la coordinación de las partes interesadas en la financiación rural con arreglo a su mandato, continuará desempeñando este cometido en el marco del proyecto.

Supervisión, examen de mitad de período y planes de finalización

49. **Supervisión.** El proyecto será supervisado conjuntamente por el FIDA y el Gobierno de Zambia para evaluar los logros y las enseñanzas extraídas y, cuando sea necesario, prestar apoyo en materia de ejecución con el objetivo de garantizar la ejecución eficaz del proyecto y aumentar la probabilidad de que alcance sus objetivos.

50. **Examen de mitad de período.** A mitad de la fase de ejecución, se llevará a cabo un examen de mitad de período, dirigido conjuntamente por el organismo principal del proyecto y el FIDA, con el que se evaluará si el proyecto va bien encaminado para alcanzar sus objetivos. El examen también determinará las limitaciones predominantes que pudiera haber y recomendará las reorientaciones que sean necesarias para retomar el rumbo correcto.
51. **Finalización del proyecto.** La realización del informe final del proyecto es un requisito legal. El examen final debe realizarse después de la finalización del proyecto, pero antes de su cierre. Ese examen final será dirigido por el FIDA, con aportaciones clave del prestatario, de conformidad con las directrices del Fondo para la elaboración de los informes finales de los proyectos.

V. Instrumentos jurídicos y facultades

52. Un convenio de financiación entre la República de Zambia y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al prestatario o receptor. Antes del período de sesiones se distribuirá una copia del convenio de financiación negociado.
53. La República de Zambia está facultada por su legislación para recibir financiación del FIDA.
54. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

VI. Recomendación

55. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta con arreglo a lo dispuesto en la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones muy favorables a la República de Zambia, por un monto de ocho millones novecientos mil dólares de los Estados Unidos (USD 8 900 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Álvaro Lario
Presidente

Negotiated financing agreement

(To be made available prior to the session)

Logical framework¹

Results Hierarchy	Indicators				Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End	Source	Frequency	Responsibility				
Outreach	1 Persons receiving services promoted or supported by the project				PFIs and CBFI promoters	Quarterly	ME&KM team	<i>outreach assumption:</i> • The average household size in rural areas is 5 persons per household. • Each beneficiary comes from a different household (C11.a = C11). If other data on beneficiaries and households becomes available, this can be adjusted.			
	<i>Total number of persons receiving services (Number of people)</i>								0	148 044	370 110
	1.a Corresponding number of households reached				PFIs and CBFI promoters	Quarterly	ME&KM team				
	<i>Households</i>								0	148 044	370 110
1.b Estimated corresponding total number of households members				PFIs and CBFI promoters	Quarterly	ME&KM team					
<i>Household members (Number of people)</i>							0	740 220	1 850 550		
Project Goal Improved rural livelihoods through economic growth and increased resilience	Change in household asset ownership				COI Survey (additional questions for PSlS)	Outcome surveys (3x)	ME&KM team	<i>assumptions for sustainability:</i> • Positive experiences with financial services will lead to a 'virtuous cycle' of using financial services; economic growth; and improved rural livelihoods.			
	<i>Household asset ownership index (percentage)</i>								49%	53%	60%
	Rural households reporting an increase in savings								0	28%	70%
<i>Proportion of rural households (Percentage)</i>											
Development Objective Increased use of financial services by poor rural men, women and youths, for growth of rural production systems and value chains, and to strengthen resilience and safety nets.	Persons reporting improved income from economic activities (agriculture/IGAs)				COI Survey (additional questions for PSlS)	Outcome surveys (3x)	ME&KM team	<i>development objective to goal:</i> • Economic empowerment of women and joint household decision making contributes to increased income being used to address household needs • Stable political and economic environment.			
	<i>Cat 1 beneficiaries with improved income (number)</i>								0	85 273	213 183
	<i>Cat 2 beneficiaries with improved income (number)</i>								0	32 333	80 832
	<i>Beneficiaries using financial services in all categories reporting improved income (number)</i>				0	118 435	296 088				
	CI 2.2.1. Beneficiaries with new jobs/employment opportunities				COI Survey	Outcome surveys (3x)	ME&KM team				
	<i>Total number of persons with new jobs/employment opportunities (Number of people)</i>								0	58 172	145 430
	IE 2.1 Individuals demonstrating an improvement in empowerment				COI Survey	Outcome surveys (3x)	ME&KM team				
	<i>Total persons (number of people)</i>								0	28 129	140 642
	CI 3.2.2. Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				COI Survey	Outcome surveys (3x)	ME&KM team				
	<i>Households (Number)</i>								0	33 442	83 604
SF 2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI Survey	Outcome surveys (3x)	ME&KM team					
<i>Households (Number)</i>							0	7 402	37 011		
Outcome 1 Improved availability of sustainable client-centric rural financial services for specific sectors and groups	Number of new financial products, services and delivery mechanisms deployed				IOF recipients	Semi-annual	ME&KM team	<i>outcome to development objective:</i> • Beneficiaries make good use of financial services, for productive investment, adaptation and green technologies, or to cope with shocks affecting the household. • An enabling policy environment and corresponding incentives are in place, encouraging FSPs to offer financial services and products to rural communities at affordable rates. • Sufficient economic/investment			
	<i>Financial products and services (Number)</i>								0	12	24
	Number of access points for formal financial services established				PFIs (banks, MFIs)	Annually	ME&KM team				
	<i>Access points (Number)</i>								0	11 250	22 500
	CI 1.2.6 Partner financial service providers with PAR ≥ 30 days below 5%				57%	59%	62%				
	<i>Percentage</i>										
	CI 1.2.7 Financial service providers with operational self-sufficiency above 100%				57%	59%	62%				
	<i>Percentage</i>										
Proportion of non-performing loans in the loan portfolio of banks (agriculture, small and emergent)				8.7%	< 6.0%	< 5.0%					
<i>agriculture - small and emerging farmers (Percentage)</i>											

¹ Concise two-page version, by shortening some descriptions and removing indicator disaggregation - which will be retained in ORMS and the M&E system.

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End	Source	Frequency	Responsibility	
	<i>MSMEs (Percentage)</i>	13.7%	< 12.3%	< 10.0%				opportunities and capacity of the target group to make use of those opportunities.
Output 1.1 Effective mechanism for the development of innovative rural financial products, services and delivery mechanisms	CI 1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas				PMU (contracts, MOUs)	Semi-annual	ME&KM team	<i>output to outcome:</i> • Enough FSPs are willing to develop client-centric rural financial services. • FSPs demonstrate a willingness to participate in capacity-building initiatives.
	<i>Service providers (number)</i>	0	29	57				
Outcome 2 Increased uptake of more suitable and affordable sources of finance by the target group	CI 1.2.5. Households reporting using financial services				COI Survey	Outcome surveys (3x)	ME&KM team	<i>outcome to development objective:</i> • Beneficiaries make good use of financial services, for productive investment or to increase resilience. • Rural communities have capacity to utilise financial services for climate smart and profitable enterprises.
	<i>Households (Number)</i>	0	97 561	296 088				
	<i>Households (Percentage)</i>	55.9%	66%	80%				
	SF 2.1 Households satisfied with project-supported services				COI Survey	Outcome surveys (3x)	ME&KM team	
<i>Households (Number)</i>	0	103 631	296 088					
	<i>Households (Percentage %)</i>	0	70%	80%				
Output 2.1 Access to affordable loans and other financial services for agriculture and green investments enhanced	CI 1.1.5 Persons in rural areas accessing financial services				PFIs (banks, MFIs) and CBF I promoters	Quarterly	ME&KM team	<i>output to outcome:</i> • Interest of beneficiaries to invest in climate-smart and green technologies. • Effective cooperation with complementary development initiatives. • A sufficient number of reliable suppliers of green technologies. • Effective promotion of CSA and green technologies, and an increasing interest in these technologies.
	<i>Total persons accessing financial services (all services)</i>	0	126 204	315 511				
	<i>Persons accessing financial services (savings)</i>	0	88 260	220 650				
	<i>Persons accessing financial services (credit)</i>	0	81 661	204 152				
	<i>Persons accessing financial services (insurance)</i>	0	13 812	34 530				
	<i>Persons accessing financial services (digital payment services)</i>	0	67 200	168 000				
	Households accessing green technologies				IOF partners; PMU	Semi-Annual	ME&KM team	
	<i>Households (Number)</i>	0	41 802	104 505				
Output 2.2 Capacity of rural men, women, youths and MSMEs to obtain and effectively utilize financial services strengthened	CI 1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services				IOF recipients	Quarterly	ME&KM team	<i>output to outcome:</i> • Interest of beneficiaries to invest in climate-smart and green technologies. • Effective cooperation with complementary development initiatives. • Sufficient numbers of interested people in selected rural areas to justify rollout.
	<i>Persons in rural areas trained in FL and/or use of FProd and Services (total) (Number of people)</i>	0	60 000	150 000				
	CI 3.1.1 Groups supported to sustainably manage natural resources and climate-related risks							
	<i>Groups supported (number)</i>	0	1 000	2 500				
Outcome 3 Enhanced enabling environment for inclusive rural financial service provision	Change in volume to agriculture lending to smallholders				Bank of Zambia's Credit Market Survey	Semi-Annual	ME&KM team	<i>outcome 3 to outcome 1&2:</i> • Private sector actors (FSPs, MNOs) are willing and able to respond to opportunities offered by a more conducive policy and regulatory framework.
	<i>Annual disbursements to agriculture (small and emergent) (million USD)</i>	20.1	23.1	34.2				
	Formally financially included adults in rural areas				FinsScope; MOFNP	Outcome surveys (3x)	ME&KM team	
<i>Rural adults (Percentage %)</i>	44%	48%	57%					
Output 3.1 Policies, laws, regulations and institutions supported to create an enabling environment for rural finance	Strategic partnerships established to enhance policy review and coordination, and to support implementation				PCU (MOUs)	Semi-Annual	ME&KM team	<i>output to outcome:</i> • Government will prioritize creating an enabling environment for rural finance. • Partners see value in the project and is being part of its implementation. • There is buy-in from stakeholders to participate in multi-stakeholders dialogues
	<i>Partnerships (Number)</i>	0	6	6				
	Policy 1: Policy-relevant knowledge products completed				PCU	Semi-Annual	ME&KM team	
	<i>Knowledge products (Number)</i>	0	2	6				
	Laws, regulations and policies supported by the project				National Government	Semi-Annual	ME&KM team	
	<i>Number</i>	0	2	4				

Integrated project risk matrix

Risk categories and subcategories	Inherent	Residual
Country context	Substantial	Substantial
Political commitment	Moderate	Moderate
<p>Risk(s): The political stability Zambia has enjoyed since adopting multi-party elections in 1991, along with its recent relatively smooth transitions of power to the United Party for National Development (UPND) in 2021, contributes to a favourable short-term political outlook. The World Bank's political stability index for Zambia in 2022 stands at 0.1 on a scale ranging from -2.5 (weak) to 2.5 (strong), indicating a relatively stable political environment with a very low occurrence of inter-ethnic tensions or clashes, unlike other sub-Saharan African countries. The current administration is expected to retain power until the 2026 elections, ensuring policy consistency for the successful delivery of IFAD development projects, which have seen high demand for rural financial inclusion since the first IFAD rural finance program in 2007. However, political tensions may surface around election periods, potentially leading to instability and change of political commitment shifts.</p>		
<p>Mitigations: Although IFAD has sustained a strong relationship with the Zambian Government and development partners for decades, to mitigate the risk of a potential reversal in political commitment, IFAD capitalizes on its robust relationship with the current administration to advocate for the institutionalization of policies supporting rural finance, thereby making them less susceptible to political shifts. Furthermore, counterparts from key ministries have been nominated and actively and closely engaged from the PCN and PDR stage of the project. This ensures governmental ownership and alignment with both IFAD's and the Zambian Government's policies.</p>		
Governance	Substantial	Substantial
<p>Risk(s): Zambia's Corruption Perceptions Index (CPI) score for 2023, as reported by Transparency International, was 37 out of 100. This score reflects the perceived levels of public sector corruption, positioning Zambia 98th among 180 countries. This represents a slight improvement from its 2022 ranking of 116th, with a score of 33 out of 100. Additionally, according to the World Bank's Country Policy and Institutional Assessment (CPIA), Zambia's Quality of Public Administration rating for 2022 remained at 3.0 on a scale from 1 (low) to 6 (high), unchanged from the previous year. Despite these scores, the prevalence of corruption remains a concern. Zambia continues to underperform in the sub-region compared to countries like Tanzania, South Africa, Namibia, Rwanda, and Botswana, indicating that there is substantial room for improvement in governance and anti-corruption efforts.</p>		
<p>Mitigations: Under the current administration, there has been a renewed emphasis on combating corruption, with a commitment to not shielding officials involved in illicit activities, including corruption. As one of the key strategic areas in the Eighth National Development Plan (8NDP), the Government places strong emphasis on transparency and accountability in the Governance system, while also strengthening the rule of law, human rights, and constitutionalism. The government has acted against senior officials engaged in corrupt practices, demonstrating a resolve to eradicate corruption at all government levels. This strategy encompasses addressing instances of corruption past, present, and future, while ensuring that law enforcement agencies are both empowered and professionalized in their anticorruption efforts.</p>		

Risk categories and subcategories	Inherent	Residual
<p>IFAD adheres to a stringent zero-tolerance policy towards any prohibited practices, such as fraud, corruption, collusion, coercion, and obstructive practices, in its financed activities and operations. IFAD's legal framework mandates prompt reporting of any fraud or corruption allegations related to project activities. The Office of Audit and Oversight (AUO) is responsible for conducting investigations to establish the facts and take necessary actions. Furthermore, the IFAD Zambia team will oversee procurement and fiduciary aspects during supervision missions, in addition to providing regular implementation support.</p> <p>Most of FIRIP's activities are carried out by private and non-governmental implementation partners which will be selected through a transparent and competitive process. The BFF will be managed by a competent and independent Fund Manager. Sub-projects co-financed under the IOF will have clear performance milestones that will be monitored closely.</p> <p>Adequate provisions for staffing at PCO and Fund Management level have been made. Similarly, the strategic partnerships will be identified through a transparent and demand driven process and monitored in line with mutually-agreed milestones and deliverables.</p>		
Macroeconomic	Substantial	Substantial
<p>Risk(s): Despite facing significant debt distress from 2018 to 2021, Zambia implemented debt restructuring reforms in 2022 through the enactment of the Public Debt Management Act. These reforms successfully restructured its debt and improved its debt absorption capacity. Zambia's economic outlook shows signs of improvement, with projections indicating a GDP growth of 4.0% in 2023 and 4.2% in 2024, driven by recoveries in the mining, services, and manufacturing sectors. However, the country confronts macroeconomic challenges, including high debt levels - exceeding 104% of GDP - and a persistent fiscal deficit, projected at 8.1% of GDP in 2023 and 7.3% in 2024. The fiscal deficit is expected to escalate from 2026 as Zambia concludes its financing arrangement under the Extended Credit Facility (ECF) with the IMF at the end of 2025. Inflation rates are anticipated to decrease but remain vulnerable to potential increases in fuel prices and electricity tariffs, along with fluctuations in global fertilizer prices. Economic instability may arise from the debt crisis and delayed resolutions. External factors such as perennial droughts, volatile copper prices, and global geopolitical events could also present challenges.</p>		
<p>Mitigations: Although macroeconomic challenges are specific to each country and there is limited scope for addressing them at the project level, IFAD persists in engaging in discussions about the necessity of building resilience against external shocks and fostering a diversified economy through agriculture-led growth. The project incorporates elements of climate adaptation and capacity enhancement for MSMEs and smallholders' investment capabilities. At the operational level, the AWPB will be formulated assuming a stable currency. IFAD will provide financing at highly concessional rates.</p>		
Fragility and security	Substantial	Substantial
<p>Risk(s): Zambia is currently grappling with considerable fragility and security concerns, precipitated by a severe drought that has been officially recognized as a national disaster and emergency. This drought, intensified by the El Niño weather phenomenon and climate change, has wrought havoc on the agricultural sector, impacting more than a million households. The scarcity of rainfall has resulted in the loss of one million hectares from a total of 2.2 million hectares of cultivated crops, significantly undermining the country's food security and energy provisions, especially considering Zambia's dependence on hydroelectric power. Furthermore, since October 2023, Zambia has experienced a</p>		

Risk categories and subcategories	Inherent	Residual
severe cholera outbreak. Although cases have dramatically decreased, the potential for re-emergence remains, highlighting the need to address issues related to climate adaptation resilience. These risks could continue during the project implementation period. Additionally, socioeconomic factors, including youth unemployment, lackluster economic performance, and diminishing household incomes, could exacerbate the situation.		
Mitigations: The project intends to enhance the livelihoods of the most marginalized rural groups, encompassing smallholder farmers, youth, women, and households headed by women. The project will improve access to innovative and sustainable rural financial services, as well as climate adaptation financing, for smallholder farmers and micro, small, and medium-sized enterprises (MSMEs), with a special emphasis on gender and youth. Improved access to payments, savings, emergency loans and insurance enhances the capacity to cope with shocks (including climate-, macro-economic, health related ones) and enhance resilience and adaptation strategies. Support to vulnerable groups such as semi-subsistence smaller farmers is anchored in savings-based strategies harnessing CBFIs to support resilience, livelihood diversification and asset building. Responsible-lending practices will be promoted across FSPs to avoid un-sustainable debt burdens for vulnerable population groups.		
Sector strategies and policies	Substantial	Substantial
Policy alignment	Moderate	Moderate
Risk(s): The policy environment for inclusive rural finance is sufficiently well developed in Zambia following continuous support under the Rural Finance Programme (2007-2013) and the Rural Finance Expansion Programme (RUFEP, 2014-2024). The National Financial Sector Development Policy (2017-2022) seeks to evolve and transform the financial sector by offering strategic direction and coordinating development efforts to foster a well-developed, inclusive financial system conducive to efficient resource allocation and sustainable economic growth. This policy complements the Financial Sector Development Plans (FSDPs), focusing on legal reforms, payment systems, market efficiency, financial education, and finance accessibility. Additionally, the National Financial Inclusion Strategy (NFIS) 2017-2022 and NFIS II (2024 – 2028) target universal access to diverse, quality, affordable financial services, with objectives to include 80 percent of the populace and 70 percent of adults in the formal financial system by 2022, aiming to incorporate the unbanked and underserved into the formal economy through technological innovation. The NFIS II places particular emphasis on rural and agricultural financial inclusion, mainstream ESG frameworks, and enhancing the quality and reach of DSF, and inclusion of women, youth, elderly, and other vulnerable groups. There are several regulatory instruments supporting the use of alternative collateral (e.g., movable assets, warehouse receipts), the role out of digital financial services, and – more recently, of Green Finance. These initiatives align with the Ministry of Agriculture's Strategic Plan (2022-2026), developed upon the Zambia Vision 2030, which emphasizes financial access in the sector, with current government efforts reinforcing these commitments. Despite this conducive environment, competition among rural financial institutions may be limited, potentially leading to an undersupply of finance for the rural poor, exacerbated by inadequate coverage and incomplete data from credit reference bureaus, affecting agricultural financial service efficacy.		
Mitigations: Building on the success of RUFEP, FIRIP will continue to support the development of conducive policy, legislative, regulatory, and supervisory frameworks in rural finance and for the project's target demographics. FIRIP is fully aligned with the NFIS II and will support its implementation, especially in the aforementioned areas. Through its policy		

Risk categories and subcategories	Inherent	Residual
component and strategic partnerships, FIRIP will also be in well-positioned to influence the renewal of some older policies (e.g., the rural finance policy).		
Policy development & implementation	Substantial	Substantial
Risk(s): Despite the alignment of rural finance policies and strategies with the project's objectives, significant policy gaps arise from fragmented initiatives like the NFIS II outside of the RFU, the uncertainties regarding the planned update of the Rural Financial Services Strategy (2012) under the RFU's mandate, and the recently launched Sustainable Agricultural Financing Facility (SAFF) by the Ministry of Agriculture. Furthermore, important legal and regulatory instruments have been created under the 2015 Agricultural Credit Act (including warehouse receipt financing and other alternative sources of collateral) but are poorly used by FSPs. This also applies to enabling institutions such as the Electronic Moveable Assets Registry established based on the Agricultural Credit Acts These gaps, concerning implementation and integration, as well as the adequacy in addressing the diverse needs of rural populations, risk undermining the project's implementation and its development objectives.		
Mitigations: Mitigating these gaps necessitates a comprehensive effort to improve policy coherence and implementation and develop innovative financial products and services making use of the enabling legal and regulatory instruments to enhance sustainable rural outreach, and the customization of financial services to the unique contexts of rural communities. The project is committed to facilitating the harmonization and coordination of policy and regulatory frameworks with regards to rural finance and agricultural sectors and help a range of FSPs to innovate and expand their product offerings to rural target groups This commitment is aimed at ensuring the coherence and effectiveness of rural financial services at both the macro and meso levels, through strategic partnerships. In addition, a major focus will be on strengthening the implementation of existing policy and regulatory instruments, through strategic partnerships with key macro and meso level actors, along with technical assistance and capacity development.		
Environment and climate context	Substantial	Substantial
Project vulnerability to environmental conditions	Moderate	Moderate
Risk(s): Despite being richly endowed, Zambia -as many other natural resource rich countries- has not been able to translate natural resource rents into broad based development and poverty reduction. Biodiversity is continuously under threat mainly due to human activities such as population growth, agriculture expansion, deforestation, industrialization, and urbanization. As the population continues to grow, pressure is being placed on arable land, water, energy, and other biological resources to provide adequate supply of food.		
Mitigations: To support the preservation of Zambia's rich biodiversity and ensure the sustainable use of resources for the benefit of both current and future generations, the Project will be aligned to Second National Biodiversity Strategy and Action Plan (NBSAP2) (2015-2025), and the Eighth National Development Plan (8NDP) (2022-2026). The project will promote climate-smart and sustainable agricultural practices, as well as green and climate-smart technologies. This will be achieved by leveraging CBFi savings and establishing linkages to banking systems to facilitate the adoption of these practices.		
Project vulnerability to climate change impacts	Substantial	Substantial
Risk(s): Extreme weather events such as droughts and floods have increased in intensity and frequency since 1960. These have resulted in		

Risk categories and subcategories	Inherent	Residual
notable losses for Zambia's economy, agricultural sector, the manufacturing sector as well as damage to infrastructure. On 29 February 2024, Zambia declared a national emergency as a result of a prolonged drought which led to the destruction of one million hectares of farmland which has affected over one million households across the country. It is expected that the intensity and frequency of extreme weather events such as flooding and droughts, would increase in the future. It is likely that average annual temperatures could show an increasing trend and that average monthly precipitation will decrease in the future.		
Mitigations: The Project will be aligned with the National Policy on Climate Change (2016), the National Adaptation Plan for Zambia (2023), the Second National Communication to UNFCCC (SNC, 2015) and the updated National Determined Contributions (2021). The project will promote green and climate smart technologies and practices by introducing specific financing instruments facilitating the uptake.		
Project scope	Moderate	Moderate
Project relevance	Moderate	Moderate
Risk(s): The Project objectives and interventions are well aligned with National policies and priorities, including the Eighth National Development Plan (8NDP) with which it shares similar outcomes to achieve improved adaptive capacity, reduce vulnerability and enhanced resilience to climate change, for both human and biophysical systems (development outcome 1). The Project also aligns well with the Zambia National Financial Inclusion Strategy II (NFIS II) (2024 – 2028), centered on addressing emerging issues such as agricultural, MSME, and green finance, along with a specific emphasis on women, youth and the elderly, as well as rural financial inclusion. The strategy highlights key sectoral priorities for financial inclusion such as agriculture and MSMEs finance. The project outcomes are also in line with IFAD Country Strategic Opportunities Programme (COSOP). Despite these alignments, there may be a risk that smallholder farmers and their associated MSMEs would not show an interest in adopting green and climate smart technologies. Another risk may arise from volatility in demand by the smallholder farmers and enterprises, which can change rapidly depending on several factors such as profitability of their investments as well as changes in factors that affect the productivity of their businesses. This would require timely adaptation of the project support strategy.		
Mitigations: The Project will place a strong focus on ensuring that interventions are tailored towards the needs of the intended target group and focused on key areas highlighted as part of Government's medium to long term priority areas and key policies for rural development. Additionally, constant engagement with Government and relevant stakeholders to support policy implementation minimises the risk of hasty shift in focus areas. The project also recognizes the need to strike an appropriate balance in the targeting of the beneficiaries based on the categorization of smallholder farmers and enterprises at different levels.		
Technical soundness	Moderate	Moderate
Risk(s): The proposed project structure draws from the experiences of RUFEP and similar rural finance initiatives. While aiming to avoid excessive complexity and ambition, the project design has been developed with a realistic timeline and expectations. However, there is a risk that the conditions offered to Participating Financial Institutions (PFIs) might not be sufficiently appealing, potentially leading to a loss of momentum among PFIs. Additionally, there may be reluctance among smallholders and agribusiness entrepreneurs to utilize the supported borrowing channels. A further risk involves the non-repayment of loans		

Risk categories and subcategories	Inherent	Residual
provided to these groups. There is also the potential for elite capture of project resources.		
Mitigations: The project will collaborate with partners to develop financial products tailored to the needs of the target groups. To avoid complexity and difficulty in adjustment over the course of implementation, the project design avoids being overly prescriptive and allows for operational flexibility using demand-driven approaches. In addition, a limited number of sub-components reduces complexity while focussing on inter-linkages and complementarities among them. It will also establish an M&E framework that allows for the regular assessment of the project's impact and effectiveness. To mitigate the risk of project resources being disproportionately captured by the elite, the project will establish clear, transparent, and equitable criteria for selecting project beneficiaries and Participating Financial Institutions (PFIs). Engagement with various potential partners has been conducted during the design mission.		
Institutional capacity for implementation and sustainability	Substantial	Substantial
Implementation arrangements	Moderate	Moderate
Risk(s): The project will leverage RUFEP's experience , building on proven instruments and management frameworks. Nevertheless, there exists a risk associated with the potential inability to effectively coordinate and enhance implementation arrangements that involve various government entities, including the Ministry of Agriculture, the Ministry of Small and Medium Enterprises Development (MSME), and the Ministry of Green Economy and Environment (MGE), governance across different levels, and multiple financial institutions.		
Mitigations: To mitigate these risks, representatives from key ministries were involved from the initial conceptual phase of the project and design process. The IFAD team will continue to work closely with these government representatives during the subsequent stages of project start-up and implementation. Additionally, there will be a continuous, concerted effort to strengthen the Rural Finance Unit, pivotal in coordinating all rural finance initiatives within the country. A thorough review of the implementation arrangements was conducted during the design phase to identify further risks and develop suitable mitigation strategies in the design.		
M&E arrangements	Substantial	Substantial
Risk(s): The M&E system performance for RUFEP (the predecessor of this project), evaluated in July 2023, was "moderately satisfactory." Despite a dedicated M&E specialist's efforts at the Project Coordination Unit (PCU), challenges included delayed and partial data submissions from partners, affecting timely updates and accurate performance analysis of key indicators. Despite Strategic Partners developing M&E systems, the systems were evaluated as not yet fully operational to comprehensively support macro-level monitorable indicators. Non-compliance with reporting deadlines by some partners created data gaps, impacting comprehensive project evaluations. High staff turnover among partners further complicated data management, particularly for those using manual collection methods. Additionally, the M&E Specialist's reliance on inexperienced interns have impacted the efficiency and depth of M&E activities. These issues may persistently affect the project's M&E arrangements under this project.		
Mitigations: To address these risks, FIRIP will enhance the M&E arrangements at PCU by recruiting : (i) a dedicated ME&KM Officer (senior position) who will handle overarching responsibilities, including the planning process, annual reports, Logframe, lessons learned, official publications, and assisting the Coordinator, (ii) an ME&KM Assistant		

Risk categories and subcategories	Inherent	Residual
<p>(junior position) focused on assisting with conducting interviews and stakeholder feedback; organizing workshops and other fora for information exchange and learning; using available information to prepare knowledge products (write-ups, infographics, audio-visual products); and disseminating information (including print, broadcasting and social media). They will be responsible for developing a robust and user-friendly M&E system, drawing upon the experiences from RUFEP. Once the core staff is established, the definition of M&E responsibilities will extend to incorporating specific digital data collection and reporting tasks into ToRs for implementing agencies and service providers. During a project start-up workshop or at appropriate occasions during the start-up phase, the M&E/KM Officer, with support from IFAD will facilitate a dedicated M&E session. This session will involve engaging stakeholders to review the project's ToC and Logframe, and to discuss the utilization of these management tools in conjunction with the specific requirements of IFAD and potential co-financiers.</p>		
Procurement	Substantial	Substantial
A.1 Legal, Regulatory and Policy Framework	Substantial	Substantial
<p>Risk(s): The Public Procurement Legal Framework is structured with high level Public Procurement Act, 2020 amended in 2023 and Public Procurement Regulations of 2022 with their precedence firmly established. However, there are no procurement manuals. ZPPA approves requests for many direct bidding methods and Deviations, which has a risk of PEs making use of this for use of less competitive methods. Article 39 of PPA puts restriction on the participation of foreign bidders in both NCBs (only citizen bidders and local bidders in partnership with citizen bidders are allowed) and ICBs (foreign bidders can participate but only in partnership with citizen bidders). These exclusions are inconsistent with IFAD procurement framework, as they have a risk of limiting competition. ZPPA reported compliance issues with inconsistent use of procurement bid documents, which has a risk of non-compliant procurement. The national SBDs are not in full compliance with IFAD procurement framework for other IFAD policies. Adherence to evaluation and award criteria provided in the SBDs is low and 10% of PEs do not follow laid down bid receipt and opening procedures. The ZPPA review noticed prolonged delays in execution of contracts in many of the cases, which may result in time and cost overruns affecting project execution. Many cases of improper contract management have also been reported by the Auditor General. Standard templates for RFQ, REOI and Pre-Qualification are not available. Evaluation methodology provides for taking into consideration the total cost of ownership. However, other sustainability related provisions are not fully reflected in the legal framework.</p>		
<p>Mitigations: IFAD project PIMs shall detail the procurement processes to be adopted. The use of less competitive methods beyond thresholds shall be prior reviewed by IFAD, duly reflected in the PIM. IFAD procurement framework shall be applicable for IFAD projects, in cases of inconsistencies with the National procurement framework. IFAD projects shall adhere to procurement methods of approved PP and shall make use of appropriate national SBDs, if available, suitably supplemented with other associated IFADs policies. In absence of suitable national SBDs (e.g. Consultancy Services), IFAD SPDs shall be used. IFAD project procurements shall be in adherence to the evaluation and award criteria given in the bid documents. IFAD projects shall make use of eGP system for all project procurements. IFAD projects shall describe the contract management framework, duly nominating contract managers for larger contracts, in the PIM. Also, adequate contract management capacity of project staff is developed during the initial phases of the project. IFAD</p>		

Risk categories and subcategories	Inherent	Residual
projects shall ensure recommended SECAP standards are included in the bid documents, contracts etc.		
A.2 Institutional Framework and Management Capacity	Substantial	Substantial
<p>Risk(s): Majority of the PEs do not submit their PPs to ZPPA for review and uploading. More than 50% of PEs did not have funds committed prior to award of contracts, which has a risk of delay in payments. The Zambia Public Procurement Authority (ZPPA) is a regulatory body established under the Public Procurement Act No. 8 of 2020, with clearly defined functions. The involvement of ZPPA in specific procurement requests could result in a conflict of interest in handling of complaints. Compliance issues have been flagged and the PEs do not appear to be fully accountable for their procurement decisions as per the reports of the ZPPA and AGO. e-GP is an integrated system that provides information on procurement opportunities and outcomes, but not all PEs are publishing their information on it. The ZPPA website has a provision to publish procurement data but is not working. Procurement as a profession has not evolved and standards for the qualification and experience for procurement positions are yet to be defined. There appears to be no substantive permanent training programs of suitable quality and content for the needs of the system.</p>		
<p>Mitigations: IFAD project procurements shall prepare yearly Procurement plans in alignment with the approved AWPB, subject to IFAD NO. IFAD projects shall adhere to AWPB and PP to ensure availability of budgets prior contract commitments. IFAD ICO may closely liaise with the GoZ to delink ZPPA from the operational issues of procurement. Project implementing PEs should be fully accountable for their procurement decisions. IFAD project shall make use of the eGP platform for all project procurements. IFAD project procurement staff are equipped with procurement consultant to provide procurement training during the project start-up and to enhance capacities during project procurement implementation. The procurement officers assigned to the project are encouraged to be enrolled in the BUILDPROC certification programs executed by the ITCILO and financed by IFAD. IFAD project procurement processes shall be clearly elaborated in the PIM. Supervision mission will be planned on a yearly basis where IFAD oversight will apply to monitor compliance and suggest improvements to procurement performance.</p>		
A.3 Public Procurement Operations and Market Practices	Substantial	Substantial
<p>Risk(s): ZPPA assessment noted: 1) Poor management of the procurement process, inaccurate / inconsistent quotations; 2) Award of contracts based only on price considerations which may lead to non-eligible bidders being awarded contracts and value for money not achieved; 3) non-commitment of funds prior to contract awards, which delay payments; 4) failure to follow laid down procurement procedures which may result in ineligible expenses. Only 7 out of 50 PEs assessed by the ZPPA during 2022 had appointed contract managers. There was a correlation between non-appointment of contract managers and poor quality of contract delivery. Contract related documents were not maintained by most of the PEs assessed, which may result in non-availability of documents for audit. The timelines for contract completion were significantly affected; contracts were not completed within the contractual periods and in most cases substantially delayed by more than one year. The delayed completion of most of the projects resulted in the community being deprived of access to services that appropriate completion of the contracts was intended to provide. Contract award details are not published, even though mandated vide article 186 of PPR, 2022. Article 91 of PPA provides for Preference and reservation for schemes, without expanding the same in the PPR. Also, the Revised</p>		

Risk categories and subcategories	Inherent	Residual
National Micro Small and Moderate Enterprise Development Policy, 2023 doesn't prescribe any reservation schemes for the MSMEs.		
Mitigations: IFAD projects shall publish the PP in the eGP system. IFAD project procurements shall be in accordance with the National procurement framework, for selection and contracting. IFAD projects shall describe the contract management framework, duly nominating contract managers for larger contracts, in the PIM. Also, adequate contract management capacities of project staff are developed during the initial phases of the project. Procurement records shall be retained as per the provisions of the IFAD Handbook. Project procurement requirement and contract awards shall be published in the project website as well as in ZPPA website. IFAD projects may also engage with the public and private sector players through stakeholder conferences. IFAD may make use of Domestic preference provisions for International Competitive procurement methods.		
A.4 Accountability, Integrity and Transparency of the Public Procurement System	Moderate	Moderate
Risk(s): Despite a legal framework against fraud and corruption, there seems to be no systematic detection, prevention, and enforcement of procurement-related corruption cases, which might compromise on fairness and transparency and limit competition. ZPPA engages with the public through various radio programs and Facebook announcements, but the effectiveness of the same in strengthening the public procurement system can't be ascertained. ZPPA website provides procurement information but is not fully functional/updated. There is no evidence that the ZPPA had directly engaged with the CSO for stakeholder consultations. Periodic procurement audits are undertaken by the ZPPA, but AGO doesn't conduct separate procurement audits. However, no co-ordination controls appear to exist. No system of defining the qualification of staff and providing training to them to conduct procurement audits. There is no requirement for the auditors to have knowledge of procurement and there is no formal training program, and no technical support is provided to the auditors.		
Mitigations: All bidding documents shall include reference to the 3 IFAD Policies on Fraud and Corruption, Sexual Harassment and Exploitation, and Anti-Money Laundering. IFAD ICO may engage with the GoZ to institute mechanisms for providing integrity trainings to the stakeholders and engage with the CSO more often and consult them for shaping and strengthening the public procurement framework. Procurement staff and other staff involved in IFAD project procurement shall sign the declaration of code of conduct and shall refrain from all kinds of fraud and corruption. IFAD may also encourage the GoZ to develop a specific code of conduct / code of ethics for procurement. IFAD projects may organise, in collaboration with ZPPA, procurement audit trainings to the AGO staff, to capacitate them to conduct specialised procurement audit. The PMUs shall keep track of internal and external audit findings and recommendation and their implementation. Exception reporting on non-compliance shall be brought to the attention of the Project Steering Committees. This shall be suitably incorporated in the PIM. IFAD supervision missions shall review the audit report, both internal and external, and verify whether any recommendations and the follow up actions taken relevant to procurement. Procurement audit teams shall have qualified procurement specialist.		
B.1 Assessment of Project Complexity	Moderate	Moderate
Risk(s): FIRIP envisages procurement of non-financial service providers for providing FinTech and AgriTech services, which would involve service		

Risk categories and subcategories	Inherent	Residual
level agreements. For providing the financial services, the program may have to enter into agreements with implementing partners (financial institutions). If these agreements do not incorporate appropriate safeguard clauses and performance evaluation framework, there is a risk that the program funds not being used for the intended purpose. The IPs might also be carrying out procurement activities, due to their inadequate procurement capacity, may have a risk of National/IFAD procurement framework not complied with, compromising on transparency, competition and value for money. Project involves many interdependent contracts, involving many implementing partners.		
Mitigations: The program may make use of the “Agritech and Fintech Providers in East and Southern Africa - A Landscape Assessment” report developed by the ESA in formulating the FinTech and AgriTech interventions. The agreements with the Implementing partners for providing financial services, shall incorporate suitable safeguard clauses and performance evaluation framework. The IPs shall comply with the National/IFAD procurement framework, which should be a part of the agreements. Simplified procurement guidelines may be developed by the PMU, for the use of IPs. The project properly shall sequence the activities, particularly at the startup phase and establish robust co-ordination and reporting mechanisms with the IPs.		
B.2 Assessment of Implementing Agency Capacity	Moderate	Moderate
Risk(s): Procurement strategy is not prepared and followed. Contract and grant agreement templates do not fully comply with IFAD SECAP provisions. Contract Management procedures are lacking and there is no contract management form and contract register is not updated, to ensure effective contract monitoring. Knowledge of IFAD procurement procedures needs to be improved. Substantial use of non-competitive procurement methods. e-GP system is not being effectively utilized. There is no evidence of procurement audit recommendations being implemented and monitored.		
Mitigations: Project Procurement Strategy prepared at the design stage shall be implemented. The contract and grant agreement templates shall be appended with IFAD SECAP standards applicable. The project shall nominate contract managers for large value contracts including grant agreements and a contract monitoring mechanism shall be established. CMT shall be used as an effective contract monitoring tool for risk management. The project shall maintain contract payment monitoring forms. Accounting software shall be used for effective monitoring. Sufficient procurement trainings shall be organized at the startup phase. Use of non-competitive bidding shall be identified in the PP and subject to IFAD prior process beyond PPA defined thresholds. FIRIP shall make use of e-GP system for all project procurement. FIRIP shall institute payment monitoring mechanism and exception reporting for delayed payments and implementation of audit recommendations.		
Project Procurement Overall	Substantial	Substantial
Risk(s): The ZPPA approves requests for many non-competitive bidding requests, which may lead to conflict of interest. Restrictions on the participation of foreign bidders have a risk of limiting competition. ZPPA reported compliance issues in procurement process, which has a risk of non-compliant procurement. The national SBDs are not in full compliance with IFAD procurement framework for other IFAD policies. Compliance issues have been flagged and the PEs do not appear to be fully accountable for their procurement decisions as per the reports of the ZPPA and AGO. Public availability of procurement data is limited. Procurement as a profession has not evolved and standards for		

Risk categories and subcategories	Inherent	Residual
<p>procurement positions are yet to be defined and there is no training programs of suitable quality and content for the needs of the system. Procurement record retention needs to be improved. Contracts are substantially delayed. This has a potential risk for project implementation and achievement of project objectives. Despite a legal framework against fraud and corruption, there seems to be no systematic detection, prevention, and enforcement of procurement-related corruption cases, which might compromise on fairness and transparency and limit competition. AGO doesn't conduct separate procurement audits. No co-ordination controls appear to exist.</p> <p>Project involves many interdependent contracts, involving many implementing partners. Contract and grant agreement templates do not fully comply with IFAD SECAP provisions. Contract Management procedures are lacking to ensure effective contract monitoring. Knowledge of IFAD procurement procedures needs to be improved. Substantial use of non-competitive procurement methods. e-GP system is not being effectively utilized. There is no evidence of procurement audit recommendations being implemented and monitored.</p>		
<p>Mitigations: The use of less competitive methods shall be IFAD prior reviewed. FIRIP shall make use of appropriate national SBDs suitably supplemented with other associated IFADs policies. IFAD projects shall make use of eGP system for all project procurements. Project PIMs shall describe the contract management framework and develop adequate contract management capacity of project staff during the initial phases of the project. The procurement officers assigned to the project shall be encouraged to be enrolled in the BUILDPROC certification programs. Procurement records shall be retained as per the provisions of the IFAD Handbook. Project procurement requirement and contract awards shall be published in the project website as well as in ZPPA website. Procurement staff and other staff involved in IFAD project procurement shall sign the declaration of code of conduct and shall refrain from all kinds of fraud and corruption. The PMUs shall keep track of internal and external audit findings and recommendation and their implementation. Exception reporting on non-compliance shall be brought to the attention of the Project Steering Committees. Procurement audit teams shall have qualified procurement specialist.</p> <p>The project shall establish robust co-ordination and reporting mechanisms with the IPs. The contract and grant agreement templates shall be appended with IFAD SECAP standards applicable. The project shall nominate contract managers for grant agreements and a contract monitoring mechanism shall be established. Accounting software shall be used for effective monitoring of payment delays. Sufficient procurement trainings shall be organized at the startup phase. Use of non-competitive bidding shall be identified in the PP and subject to IFAD prior process beyond PPA defined thresholds. FIRIP shall make use of e-GP system for all project procurement. FIRIP shall institute exception reporting for delayed payments and implementation of audit recommendations.</p>		
Financial management	Substantial	Substantial
Project organization and staffing	Substantial	Substantial
<p>Risk(s): The availability of Licensed Practicing Accountant (LPAs) is evidenced by the recently closed project (RUFEP) which well qualified accounting staff. This shows that the country has a sufficient pool of accounting professionals from which project FM staff can be recruited. The current and past projects have had dedicated finance staff. There is a risk that staff recruitment will be delayed which may affect project implementation. Additionally, recruited staff are unlikely to have solid</p>		

Risk categories and subcategories	Inherent	Residual
understanding of IFAD financial management procedures, including the new report-based disbursement model.		
Mitigations: Using the terms of reference established in the PDR, the lead agency will commence the recruitment process as soon as it is notified of the project design approval. Provide training to FM staff to be recruited for the project on IFAD financial management procedures, including the new report-based disbursement model. Where possible, consider recruiting well performing FM staff from RUFEP to support implementation of the new project.		
Project budgeting	Substantial	Substantial
Risk(s): Budgets for the current IFAD supported project are reasonable. The process of developing the AWPBs is participatory. Approval of the budgets is done by the PSC, and there have been historical delays in prior projects in relation to approval of AWPBs. There is a risk of implementation delays due to late engagement of implementing partners. The PSC should be constituted early to ensure sufficient oversight of the budget preparation process.		
Mitigations: The LPA will ensure that PSC is set up within the first six months of project start-up. Preparation of AWPBs should strictly follow the IFAD guidelines, including submission for review and No Objection 60 days before the start of the fiscal year.		
Project funds flow/disbursement arrangements	Substantial	Substantial
Risk(s): The project is likely to have multiple financing facilities. This could complicate the treasury arrangements leading to delays in accessing funding, thus adversely affecting implementation of project activities. Regardless of the outcome of the debt restructuring process, there is a risk that meeting the projected co-financing targets may be problematic.		
Mitigations: Signing of MoU for the credit guarantee scheme with the relevant within the first six months of entry into force. Inclusion of co-financing in the annual work plans and budgets, clearly mapped to specific activities to enhance accountability.		
Project internal controls	Substantial	Substantial
Risk(s): There are sufficient controls within the government financial systems to effectively manage external funding. There haven't been incidences of government interference with project funds that would cast doubt on successful project implementation. There is a risk that with limited monitoring, the controls in place may not work optimally which could lead to inefficient and inappropriate use of project resources.		
Mitigations: FIRIP should be included in MoFNP's internal audit department's planning cycle, and adequate staff time and resources must be allocated accordingly. Scope of internal audit reviews should include entities implementing the project.		
Project accounting and financial reporting	Substantial	Moderate
Risk(s): Efforts to have the previous project (RUFEP) serve as a pilot for the government accounting system (IFMIS) did not materialise. The system is not tailored for IFAD financial reporting requirements and therefore could impede effective financial accounting of the project, especially due to the complex nature of the project structure.		
Mitigations: Install an off-the-shelf accounting software within the first six months of project entry into force. The system should be tailored to generate financial reports, including interim financial reports in the required format (by category and components of expenditure, and by source of funds).		

Risk categories and subcategories	Inherent	Residual
Project external audit	Moderate	Moderate
Risk(s): The country's SAI is an independent body reporting to the Zambia parliament and has the relevant structures and capacity to undertake the project external audit. The SAI has experience conducting external audits of the previous IFAD financed projects in the country. These audits are conducted in accordance with ISSAIs, globally accepted standards, with quality ranging between moderately satisfactory to satisfactory. FMD shall provide adequate capacity building to SAI around IFAD audit requirements. There is a risk that financial and partners institutions (PFSPs) are not equipped with adequate financial controls and lack proper understanding of IFAD finance procedures.		
Mitigations: Timely preparation of audit terms of reference and submission to IFAD for No Objection. Draft financial statements to be submitted to the auditor within three months of the financial year end. FMD to provide capacity building to SAI around IFAD audit requirements. Annual audits of the project, covering the PFSPs (insofar as the project financing is concerned).		
Environment, social and climate impact	Substantial	Moderate
Biodiversity conservation	Low	Low
Risk(s): Zambia is endowed with abundant natural resources and a rich biological diversity, including wetlands and rivers, flora, and fauna, and agro biodiversity. The most serious threats to plant biodiversity and their habitats are deforestation and forest degradation. In northern Zambia, deforestation and forest degradation pose major threats to plant biodiversity. In the eastern, central, and southern regions of Zambia, the primary driver of forest cover loss and degradation is the conversion of forest land to permanent crop agriculture.		
Mitigations: The Project will support green and climate-smart investments along agricultural value chains. In addition, Community-Based Financial Institutions (CBFI) members will receive training in climate-smart and sustainable agricultural practices. In compliance with SECAP requirements, PFIs and will comply with SECAP requirements and IFAD's exclusion list.		
Resource efficiency and pollution prevention	Moderate	Moderate
Risk(s): The main sources of pollution in Zambia have been identified as primarily emanating from mining, industrial and agricultural activities, resulting in widespread damage to biodiversity, goods, and ecological services. Unsustainable utilization of forest and fish resources are also emerging as an important environmental problem in the region and needs serious attention.		
Mitigations: The Project will support the development of financial products for investments in green and climate-resilient technologies across agricultural and non-agricultural value chains. These technologies and practices may include agroforestry, precision agriculture, climate-smart and labour-saving agricultural methods, access to renewable energy, waste management and recycling, climate-resilient rural infrastructure, energy-efficient technologies for processing and value addition, and environmentally friendly packaging. Development of the ESG framework and its implementation by FSP.		
Cultural heritage	Low	Low
Risk(s): Zambia is home to one UNESCO World Heritage Site (Mosi-oa-Tunya / Victoria Falls) and five UNESCO cultural practices and expressions of intangible heritage (Kalela dance, Budima dance, Mooba dance of the Lenje ethnic group of Central Province of Zambia, Makishi masquerade, Gule Wamkulu). There are also several sites that are		

Risk categories and subcategories	Inherent	Residual
classified by the National Heritage Conservation Commission (NHCC) as national monuments, cultural sites and historic sites. In addition, each of the over 70 ethnic groups has unique traditions, practices and beliefs, including music, dance, and storytelling, which are important expressions of cultural identity.		
Mitigations: Given FIRIP's focus on financial services, agricultural, climate and green innovative solutions, the project interventions are not expected to alter, damage, or remove any tangible or intangible cultural heritage. An Environment and Climate Adaptation Specialist will be hired to ensure that no cultural heritage is damaged. A Grievance Redress Mechanism (GRM) will also be established to address any arising concerns and safeguard Zambia's cultural identity.		
Indigenous peoples	Low	Low
Risk(s): Zambia comprises at least 72 ethnic groups, most of which are Bantu-speaking. About 90% of the population falls into nine major ethnolinguistic groups: the Nyanja-Chewa, Bemba, Tonga, Tumbuka, Lunda, Luvale, Kaonde, Nkoya and Lozi. Although in Zambia there are peoples who identify themselves as indigenous, such as the San people, the Khoe people and the Batwa people, their exact number is not known, and the Government of Zambia does not recognize any specific group as indigenous.		
Mitigations: Considering Zambia's diverse population, FIRIP will not be implemented in areas where indigenous are present. In addition, the project will ensure that its activities have no adverse impacts on the rights of indigenous peoples or the lands, territories, and resources they claim. The project will adhere to IFAD's targeting guidelines to prevent adverse effects on Indigenous lands, resources, or cultural heritage. A Gender and Social Inclusion Officer will be appointed to ensure no significant adverse impacts on Indigenous peoples.		
Community health and safety	Moderate	Moderate
Risk(s): Gender inequality and patriarchal tendencies have a long-term impact on Zambian human and socioeconomic development. Power disparities between men and women have resulted in fewer opportunities for women to hold key decision-making positions and less access to productive resources. This has led to high rates of teen pregnancy, child marriage, and intimate partner violence (IPV), as well as low representation of women in formal employment and limited access to social services.		
Mitigations: Preventing and responding to gender-based violence is one of key priorities for the Government of Zambia. Strengthening CBFIs particularly contribute to women economic empowerment and that the development of gender and youth sensitive financial services and delivery mechanisms linked with financial literacy training will contribute to mitigate risks and redress in-equalities. A gender-transformative approach and strategy will be integrated in the project interventions, especially with smallholder farmers. Building on the RUFEP success and existing CBFIs and partners projects and curricula, FIRIP will integrate household methodologies in training to ensure male and community engagement, achieving balanced household dynamics, and challenging negative gender norms. This includes recruitment and training of Social Inclusion staff, gender audits, curricula assessments, and general training on gender and youth sensitive approaches for financial service development and delivery for FSPs.		
Labour and working conditions	Low	Low

Risk categories and subcategories	Inherent	Residual
Risk(s): Zambia has a young population and addressing youth employment challenges is critical to ensure the country benefits from a potential demographic dividend. Currently, the share of youth classified as Not in Education, Employment, or Training (NEET) in Zambia is much higher than the regional or global average, with 47 percent of people between the ages of 15 and 35 years not working or unemployed.		
Mitigations: Better access to a diverse range of products and services (through client-centric savings, loans, payments, insurance products and delivery mechanism and alternative collateral instruments) result in higher and more stable incomes, decent jobs, more resilient livelihoods, leading to inclusive and green rural economic growth and reduced poverty.		
Physical and economic resettlement	Low	Low
Risk(s): Land allocation in Zambia is governed by the Lands Act of 1995, which classifies land into customary and state categories. Customary land constitutes 94% of the country's total area, with smallholders predominantly cultivating it. FIRIP interventions are not directly linked to access to land for improving rural livelihoods. However, the lack of titling for customary land presents challenges for securing agricultural credit, as banks do not accept proof of land occupation as collateral. Smallholders face significant barriers in accessing credit to increase their income. State land, accounting for 6%, is managed by the President and overseen by various professional bodies.		
Mitigations: Drawing upon lessons learned from RUFEP, FIRIP aims to explore the utilization of movable assets as collateral. This approach may contribute to bridging the access gap and enable a more diverse range of clients to secure the financial support they need. Through client-centric product design supported under the Investment and Operations Financing (IOF), FIRIP intends to scale up warehouse receipts and collateral substitutes, such as joint liability groups (e.g., within VSLAs), personal guarantors, reputational capital (borrowers aiming to maintain creditworthiness with lenders), and track records with lenders (including past loans taken and repaid), as well as contracts and past product delivery with off-takers.		
Financial intermediaries and direct investments	Moderate	Moderate
Risk(s): The project will collaborate with a diverse range of actors within the financial sector. These actors have varying capacities in terms of developing and implementing Environmental, Social, and Governance (ESG) policies and strategies.		
Mitigations: The PCU will assess if the Partnering Financial Service Providers (PFSP) have in place environmental and social systems, procedures, and capacities for assessing, managing, and monitoring risks and impacts of direct investments and FI subprojects; and (ii) a portfolio risk-management framework that ensures a return on investment and sustainability. The new financial services supported under the IOF will need to meet basic ESG principles and standards, in line with the Regulation currently developed and supported under component 1.		
Climate change	Substantial	Substantial
Risk(s): Drought, erratic rainfall, and flooding are likely to have adverse effects on crop yield and productivity due to water scarcity, increased prevalence of pests and diseases, and intermittent waterlogging of the soil. Increased temperatures and erratic rainfall may also necessitate adapting and adjusting crop planting, sowing, and harvesting schedules.		
Mitigations: The Project will promote environmentally friendly and climate-smart investments. Moreover, members of Community-Based Financial Institutions (CBFIs) will receive training in sustainable and climate-smart		

Risk categories and subcategories	Inherent	Residual
agricultural practices and technologies. Moreover, improved access to a diverse range of financial services, including savings, insurance, payment products as well as emergency loans, enhance the resilience of target populations against climate change related shocks and extreme weather events.		
Stakeholders	Substantial	Substantial
Stakeholder engagement/coordination	Moderate	Moderate
Risk(s): Stakeholders from both the public and private sectors were involved in consultations during the preparation of the PCN and PDR stage. Throughout the mission, these stakeholders attended a session where the project's goal, objectives, approach, and theory of change were presented to gather their feedback. The IFAD Country Office (ICO) also plays an active role in the Agriculture Donors Working Group and maintains significant relationships with stakeholders within these groups. Furthermore, the ICO has developed a Country Partnerships Engagement Plan (CPEP) to identify and assess potential collaborations for IFAD's work in the country. However, the increasing number of partners and players in the sector raises the risk of duplicating activities and overlapping efforts. Additionally, there is a risk of policy cohesion gaps, resulting in stakeholders operating in silos and engaging in similar activities, which could minimize the impact on the ground.		
Mitigations: Throughout the full design process, a consultative approach involving relevant stakeholders has been introduced to identify and examine further potential collaboration areas, both financial and non-financial (e.g., Technical Assistance). During the project's implementation, stakeholder meetings will be organized to facilitate knowledge sharing and information dissemination, thereby enhancing the implementation of project activities. The project will also maintain constant communication with relevant stakeholders concerning the support of policy and regulatory frameworks, ensuring cohesion among stakeholders.		
Stakeholder grievances	Substantial	Substantial
Risk(s): The project will engage with a diverse array of stakeholders, including smallholder farmers, CBF1 promoters, and financial institutions. This engagement, coupled with increased access to diversified financial services, may pose a risk that stakeholders' grievances might not be recorded and resolved efficiently and promptly.		
Mitigations: The Project will establish a multi-level grievance redress mechanism (GRM) to resolve disputes arising from project development, implementation, and operation. All stakeholders will be informed about the GRM and educated on how to submit complaints and follow up on the resolution of any grievances. The project will improve the existing grievance mechanisms for digital financial services by further digitization to make filing of complaints easier for low-income rural customers and automatically lodge complaints falling onto the respective responsibilities of ZICTA and BOZ. These actions will make the mechanism more agile and client responsive and largely reduce processing and response times.		