

<b>1. CAS/CPS Data</b>		
<b>Country: Zambia</b>		
<b>CAS/CPS Year: FY13</b>	<b>CAS/CPS Period: FY13–FY16</b>	
<b>CLR Period: FY13–FY17</b>	<b>Date of this review: February 4, 2019</b>	
<b>2. Ratings</b>		
	<b>CLR Rating</b>	<b>IEG Rating</b>
<b>Development Outcome:</b>	<i>Moderately Unsatisfactory</i>	<i>Moderately Unsatisfactory</i>
<b>World Bank Group Performance:</b>	<i>Fair</i>	<i>Fair</i>
<b>3. Executive Summary</b>		
<p>i. The review of Zambia's Completion and Learning Review (CLR) of the World Bank Group's Country Partnership Strategy (CPS) covers the period FY13–FY17. At the PLR stage, the CPS was extended to FY17 to align the next strategy with the political cycle, with general elections held in 2016.</p> <p>ii. Zambia is a lower-middle-income country with a gross national income (GNI) per capita (Atlas method) of US\$1,730 in 2013. However, GNI per capita declined to \$1,300 in 2017. Zambia's economic growth had been driven largely by the extractives sector, which is highly vulnerable to the volatility in copper prices. During 2013–2017, average annual gross domestic product (GDP) growth was 4.1 percent, with growth decelerating in 2015 and 2016 due to falling copper prices, weak harvest, and power outages. A gradual recovery began in 2017. However, with fiscal adjustment having been delayed, vulnerabilities remained.</p> <p>iii. The incidence of poverty fell between 2010 and 2015, but the poverty rate remained high compared to the regional average. Growth has not been inclusive—while real per capita consumption grew by 12.9 percent between 2010 and 2015, it fell by 7.9 percent for the bottom 40 percent over the same period.<sup>1</sup> Nevertheless, Zambia's Human Development Index ranking improved from 150th out of 169 countries in 2010 to 139th out of 185 countries in 2015, with positive development outcomes in health and education. At the same time, some Millennium Development Goal (MDG) health targets were not met. The World Bank Worldwide Governance Indicators (WGI) deteriorated in all dimensions during the CPS period, including scores for voice and accountability, government effectiveness, and control of corruption.</p> <p>iv. The World Bank Group's Country Partnership Strategy had three focus areas: (a) reducing poverty and vulnerability of the poor; (b) improving competitiveness and infrastructure for growth and employment; and (c) improving governance and strengthening economic management. Cross-cutting elements included regional integration, strengthening institutional capacity, and addressing governance, gender and climate change challenges. The CPS was aligned with the government's Sixth National Development Plan 2013–2016, which aimed to accelerate</p>		

<sup>1</sup> See World Bank. 2018. Republic of Zambia Systemic Country Diagnostic

<b>CLR Reviewed by:</b>	<b>Panel Reviewed by:</b>	<b>CLR Review Manager/Coordinator</b>
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infrastructure development and economic diversification, promote rural investment, accelerate poverty reduction, and enhance human development.

v. During the CPS period, total new International Development Association (IDA) commitments reached US\$688 million comprising 14 Investment Project Financing (IPF) operations including 4 regional operations. Ten of the 14 operations were approved after the PLR (FY15), of which 7 were approved during FY16–17. New commitments were mainly in infrastructure, human development, and agriculture. Trust Fund (TF) commitments amounted to US\$138 million, comprising 15 operations of which 11 were approved after the PLR. TF operations were concentrated in environment, infrastructure, public financial management, and human development and some complemented IDA lending. International Finance Corporation (IFC) made net commitments of US\$77 million for long-term loans and equity investments, mainly in the agribusiness and financial sectors. Multilateral Investment Guarantee Agency (MIGA) approved seven guarantees, mostly in the agribusiness sector, with total gross exposure of US\$173 million.

vi. Independent Evaluation Group (IEG) rates the CPS development outcome **Moderately Unsatisfactory**. Of the seven objectives, five were partially achieved and two were mostly achieved. In Focus Area I, there was some progress in improving access to climate-resilient tools and health services, but limited progress in improving crop and livestock productivity and access to water resources. In Focus Area II, there was good progress in improving access to all-season roads and river crossings in target areas, but lack of progress in improving access to finance for small enterprises. In Focus Area III, there were mixed results in strengthening systems and processes for public-sector performance, but limited progress in improving citizen access to information. While Zambia was Extractive Industries Transparency Initiative (EITI) compliant in 2017, indicators from the WGI and Open Budget Index suggest that access to information was restricted further during the review period.

vii. IEG rates WBG performance **Fair**. The initial design of the CPS addressed key development challenges and identified key risks to the program. The CPS was selective and aligned with the corporate twin goals. The original CPS results framework provided a clear line of sight from development challenges to CPS objectives, World Bank Group interventions, and CPS outcomes. The World Bank and IFC collaborated through a joint initiative in the Scaling Solar Program and MIGA had an active program in agribusiness. The World Bank Group exhibited flexibility by adjusting the program at the PLR stage to take into account changes in the domestic and external environment. However, the PLR underestimated the political economy and implementation capacity risks and their impact on portfolio performance. Notwithstanding continued weaknesses in implementation capacity and the disruptions following closely-contested elections in 2016, the World Bank scaled up its lending and TF program. Adjustments made at the PLR stage weakened the results framework, which did not capture several lending operations and Advisory Services and Analytics (ASA) products and had other significant shortcomings.

viii. During the review period, portfolio performance deteriorated due to a combination of weak implementation capacity and an increased number of lending and TF projects. This is reflected in a higher-than-average percentage of projects and commitments at risk compared to Africa (AFR) and World Bank averages. Zambia's performance at exit (as measured by project outcomes rated Moderately Satisfactory or better by IEG) was lower than AFR and World Bank averages. In addition, a majority of project development outcomes had high to significant risks of sustainability. Overall, the program was not able to effectively address weaknesses in implementation capacity. No Inspection Panel case was recorded during the CPS implementation period. However, safeguards implementation was affected by weak capacity, constant delays, and staff turnover for both World Bank and the borrower. In particular, safeguards compliance issues were noted for the Zambia Water Resources and Development Project, which has been under temporary suspension since March 2018. During the review period, the Integrity Vice Presidency (INT) received three complaints (two in the transport sector and one in the agriculture sector) but none resulted in an investigation.



ix. The CLRR agrees with the CLR lessons as specified: (a) collaboration and coordination among stakeholders is critical to improving portfolio quality, (b) the number and design of projects should consider implementation capacity of the country and supervision capacity of the World Bank Group, (c) World Bank Group projects should be reflected in, and aligned with, the government program, (d) the World Bank can be effective in strengthening institutions at the local level, and (e) incorporating accountability measures in project designs promotes good governance, transparency and oversight.

x. IEG provides the following additional lessons:

- The results framework needs to reflect the breadth of the program and ensure alignment of objectives and results indicators with WBG interventions. It is therefore important to adjust the results framework at the PLR stage as needed. In the case of Zambia, more than half of the operations approved after the PLR were not fully captured in the results framework. In addition, the PLR did not adjust the objectives and indicators to consider the cancellation or restructuring of some operations. Many of the indicators did not adequately measure progress in achieving stated objectives.
- Addressing capacity issues requires more coordinated and systematic approaches. In the case of Zambia, while several lending operations supported capacity building, the program continued to be constrained by weak capacity, which affected both project implementation and sustainability of outcomes. For example, two road projects—the Road Rehabilitation and Maintenance Project I and II (RRMP I and II)—had capacity building components, but objectives were not achieved in RRMP I, and weak capacity was identified as one of the key risks to development outcomes in RRMP II. Going forward, there may be a need for stronger alignment between implementation capacity and the portfolio by having more realistic project design and more effective support for capacity building, as well as more adequate resources for supervision.

#### 4. Strategic Focus

##### Relevance of the WBG Strategy

1. **Congruence with country context and country program.** Zambia's economy lacks diversification with economic growth driven by the extractives industry which is highly vulnerable to the volatility of copper prices. Agricultural productivity has been low, limiting the sector's ability to reduce poverty in rural areas. The CPS pillars sought to address the main development challenges in Zambia: low agricultural productivity, infrastructure gaps including poor reliability of services, lack of economic diversification, and weak governance. The CPS focus areas and objectives were aligned with the government's development priorities as embodied in the Sixth Development Plan 2013–2016, which aimed to accelerate infrastructure development and economic growth and diversification; promote rural investment and accelerate poverty reduction; and enhance human development. At the PLR stage, the program was adapted to respond to deterioration in the macroeconomic environment over 2015 and 2016, including through cancellation of planned Development Policy Financing (DPF) operations and scaling up ASAs to manage the higher macroeconomic risks. The program remained aligned with the Sixth Development Plan and continued to support the government's objective of accelerating infrastructure development. However, scaling-up of lending and TF operations did not take into account heightened implementation capacity risks.

2. **Relevance of design.** The WBG utilized a mix of instruments to support the CPS objectives through greater use of IPFs to address weaknesses in the institutional environment, TFs to complement IDA resources, and ASA to support critical reforms and capacity building. The World Bank also enhanced its participation in regional projects to help Zambia take advantage of expanding regional markets. IFC investments and MIGA guarantees were also utilized to promote private-sector



growth and facilitate foreign direct investment. Nonetheless, the CPS objectives did not sufficiently capture CPS themes and World Bank Group corporate strategies on gender and climate change.

#### Selectivity

3. The original CPS program was selective with respect to the focus areas, objectives, and World Bank Group interventions. The focus areas reflected the main thrusts of the program—poverty reduction, growth and economic diversification, and governance. The focus areas addressed development priorities based on analytical work and were aligned with the government’s program. The objectives represented areas—such as agricultural productivity, investment climate, small and medium enterprise (SME) finance, and governance—where the WBG could build on previous work and exploit synergies among the WBG institutions. After revisions at PLR stage, the CPS remained selective with respect to focus areas and objectives, but less so in terms of World Bank Group interventions. Notwithstanding the capacity constraints, changes following the PLR increased the number of lending and TF projects. About 70 percent of the total number of IDA and TF project approvals during the CPS period occurred during FY15–FY17.

#### Alignment

4. The CPS was aligned with the 2013 corporate twin goals of poverty reduction and shared prosperity. All three focus areas and objectives supported the twin goals, with Focus Area I directly addressing poverty reduction and Focus Areas II and III contributing to shared prosperity. Under Focus Area I, one of the objectives addressed low agricultural productivity, which was identified in the 2018 Systematic Country Diagnostic (SCD) as one of the main challenges to inclusion. Another objective focused on improving access to health services in high poverty areas. Under Focus Area II, the objective of building and rehabilitating infrastructure included targeting of rural households. Under Focus Area III, the objective of improving public-sector performance included enhancement of service delivery at the local level.

### **5. Development Outcome**

#### Overview of Achievement by Objective

5. Following the IEG and World Bank Group shared approach for country engagement, this review assesses the extent to which the CPS objectives were achieved against the original CPS results matrix and updated at the PLR stage.

#### **Focus Area I: Reducing Poverty and the Vulnerability of the Poor**

6. **Objective 1: Improved crop and animal productivity in selected areas.** This objective was supported through the following operations: Irrigation Development and Support Project (FY11); Livestock Development and Animal Health Project (FY12); and a regional project - Agricultural Productivity Program for Southern Africa (FY13). This objective had two indicators:

- Reduction in diseases in the livestock project areas (from 1.0 percent in 2012 to 0.5 percent in 2017 for contagious bovine pleuropneumonia [CBPP] in cattle, and from 1.0 percent in 2012 to nil in 2017 for foot and mouth disease [FMD] in cattle). The prevalence indicators for CBPP and FMD were dropped at the 2015 restructuring of the FY12 Livestock Development and Animal Health project. The September 2017 Implementation Status and Results Report (ISR) reported that there had been no outbreak of FMD in cattle as of September 2017, while 11 districts were reported to have been cleared of CBPP. However, the April 2018 ISR noted varying CBPP prevalence levels at the district level in the Western Province which may have indicated continued presence of infection. While evidence of progress under the original indicator is not available, the September 2017 ISR for the Livestock Development and Animal Health Project suggests some progress in reducing diseases in livestock project areas. *Partially Achieved.*



- Increase in technologies that are being made available to farmers and other end users. The February 2018 ISR for the FY13 Agricultural Productivity Program for Southern Africa project reported that 156 technologies (compared to the target of 25) were made available to farmers and end users as of December 2017. *Achieved.*

7. The two indicators do not sufficiently measure the achievement of the stated objective. Rather, these are intermediate indicators that contribute to the stated objective of improved crop and animal productivity. On balance, Objective 1 was **Partially Achieved**.

8. **Objective 2: Improved access to resources for strengthening household resilience and health in targeted areas.** This objective was supported through several operations: Malaria Booster Project (FY06), Water Resources Development Project (FY13), Strengthening Climate Resilience II Project (FY13), Health Services Improvement Project (FY14), and Health Result-Based Financing Project (FY11). This objective had five indicators:

- Increase in direct project beneficiaries from small water resources infrastructure development. The June 2018 ISR for the Water Resources Development Project reported a total of 6,000 direct beneficiaries (compared to the target of 20,000 in 2017) as of January 2018. *Partially Achieved.*
- Increase in vulnerable districts, wards, and communities using improved tools, information, and instruments to respond to climate change and variability. The June 2018 ISR for the Strengthening Climate Resilience II Project reported an increase of 36 percent in the number of vulnerable districts, wards, and communities responding to climate change using improved tools, information, and instruments as of June 2018 (compared to the target of 30 percent by 2017). *Achieved.*
- Increase in the percentage of children under five years of age who slept under an insecticide-treated net last night (from 50 percent in 2010 to 55 percent in 2013). The Implementation Completion and Results Report Review (ICRR) for the Malaria Booster Project and Health Results-Based Financing Project reported an increase to 57 percent in 2013 in the share of under-five children who slept under an insecticide-treated net. *Achieved.*
- Increase in the percentage of women delivering in facilities by a skilled birth attendant in Results-Based Financing eligible districts (from 31 percent in 2010 to 36 percent in 2013). The ICRR for the Malaria Booster and Health Results-Based Financing Project reported the percentage of women delivering in facilities by skilled attendants increased to 72 percent in 2014. *Achieved.*
- Increase in deliveries attended by skilled health providers (from 27 percent in 2014 to 45 percent in 2017). The July 2018 ISR for the Health Services Improvement Project reported an increase in deliveries by skilled health providers to 48 percent as of November 2017 and 52 percent as of May 2018. *Achieved.*

9. Two indicators had targets for 2013, which represented performance only at the beginning of the CPS period. The lack of timely indicators was a weakness in the results framework. Moreover, some of the outcome data in the CLR was for dates other than the target date. Nonetheless, there was some progress in improving household access to climate change resources and health services, albeit limited progress in access to water resources in targeted areas. On balance, Objective 2 was **Mostly Achieved**.

10. Performance under Focus Area I was **Moderately Unsatisfactory**. Objective 1 was partially achieved while Objective 2 was mostly achieved. There was limited progress in improving crop and livestock productivity, some progress in improving access to climate-resilient tools and health services, and limited progress in improving access to water resources.





**Focus Area II: Improving Competitiveness and Infrastructure for Growth and Employment**

11. Focus Area II had three objectives: (a) improving key aspects of the regulatory environment for business, (b) building and rehabilitating selected infrastructure, and (c) improving access to finance for small enterprises.

12. **Objective 3: Improving key aspects of the regulatory environment for business.** This objective was supported through the Poverty Reduction Support Credit (PRSC) series (FY11, FY12, and FY13) and the Agribusiness and Trade project (FY17). IFC's Advisory Service (AS) Investment Climate Program II and AS WTO Trade Facilitation Agreement (TFA) Implementation Support also contributed to this objective. The objective had three indicators:

- Increase in number of achieved reforms per year on ease of doing business (from three in 2011 to six in 2017). The annual Doing Business (DB) reports identified a total of nine reforms achieved during the five-year period FY12–13 (1), FY13–14 (3), FY14–15 (2), FY15–16 (2), and FY16–17 (1), an annual average of less than two compared to the target of six reforms per year. The PRSC supported actions that reduced administrative compliance for business. The IFC Investment Climate Program II resulted in the promulgation of the Business Regulation Act Number 3 of 2014, which established the institutional framework for regulatory reform, including the Business Regulatory Review Agency and regulatory clearance systems. *Partially Achieved.*
- Decrease in the number of days to provide business registration (from three in 2012 to one in 2014). This indicator could not be verified. *Not Verified.*
- Improvement in trade logistics performance as measured by the Logistics Performance Index (LPI) (from two in 2015 to three in 2017). Zambia's LPI was 2.53 in 2018, compared to 2.46 in 2014. No data was available for 2017. *Mostly Achieved.*

13. Based on DB indicators, the regulatory environment for business in Zambia deteriorated modestly. There was a marginal decline in Zambia's distance to frontier (DTF) score for overall ease of doing business from 64.8 in DB 2014 to 64.5 in DB 2018. Zambia's DTF score for starting a business declined, from 88.6 in DB 2015 to 84.9 in DB 2018. While there were positive reforms, the DB reports also identified six government actions that made doing business more difficult including more procedures and time to start a business. IEG rates Objective 3 as **Partially Achieved**.

14. **Objective 4: Selected infrastructure built and rehabilitated.** This objective was supported through several operations: RRMP I (FY04) and RRMP II (FY10); Lusaka Transmission and Distribution Rehabilitation Project (FY13); and the Kafue-Muzuma-Victoria Falls Regional Transmission Line Reinforcement (FY12). The objective had three indicators:

- Decrease in the average interruption frequency per year in the project area (from five in 2013 to three in 2017).<sup>2</sup> The February 2018 ISR for the FY12 operation reported that the average interruption frequency per year in the project area decreased to 4 (versus the target of 3) as of January 2018. *Partially Achieved.*
- Increase in households with access to all-season road as percentage of total population in targeted five districts (from greater than 5 percent in 2010 to greater than 60 percent in 2016). The target of five districts was reduced to three during project restructuring. The ICRR for the RRMP II reported that access to all-season roads increased to 80 percent of total population in the three targeted districts. On balance, this objective was *Mostly Achieved*.
- Increase in number of people with access to reinstated river crossings (from 120,000 in 2010 to 508,000 in 2016). The ICRR for the FY04 project reported that the number of

<sup>2</sup> This refers to the average interruption frequency for the provision of electricity.



people with access to reinstated river crossings increased to 505,000 in 2014. No data was provided for 2016. *Mostly Achieved.*

15. There was a mismatch between formulation of the stated objective (output) and the indicators (outcome). On balance, IEG rates Objective 4 as **Mostly Achieved**.

16. **Objective 5: Improved access to finance for small enterprises.** This objective was supported by IFC investments and the AS project Secured Transactions and Collateral Registry. Several ASA products also supported this objective, including the Financial Sector Assessment Program (FSAP) Update (FY17), the Economic Brief on Financial Inclusion (FY16), Financial Sector Advisory TA (FY16), and Regulatory and Supervision Framework TA (FY15). This objective had two indicators:

- Improvement in ease of access to loans by enterprises as measured by the World Economic Forum (WEF) Global Competitiveness Index (GCI) (from 2.4 in 2015 to 3.0 in 2017). The WEF GCI for ease of access to loans improved from 2.5 in FY14–15 to 3.1 in FY17–18. *Achieved*
- Increase in number of recommended laws, regulations, amendments, or codes enacted or government policies adopted, and government entities that implement recommended changes. The 2016 targets for this compound indicator were: (a) two laws, regulations, amendments, or codes enacted or adopted and (b) three entities implementing recommended changes. The Parliament passed the Moveable Property (Security Interest) Act in 2016 and the Corporate Insolvency Act in 2018. The Patents and Companies Registration Agency (PACRA) operates the Moveable Property Registry System. Additional information from the region based on the Secured Transactions Project indicates that the targeted number of government entities (Bank of Zambia, Ministry of Commerce, and PACRA) implementing the new regulations was met. *Mostly Achieved.*

17. While the WEF GCI showed improvements, it is unclear how and to what extent these improvements are relevant to small enterprises which is the focus of the stated objective, and the extent to which World Bank Group interventions contributed to this indicator. Other sources of information including the FSAP Update (FY17) indicate that access to finance for SMEs has worsened in recent years and the 2017 IMF Article IV Consultation Report notes that SMEs' access to finance remains low. This difference suggests that the results indicator used may not have fully captured developments. On balance, IEG rates Objective 5 as **Partially Achieved**.

18. With two of the three objectives rated partially achieved, IEG rates Focus Area II as **Moderately Unsatisfactory**. There was good progress in improving access to all-season roads and river crossings in target areas, but lack of progress in improving access to finance for small enterprises.

### **Focus Area III: Improving Governance and Strengthening Economic Management**

19. Focus Area III had two objectives: (a) strengthening systems and processes for public-sector performance and (b) citizen access to information increased.

20. **Objective 6: Strengthening systems and processes for public-sector performance.** This objective was supported through TF-funded Public Financial Management Reform Program Phase I (FY14). In addition, several ASA products contributed to this objective, including the Education Public Expenditure Review (FY16), Demand Based TA for Public Sector Management (FY16), TA Support for Public Efficiency (FY13), and the Mining Sector Governance Reform (FY15). This objective had three indicators:

- Improved coverage of integrated financial management system (IFMIS) (from 28 sites in 2012 to 50 sites in 2017). The February 2018 ISR for the FY14 project reported that the IFMIS had been rolled out to 50 ministries. *Achieved.*



- Pilot implementation of M&E systems to commence in five sectors spread over six ministries by 2016. Progress in this indicator could not be verified. *Not Verified.*
- By 2017: (i) procurement audits carried out for at least 33 percent of ministries, provinces, and spending agencies (MPSAs) and (ii) capacity and risk assessment carried out in 120 MPSAs and risk mitigation action plans implemented. Progress in these indicators could not be verified. However, this review notes that Public Expenditure and Financial Accountability (PEFA) scores on procurement management improved from D+ in the 2012 assessment to C+ in the 2016 assessment. No assessment was done in 2017. *Partially Achieved.*

21. On balance, IEG rates Objective 6 **Partially Achieved.**

22. **Objective 7: Citizen access to information increased.** This objective was supported through the EITI Post Implementation Support II (FY13) and III (FY16). This objective had one indicator:

- By 2017, Zambia maintains EITI-compliant status, including regular publication of mining revenues. On October 25, 2017, the EITI Board concluded that Zambia made meaningful progress overall in implementing the EITI standards, including in improving transparency and accountability in the extractive industries by providing timely and reliable information to the public. The Board recognized satisfactory progress on requirements of the EITI standard on comprehensive disclosure of revenues. *Achieved.*

23. The indicator for this objective covered only EITI compliance and does not sufficiently measure the broader objective of increasing citizen access to information as stated in the CPS suggesting that the objective was poorly specified. Other sources of information do not confirm that citizen access to information has increased. The World Bank Group WGI shows a decline in Zambia's ranking from 2012 to 2017 in all dimensions including: (a) voice and accountability (from 44 to 36) and (b) government effectiveness (39 to 29). Zambia's score of 8 out of 100 in the 2017 Open Budget Index is substantially lower than its score of 29 in 2015, and the global average of 42 in 2017. On balance, this objective was **Partially Achieved.**

24. Based on the ratings for Objectives 6 and 7, IEG rates Focus Area III as **Moderately Unsatisfactory.**

Overall Assessment and Rating

25. IEG rates the CPS development outcome as **Moderately Unsatisfactory.** Of the seven objectives, five were rated partially achieved and two were rated mostly achieved. In Focus Area I, there was some progress in improving access to climate-resilient tools and health services, but limited progress in improving crop and livestock productivity and improving access to water resources. In Focus Area II, there was good progress in improving access to all-season roads and river crossings in target areas, but lack of progress in improving access to finance for small enterprises. In Focus Area III, there were mixed results in strengthening systems and processes for public sector performance and limited progress in increasing citizen access to information. While Zambia was EITI compliant in 2017, indicators from the WGI (voice and accountability) and Open Budget Index suggest that access to information was further restricted during the review period.

Objectives	CLR Rating	IEG Rating
<i>Focus Area I: Reducing Poverty and Vulnerability of the Poor</i>	<i>Moderately Unsatisfactory</i>	<i>Moderately Unsatisfactory</i>
Objective 1: Improved crop and animal productivity in selected areas	Partially Achieved	Partially Achieved
Objective 2: Improved access to resources for strengthening household resilience and health in targeted areas	Mostly Achieved	Mostly Achieved





<i>Focus Area II: Improving Competitiveness and Infrastructure for Growth and Employment</i>	<i>Moderately Unsatisfactory</i>	<i>Moderately Unsatisfactory</i>
Objective 3: Improving key aspects of the regulatory environment for business	Partially Achieved	Partially Achieved
Objective 4: Selected infrastructure built and rehabilitated	Partially Achieved	Mostly Achieved
Objective 5: Improved access to finance for small enterprises	Mostly Achieved	Partially Achieved
<i>Focus Area III: Improving Governance and Strengthening Economic Management</i>	<i>Moderately Satisfactory</i>	<i>Moderately Unsatisfactory</i>
Objective 6: Strengthen systems and processes for public sector performance	Partially Achieved	Partially Achieved
Objective 7: Citizen access to information increased	Achieved	Partially Achieved

## 6. WBG Performance

### Lending and Investments

26. At the start of the CPS period, outstanding IDA commitments amounted to US\$548 million consisting of 15 operations of which one was DPF and 14 were IPF, including one regional operation and four additional financing. More than half of total commitments went to agriculture (37 percent) and transport (30 percent). During the CPS period, new IDA commitments reached US\$688 million comprising 14 IPF operations including 4 regional operations. A total of 10 of the 14 operations were approved after the PLR (in FY15), of which 7 were approved toward the end of the CPS period (FY16–FY17). None of the post PLR operations were reflected in the results framework. During the CPS period, TF commitments amounted to US\$138 million, comprising 15 operations of which 11 were approved after the PLR.

27. Zambia's portfolio performance at exit (measured by outcomes rated Moderately Satisfactory or better by IEG) was marginally better than AFR and World Bank averages in terms of number of operations but lower when weighted by the value of commitments. Of the 10 operations that exited during the CPS period and were validated by IEG, (70 percent) performed slightly better than AFR (66 percent) but slightly worse than the World Bank (73 percent) averages. Weighted by value, 53 percent were rated Moderately Satisfactory or better, compared to AFR (73 percent) and World Bank (84 percent) averages. All three projects rated Moderately Unsatisfactory were in infrastructure (water and transport), of which two were in the transport sector. The share of projects with moderate to low risk to development outcome rating was 30 percent (20 percent when weighted by value), lower than the World Bank averages but comparable with AFR. Seven of the ten completed projects had significant to high risk to development outcome rating, which indicates that a majority of development outcomes have significant to high risks of not being sustained. Key risks identified included financial sustainability and weaknesses in institutional capacity, pointing to the need for more attention to these aspects in future project design.

28. Zambia's active portfolio deteriorated during the CPS period in terms of share of projects and commitments at risk. Zambia's projects at risk (33 percent) and commitments at risk (36 percent) were higher than AFR (26 percent projects at risk and 33 percent commitments at risk) and World Bank (24 percent projects at risk and 23 percent commitments at risk) percentages. Weaknesses in implementation capacity were exacerbated by political events following closely contested elections in 2016, which adversely affected government attention to program implementation. Nonetheless, the World Bank scaled up its IDA lending and TF and grant commitments during the latter part of the CPS period, which put further pressure on implementation capacity and resulted in deterioration of



portfolio performance. Many World Bank operations had quality at entry issues, including complex designs and poor project implementation preparedness.

29. During the CPS period, IFC made a net commitment of US\$77.0 million for its core portfolio of long-term loans and equity investments. The largest net commitment was IFC's US\$25.2 million loan to a financial institution, followed by a US\$20 million equity investment in an agribusiness. During the CPS period, IFC had a small exposure through a short-term trade finance guarantee under the Global Trade Finance Program (GTFP) with an average outstanding exposure of less than US\$1 million.

30. IFC issued a ZMK 150 million bond (approximately US\$28.4 million) to deepen Zambia's local currency denominated bond market in September 2013 making it the first non-resident issuer in the Zambian market. IEG's Zambia Country Program Evaluation<sup>3</sup> for FY04–FY13 acknowledged that this bond issue has been well received by the domestic banking sector because it added depth to the capital market, which had been dominated by government bond issues.

31. During the review period, IEG validated two Expanded Project Supervision Reports (XPSRs) of IFC investment projects through EvNotes. IEG assigned development outcome ratings of Mostly Successful for one project and Mostly Unsuccessful for another project. IFC was not able to achieve its intended development objective for its project with its financial sector client. While some development targets, including demonstration effects, were achieved for another project with the agribusiness client, the choice of a dollar-denominated loan was not deemed appropriate for the IFC client, given the significant devaluation the currency experienced during the repayment period.

32. During the FY13–FY17 CPS period, MIGA was active in Zambia with a total of seven guarantees projects with approved total gross exposure of US\$173 million. Of the seven projects, six were in agribusiness with increasing agricultural productivity and promoting diversification as the main development objectives. One project was in hydropower, which was expected to contribute to the development of clean and low-cost energy.

#### Analytic and Advisory Activities and Services

33. During the CPS period, the World Bank delivered 37 ASA products of which 10 were economic and sector work (ESW) and 17 were technical assistance (TA). At the PLR stage, ASA was scaled up with about 85 percent of the products completed during FY15–FY17. Overall, the ESW products were relevant, covering important development issues. They were generally of good quality and provided both strategic and specific recommendations, as in the case of the FSAP Update in FY17. Most of the ESW were published (for example, Linking Women and Agribusiness in Zambia), were subject to peer review (for example, the Public Expenditure Review for Education), and disseminated widely (for example, the Economic Briefs and the FSAP Update). The TA products generally were utilized mainly to support areas such as financial sector development and debt management where there was no lending operation. Based on the TA reports, 36 percent informed policy/strategy and 27 percent increased client capacity.

34. During the review period, IFC approved 11 new AS projects amounting to US\$13.3 million. IFC carried out projects in the financial sector, investment climate reforms, and for the Scaling Solar initiative. Scaling Solar is a 'one-stop shop' program for governments to rapidly mobilize privately funded grid connected solar projects at competitive tariffs to help address the large unmet electricity demand in Sub-Saharan Africa. Zambia was the first country in which IFC implemented this program. The program has achieved initial success. By bringing in competition, this program helped achieve a low tariff of ZMK 6 per kWh in Zambia.

35. IEG validated three Project Completion Reports (PCRs) of AS projects during the review period and assigned Mostly Successful Development Effectiveness ratings for two projects and Mostly Unsuccessful ratings for one project. By responding to the need of the client, IFC was able to

<sup>3</sup> Independent Evaluation Group. 2015. "Zambia Country Program Evaluation FY04-FY13: An Independent Evaluation." World Bank Group, Washington, DC.



achieve its target for investment climate reforms. However, one project failed to achieve many of its development objectives due to poor design and the lack of commitment from the client.

#### Results Framework

36. The original CPS results framework provided a clear line of sight from the country development objectives and development challenges to the CPS objectives, WBG interventions, and CPS outcomes. However, adjustments at the PLR stage weakened the results framework.

37. *First*, additional lending operations were not well aligned with the CPS objectives and indicators. More than half of the operations approved after the PLR did not contribute to the CPS objectives, while the active operations during the CPS period were not fully captured in the results framework or had implementation challenges and could not fully contribute to the achievement of the CPS objectives and overall development outcomes. IFC and MIGA contributions were also not well reflected in the results framework.

38. *Second*, there was some misalignment between CPS objectives and indicators. For example, Objective 6 had a broad objective (citizen access to information increased) but had only one indicator with limited focus (EITI compliance), which does not sufficiently measure the broad objective. In addition, Objective 1 had an indicator of crop productivity (yield increase for major irrigated crops) and was replaced at the PLR stage with an intermediate indicator (number of technologies available to farmers) that does not sufficiently measure crop productivity.

39. *Third*, some CPS objectives and outcome indicators were not adjusted when the supporting project interventions were either cancelled or restructured, which resulted in the dropping or lowering the bar for the indicators. For example, Objective 5 (access to finance for SMEs) had two supporting lending operations that were dropped; however, the objective was maintained but the indicators were adjusted which did not measure the objective or had attribution issues. In addition, Objective 1 had prevalence rate indicators which were dropped at project restructuring and were no longer monitored, and therefore affected the results of the CPS. Notwithstanding the lowering of the bar in some of the indicators at the PLR stage, many of the indicators did not show much progress during implementation due to overall portfolio implementation challenges.

40. *Fourth*, several lending operations could have been integrated in the results framework for some of the objectives. For example, the results from a number of electricity projects could have been included under Objective 4. In addition, the ASA work on demand-side governance could have been reflected as an indicator for Objective 7, which narrowly focused on EITI compliance.

41. *Fifth*, some targets had an end date of 2013, which is the beginning of the CPS period and not the end of the CPS period (2017) which in effect means that they do not reflect achievements for the entire CPS period.

#### Partnerships and Development Partner Coordination

42. The World Bank is an active participant in several development partner coordination mechanisms, including the Sector Advisory Groups (SAGs) and the recently established Technical Working Groups and Cluster Advisory Groups to assist in the implementation of the Seventh National Development Plan. The World Bank played a leading role in the SAGs for water and energy. The World Bank also worked closely with the IMF on macro issues and provided complementary support in the area of debt management and had worked jointly in debt sustainability analysis and the FSAP Update. In addition to these coordination mechanisms, the World Bank collaborated with other development partners, such as in the case of the Kariba Dam Rehabilitation Project which was cofinanced by the African Development Bank, the European Development Fund, and the Swedish Trust Fund.

#### Safeguards and Fiduciary Issues

43. During the CPS period, safeguards policies were triggered in seven operations in the water, health, agriculture, transport, and energy sectors that were closed and validated by IEG. Safeguards implementation was affected by weak capacity, constant delays, and staff turnovers both from the



World Bank and from the borrower. The project Implementation Completion and Results Reports (ICRs) and ICRRs generally report compliance with the triggered policy instruments, with successful resolutions of all the issues, although information on the project impacts and mitigations activities is not always explicit. No Inspection Panel case was recorded during the CPS implementation period.

44. Many safeguards compliance issues have been noted under the ongoing Category B Zambia Water Resources Development Project (P114949), leading to a temporary suspension of disbursement since March 2018. The implementation challenges were directly associated with the construction and management of 12 dams, including weak technical capacity, poor impact assessment, inadequate health and safety measures, inappropriate use of the Environmental and Social Management Framework (ESMF), absence of a Resettlement Action Plan (RAP), and lack of a well-functioning grievance redress system for people potentially affected by the project. Staffing, contracting, and working conditions in construction sites were also areas of concern that were brought to the borrower's attention by the World Bank.

45. The client and the World Bank agreed on the following actions: project restructuring and a thorough environmental and social review, along with staffing and capacity building. These actions were to be completed by the supervision mission of July 31, 2018. However, the project file has no available information on whether these agreed actions have been undertaken.

46. During the FY13–FY17 period, INT received three complaints on the portfolio: two in the transport sector and one in the agriculture sector. None resulted in an investigation.

#### Ownership and Flexibility

47. To ensure that the CPS had strong ownership and reflected client priorities, the World Bank worked with a government-appointed technical committee comprising representatives from the Ministry of Finance and the line ministries. In preparing the CPS, the World Bank also had consultations with other stakeholders, including civil society organizations and the private sector. In addition, a survey of stakeholders conducted in 2012 provided inputs to the design of the CPS. One of the principles of engagement defined in the CPS was to build in flexibility. The CPS exhibited flexibility, with adjustments made during the latter half of the CPS period to consider changes in the policy and external environment. The adjustments at PLR stage envisaged that new lending would be provided in areas where the policy environment was appropriate, ESW and TF projects would be scaled up to help manage the higher macroeconomic risks, and TA would be used in areas critical to poverty reduction (for example, financial inclusion) and competitiveness (for example, ICT sector gap analysis) and where there was no lending.

#### WBG Internal Cooperation

48. The World Bank and IFC had a joint initiative in the Scaling Solar Program, with the World Bank focusing on institutional issues and IFC supporting private sector investment. As part of the program, the World Bank and IFC recently approved a joint Scaling Solar Project (FY17) and its Additional Financing (FY18). MIGA had an active program in agribusiness, which promoted introduction of more efficient processes and technology to increase livestock and farm productivity. The PLR envisaged strengthened collaboration in agriculture and public-private partnership with IFC and MIGA; however, the CLR did not provide evidence that this has occurred.

#### Risk Identification and Mitigation

49. The CPS identified three key risks (political, institutional, and exogenous shocks) and rated overall risks to the program as substantial. Substantial risks to the program included political and governance, macroeconomic, institutional capacity for implementation and sustainability, and exogenous risks. The mitigation measures included increased support for governance reform and capacity building and use of ESW to ensure appropriate policies. In retrospect, the mitigation measures were not sufficient to compensate for the capacity weaknesses. Many of these risks materialized during implementation, notably the adverse economic impact of the decline in copper prices, the weakening of incentives for major policy reforms, and the high frequency of administrative turnover which affected portfolio performance. The World Bank Group response was mixed. On the





positive side, the World Bank strengthened its nonlending activities to help the government manage macroeconomic risks by providing analytical support and engaging in dialogue on policy reforms. The World Bank also dropped planned DPF operations that were not supported by appropriate policies. However, the World Bank ramped up its IDA and TF project activities during the latter part of the CPS period despite heightened implementation risk.

#### Overall Assessment and Rating

50. IEG rates WBG performance as **Fair**.

#### Design

51. The initial design of the CPS addressed key development challenges and identified key risks to the program. The CPS was selective and aligned with the corporate twin goals. The original CPS results framework provided a clear line of sight from development challenges to CPS objectives, World Bank Group interventions, and CPS outcomes. The World Bank and IFC collaborated through a joint initiative in the Scaling Solar Program and MIGA had an active program in the agribusiness. The World Bank Group exhibited flexibility by adjusting the program at the PLR stage to consider the changes in the policy and external environment. However, the PLR underestimated the political economy and implementation capacity risks and their impact on portfolio performance. Notwithstanding continued weaknesses in implementation capacity and the disruptions following closely contested elections in 2016, the World Bank scaled up its lending and TF program. The adjustments at the PLR stage also weakened the results framework, which did not capture several lending operations and ASA products and had significant shortcomings.

#### Implementation

52. During the review period, portfolio performance deteriorated due a mismatch between weak implementation capacity and increased number of lending and TF projects. This is reflected in a higher-than-average percentage of projects and commitments at risk compared to AFR and World Bank averages. Zambia's performance at exit (as measured by project outcomes rated Moderately Satisfactory or better by IEG) was lower than AFR and World Bank averages. In addition, the majority of project development outcomes have high to significant risks to sustainability. Overall, the program was not able to effectively address the weaknesses in implementation capacity. No Inspection Panel case was recorded during the CPS implementation period. However, safeguards implementation was affected by weak capacity, constant delays, and staff turnovers both from the World Bank and from the borrower.

### **7. Assessment of CLR Completion Report**

53. The CLR was well structured and provided a good assessment of CPS design and implementation performance. The CLR was appropriately critical of both program and World Bank Group performance and identified the areas of strengths as well as weaknesses in program design and implementation. There were several areas that could have been strengthened. First, the CLR could have discussed how to reflect the breadth of the program in the results framework while limiting the number of objectives and indicators. Second, the CLR could have deepened its discussion of how the World Bank Group institutions coordinated their efforts in several areas, including business climate, financial sector, and infrastructure beyond the Scaling Solar Program. Third, the CLR could have discussed the effectiveness of partnerships and donor coordination in improving the quality of institutions and addressing systemic implementation capacity constraints. Finally, the CLR could have provided an assessment of the contribution and impact of the ASA program.

### **8. Findings and Lessons**

54. The CLRR agrees with the CLR lessons: (a) collaboration and coordination among stakeholders is critical to improving portfolio quality, (b) the number and design of projects should consider implementation capacity of the country and supervision capacity of the World Bank Group, (c) World Bank Group projects should be reflected in and aligned with the government program, (d)



the World Bank can be effective in strengthening institutions at the local level, and (e) incorporating accountability measures in project design promotes good governance, transparency and oversight.

55. IEG provides the following additional lessons:

- The results framework would need to reflect the breadth of the program and ensure alignment of objectives and result indicators with WBG interventions. It is important to adjust the results framework at PLR stage as needed. In the case of Zambia, more than half of the operations approved after the PLR were not fully captured in the results framework. In addition, the PLR did not adjust the objectives and indicators to consider the cancellation or restructuring of some operations. Many of the indicators did not provide adequate measurement of progress in achieving the stated objectives.
- Addressing capacity issues requires more coordinated and systematic approaches. In the case of Zambia, while several lending operations supported capacity building, the program continues to be constrained by weak capacity, which affected both project implementation and sustainability of outcomes. For example, two road projects—the RRMP I and II—had capacity building components, but the objective was not achieved in RRMP I, and weak capacity was identified as one of the key risks to development outcomes in RRMP II. Going forward, there is need for stronger alignment between implementation capacity and the portfolio by having more realistic project design and more effective support for capacity building, as well as more adequate resources for supervision.

- Annex Table 1: Summary of Achievements of CPS Objectives – Zambia
- Annex Table 2: Zambia Planned and Actual Lending, FY13-FY17 (US\$, millions)
- Annex Table 3: Analytical and Advisory Work for Zambia, FY13-17
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- Annex Table 11: Economic and Social Indicators for Zambia, 2013-2017
- Annex Table 12: List of IFC Long Term Investments in Zambia (US\$, millions)
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- Annex Table 15: List of MIGA Projects Active in Zambia, 2013-2017, (US\$, millions)







Annex Table 1: Summary of Achievements of CPS Objectives – Zambia

	CAS FY13-FY17: Focus Area I: <i>Reducing Poverty and the Vulnerability of the Poor</i>	Actual Results	IEG Comments
	<b>1. CPS Objective: Improved crop and animal productivity in selected areas</b>		
<b>Major Outcome Measures</b>	<b>Indicator 1: Reduction in diseases in the livestock project areas:</b> Baseline (2012): CBPP prevalence in cattle %: 1 FMD outbreaks in cattle %: 1 Target (2017): CBPP in cattle %: 0.5 FMD in cattle %: 0	<p>The Livestock Development and Animal Health Project (P122123, FY12) supported this indicator.</p> <p>The September 2017 <a href="#">ISR: MS</a> reports that 11 districts had been cleared from Contagious Bovine Pleuropneumonia (CBPP) but it does not report on the prevalence of CBPP in cattle. The April 2018 <a href="#">ISR: MU</a> reports no prevalence of CBPP in cattle, as of September 2017.</p> <p>The September 2017 <a href="#">ISR: MS</a> indicates that no outbreak of Foot and mouth Disease (FMD) has been reported in the country as of September 2017.</p> <p><b>Partially Achieved</b></p>	<p>Indicators added at PLR.</p> <p>At PLR, the two original indicators were taken out:</p> <p>- <i>Yields increase (tons /ha) for major irrigated crops in target sites</i>  <i>Baseline (2010):</i>  <i>Tomatoes: 10</i>  <i>Onions: 12; Wheat: na</i>  <i>Bananas na</i>  <i>Target (2016):</i>  <i>Tomatoes 31, Onions: 32, Wheat: 29;</i>  <i>Banana:31</i></p> <p>- <i>Increase in livestock productivity in project areas</i>  <i>Baseline: (2012) hen mortality %: 40; kid (young goat) mortality %:33 weaned piglets per sow per year %: 12 milk per cow per day liters: 6</i>  <i>Target (2015) Reduced hen mortality %: 33; Reduced kid (young goat) mortality %:30; Increased weaned piglets per sow per year %: 14</i>  <i>Increase milk per cow per day liters: 7</i></p>
	<b>Indicator 2: Number of technologies that are being made available to farmers and other end users</b> Baseline (2013): 0 Target (2017): 25	<p>The Agricultural Productivity Program for Southern Africa (P094183, FY13) supported this indicator. The June 2017 <a href="#">ISR: MU</a> indicates that 113 technologies were made available to farmers and other end users, as of September 2016 and the February 2018 <a href="#">ISR: MS</a> reports that 156 technologies were made available as of December 2017 .</p> <p><b>Achieved</b></p>	
	<b>2. CPS Objective: Improved access to resources for strengthening household resilience and health in targeted areas</b>		
	<b>Indicator 1: Direct project beneficiaries from small water resources infrastructure developments</b> Baseline (2013): 0 Target (2017): 20,000	<p>The Water Resources Development Project (P114949, FY13) supported this indicator. The June 2017 <a href="#">ISR: MU</a> reports a total of 6,000 direct project beneficiaries, as of April 2017 (the January 2018 <a href="#">ISR: U</a> also reported 6,000 beneficiaries, as of January 2018).</p> <p><b>Partially Achieved</b></p>	<p>At PLR, target for Indicator 1 was decreased from the original target (80,000 beneficiaries).</p> <p>At PLR, Indicators 2 and 5 were added and the following indicator was taken out:</p>



	CAS FY13-FY17: Focus Area I: <i>Reducing Poverty and the Vulnerability of the Poor</i>	Actual Results	IEG Comments
	<p><b>Indicator 2: Vulnerable districts, wards, and communities use improved tools, information, and instruments to respond to climate change and variability</b> Baseline (2013): 0% Target (2017): 30% of targeted councils, wards and community groups assessed</p>	<p>The Zambia Strengthening Climate Resilience Project (P127254, FY13) supported this indicator. The December 2017 <a href="#">ISR: S</a> reports that 36% of vulnerable districts, wards, and communities used improved tools, information, and instruments to respond to climate change and variability, as of September 2014. The June 2018 <a href="#">ISR: S</a> reports the same share (36%) as of June 2018. <b>Achieved</b></p>	<p><i>Area provided with new irrigation and drainage facilities (ha)</i> Baseline (2012): 0 Target (2016): 10000</p>
	<p><b>Indicator 3: Increase in the percentage of children under five years of age who slept under an insecticide treated net last night (Reduced incidence of morbidity and mortality due to malaria in children under 5) .</b> Baseline (2010): 50% Target (2013): 55%</p>	<p>The Malaria Booster (P096131, FY06) and the Health Results Based-financing projects (P145764, FY11) supported this indicator. IEG <a href="#">ICRR: S</a> for project P096131 and <a href="#">ICRR: S</a> for project P145764 report that the share of children who slept under and insecticide-treated bed net reached 57% in 2013. <b>Achieved</b></p>	<p>For indicator 2: the December 2017 <a href="#">ISR: S</a> of project P127254 indicates that the next value reporting was planned for the end of the project (the June 2018 <a href="#">ISR: S</a> also reports a rate of 36% as of June 2018).</p>
	<p><b>Indicator 4: Increase in the percentage of women delivering in facilities by a skilled birth attendant in RBF eligible districts (Improved maternal and child health outcomes in Results-based financing [RBF] intervention districts)</b> Baseline (2010): 31% Target (2013): 36 %</p>	<p>IEG <a href="#">ICRR: S</a> for the Malaria Booster project and <a href="#">ICRR: S</a> for the Health Results Based-financing project report that the share of women delivering in health facilities by skilled attendants increased from 31% to 72% between 2010 and 2014. <b>Achieved</b></p>	<p>For indicator 5: the share reached 48% in November 2017 (see June 2018 <a href="#">ISR: S</a>).</p>
	<p><b>Indicator 5: Deliveries attended by skilled health providers</b> Baseline (2014): 27% Target (2017): 45%</p>	<p>The Health Services Improvement Project (P145335, FY14) supported this indicator. The June 2017 <a href="#">ISR: MS</a> indicates that 45.10% of deliveries were attended by skilled health providers in March 2017 <b>Achieved</b></p>	<p>For indicator 5: the share reached 48% in November 2017 (see June 2018 <a href="#">ISR: S</a>).</p>



	CAS FY13-FY17: Focus Area II: <i>Improving Competitiveness and Infrastructure for Growth and Employment</i>	Actual Results	IEG Comments
<b>Major Outcome Measures</b>	<p><b>3. CPS Objective: Improving key aspects of the regulatory environment for business.</b></p> <p><b>Indicator 1: Number of achieved reforms per year on ease of Doing Business e.g. priorities include trading across borders and construction permit</b> Baseline (2011): 3 Target (2017): 6</p>	<p>The IFC Investment Climate Program Phase II supported this indicator.</p> <p>As reported in the World Bank <a href="#">Systematic Country Diagnostic (SCD)</a> for Zambia and the Zambia <a href="#">Doing Business page</a>, Zambia made reforms supporting the ease of Doing Business: 1) it strengthened access to credit by setting up a new collateral registry thanks to IFC support (see IFC <a href="#">press release</a>); 2) it introduced an online platform for filling and paying taxes; 3) it implemented a web-based customs data management platform that eases imports/exports; 4) the adoption of a compliance policy at Zambia Revenue Agency (ZRA) that enabled reduction of inspection rates and 5) improvement in credit rating provided by the Credit Bureau. As noted in the CLR, the indicator measures reforms achieved <i>per year</i>, and not during the entire CPS period, hence the results fell short of the CPS target.</p> <p><b>Partially Achieved</b></p>	<p>At PLR, the target was increased from the original target (4+) and Indicator 3 was added.</p> <p>As reported in the CLR, Zambia's score on the Doing Business Distance to Frontier Index (DTI), improved from 57.04 in 2011 60.54 in 2017 and also increased for the following indicators: starting a business (81.8 to 84.83), paying taxes (73.65 to 81.05), trading across borders (20.38 to 46.99), and resolving insolvency (32.09 to 45.36) (see <a href="#">Doing Business Page for Zambia</a>).</p>
	<p><b>Indicator 2: Number of days to provide business registration</b> Baseline (2012): 3 days Target (2014): 1 day</p>	<p>The IFC Investment Climate Program Phase II built the capacity of Zambia's Business Regulation Review Agency and supported the development of the Business Regulation Act Number 3 of 2014 (see <a href="#">document</a>) and of a one-stop shop for business registration in Lusaka (see <a href="#">World Bank page</a>).</p> <p>The Poverty Reduction Support Credit (PRSC) 1-3 series (P107218, FY11; P117370, FY12 and P126349, FY13) also focused on Private Sector Development. IEG <a href="#">ICRR: MS</a> reports that the series had prior actions supporting the streamlining and reduction in the number of licenses required by businesses and prior actions that required a</p>	<p>According to the <a href="#">2012</a> and <a href="#">2017</a> Doing Business reports, the number of days to start a business decreased from 17 to 8.5 between 2012 and 2017 and the number of procedures increased from 6 to 7 during the same period.</p> <p>Zambia's ranking on the LPI, compared with 160 countries,</p>



	CAS FY13-FY17: Focus Area II: <i>Improving Competitiveness and Infrastructure for Growth and Employment</i>	Actual Results	IEG Comments
		<p>reduction in the number of days needed to start a business.</p> <p>The CLR reports that the number of days needed to register a business decreased from 3 to 1 between 2012 and 2014. This information cannot be verified using publicly available information.</p> <p><b>Not Verified</b></p>	<p>rose from 123 in 2014 to 114 in 2016 and 111 in 2017.</p>
	<p><b>Indicator 3: Improvement in trade logistics performance (as measured by Logistics Performance Index)</b>            Baseline (2015): 2 (number)            Target (2017): 3 (number)</p>	<p>Zambia's score on the Logistics Performance Index (LPI) (see WB LPI <a href="#">data</a> page) fell from 2.46 in 2014 to 2.43 in 2016 and increased to 2.53 in 2017. The IFC WTO Trade Facilitation Agreement (TFA) Implementation Support aimed to improve trade processes. The Zambia Agribusiness and Trade Project (P156492) includes a small component to develop a national logistics strategy.</p> <p><b>Mostly Achieved</b></p>	
<b>4. CPS Objective: Selected Infrastructure built and rehabilitated</b>			
	<p><b>Indicator 1: Decrease in the average interruption frequency per year (SAIFI) in the project area</b>            Baseline (2013): 5.00            Target (2017): 3.00</p>	<p>The Kafue-Muzuma-Victoria Falls Regional Transmission Line project (P124351, FY12) supported this indicator. The August 2017 <a href="#">ISR: MS</a> reports that the average interruption frequency per year in the project area decreased from 5 to 4 between 2012 and August 2017.</p> <p><b>Partially Achieved</b></p>	<p>At PLR, this indicator was changed from the original indicator: <i>Metered electricity customers in the project target areas</i>  <i>Baseline (2012):400,000</i>  <i>Target (2016): 480,000</i></p> <p>Per the <a href="#">ISR: MS</a>, 277km of transmission line have been constructed or rehabilitated as of August 2017.</p>
	<p><b>Indicator 2: Households with access to an all-season road as percentage of total population in targeted 5 districts</b>            Baseline (2010): &gt;5%</p>	<p>The Second Phase of the Road Rehabilitation and Maintenance Project (P106596, FY10) and additional financing P130543 supported this indicator. IEG <a href="#">ICRR:</a></p>	<p>At PLR, the following indicator was taken out:  <i>Water storage and regulation</i></p>





	CAS FY13-FY17: Focus Area II: <i>Improving Competitiveness and Infrastructure for Growth and Employment</i>	Actual Results	IEG Comments
	Target (2016): >60%	<p><a href="#">MU</a> reports that 83% of the rural population had access to an all-season road in the three targeted districts that had remained after the May 2014 project restructuring (see <a href="#">project paper</a>) thanks to the construction of 92.5km of an all season roads. .</p> <p><b>Partially Achieved.</b></p>	<p><i>established in at least 20 target rural communities</i> Baseline (2013): 0 Target (2016): 20 new / 30 rehab</p>
	<p><b>Indicator 3: Rural population (no.) with access to reinstated river crossings:</b> Baseline (2010): 120,000 Target (2016): 508,000</p>	<p>The Road Rehabilitation and Maintenance Project (P071985, FY04) and its two Additional Financing (FY07 and FY11) supported this indicator. IEG <a href="#">ICRR: MU</a> reports that 505,000 rural people got access to the re-installed all-weather river crossings (which included 15km of spot improvement, the construction of 131 culverts and the rehabilitation of one canal) as of June 2014.</p> <p><b>Mostly Achieved</b></p>	<p>IEG <a href="#">ICRR: MU</a> for the Second Phase of the Road Rehabilitation and Maintenance Project does not report on this indicator which was not monitored as part of the project. Management <a href="#">ICR:MS</a> for project P106596 reports that " <i>The major spot improvements (...) were to address river crossings. (...) While the crossings were now good following the project interventions, the roads were in a deplorable state to the extent that traffic avoids using the roads almost rendering the intervention meaningless</i>".</p>
<p><b>5. CPS Objective: Improved Access to finance for small enterprises</b></p>			
	<p><b>Indicator 1: Improvement in ease of access to loan by enterprises (as measured by the World Economic Forum Global Competitiveness Index): 1–7 (best)</b> Baseline (2015): 2.4 Target (2017): 3.0</p>	<p>The WBG supported this objective through a Financial Sector Advisory Program (P151850, FY15) that helped extending financial markets; a TA on financial consumer protection (P150987, FY15) and the Financial Inclusion Support Framework project (P156680, FY16) which permitted Zambia to launch its First National</p>	<p>At PLR, Indicators 1 and 2 were added and the following indicator was taken out: <i>Increase in the percentage of SMEs that have access to formal financial</i></p>



	CAS FY13-FY17: Focus Area II: <i>Improving Competitiveness and Infrastructure for Growth and Employment</i>	Actual Results	IEG Comments
		<p>Financial Inclusion Strategy (see <a href="#">WBG press release</a>). The WBG also conducted a <a href="#">Financial Sector Assessment</a> in April 2017 which indicated, among others, that access to finance has worsened for small and medium (SME) sized enterprises in the recent years which left SME underserved (with only 8% of SME having a credit line in 2013 – no more recent data is reported in the assessment). More recently, access to loans by enterprises increased according to the World Economic Forum Global Competitiveness Index (GCI): Zambia’s score on the ‘ease of access to loans’ rose from 2.5 in 2014/15 (see <a href="#">report</a>) to 2.8 in 2016/17 (see <a href="#">report</a>) and to 3.1 in 2017/2018 (see <a href="#">report</a>). <b>Achieved.</b></p>	<p><i>institutions</i> <i>Baseline (2010):</i> <i>&lt;10%</i> <i>Target (2016): 25%</i></p> <p>Zambia ranked 2<sup>nd</sup> according to the Doing Business 2018 ranking for Getting Credit – distance to frontier was 95 compared of 75 in 2017 (see <a href="#">Doing Business Page for Zambia</a>).</p> <p>IFC also provided support to access to credit; it provided Zambia Kwacha an equivalent of US\$10.7 million to Bayport Zambia - a regulated non-bank financial institution providing payroll-based loans to individuals who previously had no access to credit and US\$ 6 million to Zoono – a domestic remittance company and an innovative player in the financial access and inclusion space.</p>
	<p><b>Indicator 2: Number of recommended laws/regulations/amendments/codes enacted or government policies adopted and number of entities that implement recommended changes</b> Baseline:(2014): 0 Target (2016):</p> <ul style="list-style-type: none"> <li>• 2 laws/regulations/amendments/codes enacted or adopted</li> <li>• 3 entities implement recommended changes</li> </ul>	<p>Zambia drafted a new Insolvency Bill (see <a href="#">information</a> page of the National Assembly); enacted and passed a Moveable Property (Securities Interests) Act in 2016 (see <a href="#">Act</a>), with support from an IFC Advisory Program; and laid the foundation for a <a href="#">Movable Property Registry System</a> operated by the Patents and Companies Registration Agency (PACRA) and launched in mid-2017. As reported in the CLR, the number of new regulations enacted was exceeded (3), but implementation of the new regulation fell short of the target as only the PACRA implements the recommended changes. <b>Partially Achieved</b></p>	



	CAS FY13-FY17: Focus Area III: <i>Improving Governance and Strengthening Economic Management</i>	Actual Results	IEG Comments
<b>Major Outcome Measures</b>	<b>6. CPS Objective: Strengthened systems and processes for public sector performance</b>		
	<b>Indicator 1: Improved coverage of integrated financial management system (IFMIS)</b> Baseline (2012): 28 sites Target (2017): 50 sites	The Public Finance Management Reform Program (P147343, FY15) supported this indicator. The June 2017 <a href="#">ISR: S</a> reports that the IFMIS has been rolled out to 48 of the targeted Ministries, Provinces and Spending Agencies (MPSA), as of May 2017. The February ISR reports that the IFMIS has been rolled out to 50 ministries. <b>Achieved</b>	At PLR, the target was increased from the original target (48 sites).  PEFA' scores for Zambia for policy-based fiscal strategy and budgeting have increased between 2013 (see <a href="#">report</a> ) and 2017 (see <a href="#">report</a> ).
	<b>Indicator 2: M&amp;E</b> Baseline (2012): M&E systems are weak and uncoordinated Target (2016): Pilot implementation to commence in 5 sectors spread over 6 ministries	The CLR reports that pilots for improving Monitoring and Evaluation (M&E) were commenced in two ministries. This information could not be verified using project P147343's documents. <b>Not Verified</b>	At PLR, the target was changed from the original target: <i>Target (2016): 5 select ministries/ departments have begun using an integrated M&amp;E system</i>
	<b>Indicator 3: Procurement reform</b> Baseline (2010): 0 Target (2017): (i) Procurement audits carried out for at least 33% of MPSAs; (ii) Capacity and Risk Assessment carried out in 120 MPSAs and Risk Mitigation Action Plans implemented by 2017	The CLR reports that only a few ministries have carried out procurement audits and that 56 MPSA have carried out capacity and risk assessments. This information could not be verified using project P147343's documents although the June 2017 <a href="#">ISR: S</a> reports the training of 100 MPSA staffs in public procurement and all MPSA have audit committees.  The PRSC 1-3 series also focused on Public Procurement. IEG <a href="#">ICRR: MS</a> reports that a public procurement law was approved but that the pace of procurement reform was slow although the decentralization of procurement functions was accomplished in January 2013.  <b>Partially Verified</b>	At PLR, the second part of the target was changed from the original target: <i>(ii) MPSAs implementing Procurement Risk Mitigation Action Plans</i>
	<b>7. CPS Objective: Citizen access to information increased</b>		
	<b>Indicator 1: Transparency</b> Baseline (2012): Zambia is now EITI-compliant	The Extractive Industries Transparency Initiative (EITI) Implementation Post Compliance I project (P131881, FY13) supported	At PLR stage, the following indicators were taken out:



	CAS FY13-FY17: Focus Area III: <i>Improving Governance and Strengthening Economic Management</i>	Actual Results	IEG Comments
	<p>Target (next validation due 2017):            Maintain EITI-compliant status,            including regular publication of            mining revenues.</p>	<p>this Objective. Zambia became EITI            compliant in September 2012 (see  <a href="#">EITI page</a>) and has complied with the            regular publication of mining            revenues, that are available online.            Another TA (P132556, FY14)            supported CSOs from mining regions            to engage in the EITI implementation            process, which led to the development            of a CSO regional network and CSO            strategies and action plans.</p> <p>Other projects supporting            transparency and accountability were            the Support to Demand for Good            governance in Zambia Technical            Assistance (P125474, FY15) and the            Support to Increase Accountability in            Zambia (P121142, FY16).  <b>Achieved</b></p>	<p>- <i>Strengthened capacity            of journalists</i>  <i>Baseline (2012): Low            levels of investigative            journalism in Zambian            media</i>  <i>Target (2016): Increase            in levels of investigative            journalism in Zambian            media</i></p> <p>- <i>Freedom of            Information</i>  <i>Baseline (2012):            Zambia has no            Freedom of information            Bill</i>  <i>Target (2016): Bill is            passed and            Legislation is being            implemented</i></p> <p>As reported in the CLR,            progress in            transparency and            access to information            has slowly progressed:            - the Ibrahim Index of            African Governance on            Zambia's sub score on            participation and            human rights            decreased from 60.5 to            57.7 between 2012 to            2016 (see <a href="#">data</a>) while            its score on overall            governance decreased            from 59.1 to 57.7            during the same period;            - Zambia's score on the            Open Budget Index            soared from 4 of 100 in            2012 to 39 in 2015 but            decreased to 8 in 2017            (see <a href="#">data for Zambia</a>)            - the ranking in voice            and accountability of            the WBG's Worldwide            Governance Indicators            fell from 42 in 2011 to            35 in 2016 (see <a href="#">data</a>).</p>





**Annex Table 2: Zambia Planned and Actual Lending, FY13-FY17 (US\$, millions)**

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IDA Amount
<b>Project Planned Under CPS/PLR FY13-16</b>					CPF	PLR	
P133184	ZM-Electricity Distribution Rehab	2013	2013	2019	100		105
P114949	ZM-Water Resources Development	2013	2013	2019	50		50
P094183**	AFCC2/RI Agricultural Productivity Program for Southern Africa	2013	2013	2020	30		29.8
DROPPED	Zambia Access to Finance for SMEs/ Budget Support	2014			30		
P145335	ZM-Health Services Improvement Project	2015	2014	2019	40		52
DROPPED	Budget support	2015			30		
P151451	Girls' Education and Women's Empowerment Project	2015	2015	2021		65	65
P146515***	Kariba Rehabilitation	2015	2015	2025		25	75
P149091	Lusaka Sanitation	2015	2015	2021		65	65
Cancelled	Safety Net and Nutrition	2016					
Cancelled	Road APL3	2016					
Cancelled	Sanitation	2016					
Cancelled	Regional trade and transport facilitation operation	2016					
Cancelled	Regional DPO	2016					
P154683	Zambia Environmental Remediation and Improvement	2016	2017	2022		50	65.6
DROPPED	Eastern Region Inclusive Growth	2016				65	
P155658**	AFCC2/RI-Southern Africa Tuberculosis and Health Systems Support Project	2016	2016			10	45
P156492	Trade & Competitiveness	2017	2017	2022		50	40
P151847**	Eastern and Southern Africa Higher Education Centers of Excellence	2017	2016			10	12
DROPPED	Access to Finance for SMEs	2017				35	
<b>Total Planned</b>					<b>280</b>	<b>375</b>	<b>604.4</b>
<b>Unplanned Projects during the CPS Period</b>			<b>Approval FY</b>	<b>Closing FY</b>	<b>Proposed Amount</b>	<b>Proposed Amount</b>	<b>Approved IDA Amount</b>
P161490	Integrated Forest Landscape Project		2017	2023			40
P162760	Electricity Service Access Project		2017	2023			17
P159330	ZM-Improved Rural Connectivity Proj-SUF		2017	2026			26.5
<b>Total Unplanned</b>							<b>83.5</b>



On-going Projects during the CPS/PLR Period		Approval FY	Closing FY	Approved IDA Amount
P126349	Zambia PRSC-3	2012	2013	30
P122123	ZM:Livestock Develop & Animal Health Prj	2012	2018	50
P102459	ZM- Irrigation Development Project(FY10)	2011	2019	115
P120723	ZM:Road Rehab Maintenance Add'l Financin	2011	2014	15
P120872	ZM-Malaria Booster - Add Fin (FY11)	2011	2013	30
P121325	ZM:Additional Financing for Zambia IAES	2011	2015	20
P106596	ZM-RRMP PHASE II APL	2010	2016	75
P110458	ZM-SPIP - Additional Financing	2009	2013	10
P077452	ZM-Incr.Eff.&Access to Elec SIL (FY08)	2008	2015	33
P071259	ZM-Water Sector Performance Improv (FY07)	2007	2013	23
P093611	ZM-RRMP Additional Financing (FY07)	2007	2014	25
P096131	ZM-Malaria Health Booster SIL (FY06)	2006	2013	20
P070063	ZM-Agr Dev Support Program (FY06)	2006	2014	37
P071985	ZM-Road Rehab Maintenance Prj (FY04)	2004	2014	50
P070122**	Regional Trade Fac. Proj. - Zambia	2001	2013	15
<b>Total On-going</b>				<b>548</b>

Source: Zambia CPS and PLR, WB Business Intelligence Table 2a.1, 2a.4 and 2a.7 as of 8/27/18

\*LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

\*\* Regional Projects

\*\*\* Rating from Parent Project

**Annex Table 3: Analytical and Advisory Work for Zambia, FY13-17**

Proj ID	Economic and Sector Work	RAS	Fiscal year	Output Type
P160003	Zambia FSAP Update	No	FY17	Financial Sector Assessment Program (FSAP)
P149455	ZM Education Public Expenditure Review	No	FY16	Public Expenditure Review (PER)
P149550	Fourth Econ Brief-Financial Inclusion	No	FY16	Country Economic Memorandum (CEM)
P149551	Third Economic Brief-Trade	No	FY16	Country Economic Memorandum (CEM)
P155659	Adolescent girls in Zambia & Malawi	No	FY16	Sector or Thematic Study/Note
P132612	Diagnostic Trade Integration StudyZambia	No	FY15	Sector or Thematic Study/Note
P132953	Linking women and the private sector	No	FY15	Sector or Thematic Study/Note
P151208	Fifth Econ Brief-Mining	No	FY15	Sector or Thematic Study/Note
P126936	Zambia Social Safety Net Review	No	FY13	Sector or Thematic Study/Note
P132380	Zambia Economic Notes (ZEN)	No	FY13	Sector or Thematic Study/Note



Proj ID	Technical Assistance		Fiscal year	Output Type
P150056	ZM-PPIAF Water & Sewage Infrastructure	No	FY17	Technical Assistance
P157332	ICT Sector Gap Analysis for Zambia	No	FY17	Technical Assistance
P158840	CMC:Zambia 2016 MTDS	No	FY17	Technical Assistance
P121142	ZM:Support to Increase Accountability	No	FY16	Technical Assistance
P131231	ZM-Governanc improvement in the road sec	No	FY16	Technical Assistance
P132003	Peri-Urban Sanitation Improvement	No	FY16	Technical Assistance
P147581	ZM-Demand Based TA on PSM	No	FY16	Technical Assistance
P150987	Zambia Financial Consumer Protection TA	No	FY16	Technical Assistance
P151850	Zambia Financial Sector Advisory	No	FY16	Technical Assistance
P151945	ZM-HIV Delivery and Efficiency Analyses	No	FY16	Technical Assistance
P157859	Poverty Estimation Support LCMS 2015	No	FY16	Technical Assistance
P122732	Zambia Mining Sector Governance Reform	No	FY15	Technical Assistance
P125474	ZM:Support to demand for good governance	No	FY15	Technical Assistance
P127312	Zambia # 10084 Risk Based Supervision	No	FY15	Technical Assistance
P128213	Zambia # 10107 Reg &Spn Frmwk	No	FY15	Technical Assistance
P128735	Zambia Agriculture Policy Note	No	FY15	Technical Assistance
P132556	Zambia CSO	No	FY15	Technical Assistance
P145855	ZAMBIA MINING LOCAL CONTENT PROGRAM	No	FY15	Technical Assistance
P146858	Policy Dialogue Social Protection	No	FY15	Technical Assistance
P148973	Zambia Decentralization Policy Support	No	FY15	Technical Assistance
P152324	Zambia Wage Bill Management TA	No	FY15	Technical Assistance
P154498	Poverty Targeting Analytical Work	No	FY15	Technical Assistance
P154499	Poverty Statistical Capacity Building	No	FY15	Technical Assistance
P116817	ZM: Learning assessment system (READ)	No	FY14	Institutional Development Plan
P143469	Debt management reform plan - ZAMBIA	No	FY14	Technical Assistance
P120853	ZM: TA-support public efficiency in Zambia	No	FY13	Technical Assistance
P123300	ZM-Financial Sector DP Phase 2 Support	No	FY13	Technical Assistance

Source: WB Business Intelligence 5/30/18



**Annex Table 4: Zambia Grants and Trust Funds Active in FY13-17 (US\$, millions)**

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P161490	Zambia Integrated Forest Landscape Project	TF A4646	2017	2023	8.1
	Zambia Integrated Forest Landscape Project	TF A4645	2017	2023	7.8
	Zambia Integrated Forest Landscape Project	TF A3169	2017	2019	0.3
P160383	Zambia Scaling Renewable Energy Program Investment Plan	TF A2840	2017	2018	0.3
P160267	Forest Investment Program (FIP) Investment Plan	TF A2862	2017	2018	0.3
P159717	EITI Post Compliance Implementation Support III	TF A3358	2017	2019	0.4
P155224	Extractive Industries Transparency Initiative (EITI) Post-Compliance Implementation Support II	TF A1503	2016	2016	0.2
P151680	Zambia Statistical Capacity Building	TF 17909	2015	2017	0.3
P147745	Zambia Livelihood and Nutrition Project	TF 19238	2015	2018	2.8
P146636	Electricity Access for Low-income Households in Zambia	TF 18588	2015	2017	5.0
P146515	Kariba Dam Rehabilitation Project (RI)	TF 19029	2015	2020	20.0
P144254	Zambia COMACO Landscape Management	TF 18794	2015	2019	0.4
	Zambia COMACO Landscape Management	TF 18795	2015	2019	0.6
P145335	Health Services Improvement Project	TF 16639	2015	2019	15.0
	Health Services Improvement Project	TF 17307	2014	2015	0.9
P147659	Support for Development of MIS and Single Registry of Beneficiaries	TF 16728	2014	2017	1.0
P147343	Public Financial Management Reform Program Phase I	TF 17118	2014	2019	22.0
P131881	Zambia - Extractive Industries Transparency Initiative Implementation Post Compliance I	TF 13154	2013	2015	0.4
P127254	Zambia Strengthening Climate Resilience (PPCR Phase II)	TF 14588	2013	2020	31.0
	Zambia Strengthening Climate Resilience (PPCR Phase II)	TF 14573	2013	2020	5.0
	Zambia Strengthening Climate Resilience (PPCR Phase II)	TF 11075	2012	2015	2.0
P145764	Zambia: Health Results Based Financing Project	TF 95772	2011	2015	16.8
P120902	Zambia: Institutionalizing Livestock Data Collection and Analysis in Zambia	TF 96485	2011	2013	0.3
P108882	Extension of Kasanka Management System to Lavushi Manda National Park	TF 97552	2011	2014	0.8
P077452	Zm: Increased Access to Electricity Services	TF 97260	2011	2015	13.5
	Zm: Increased Access to Electricity Services	TF 92315	2009	2015	4.5
P121986	Zambia Pilot Program for Climate Resilience - Phase I	TF 96943	2010	2014	1.5
P114672	ZM:Results Oriented Monitoring & Eval	TF 94423	2010	2013	0.5
P111106	ZM-Capacity Building for Public Expenditure Tracking (PET) through HIV/AIDS PETS	TF 95228	2010	2013	0.5
P096131	Zambia Malaria Booster Project	TF 91376	2008	2013	6.9
<b>Total</b>					<b>168.6</b>

Source: Client Connection as of 5/30/18

\*\* IEG Validates RETF that are 5M and above



**Annex Table 5: IEG Project Ratings for Zambia, FY13-17 (US\$, millions)**

Exit FY	Proj ID	Project name	Total Evaluated	IEG Outcome	IEG Risk to DO
2013*	P126349	Zambia PRSC-3	79.6	MODERATELY SATISFACTORY	SIGNIFICANT
2013	P071259	ZM-Water Sector Performance Improv (FY07)	32.0	MODERATELY UNSATISFACTORY	HIGH
2013	P096131	ZM-Malaria Health Booster SIL (FY06)	49.1	SATISFACTORY	MODERATE
2014	P070063	ZM-Agr Dev Support Program (FY06)	37.5	MODERATELY SATISFACTORY	MODERATE
2014	P071985	ZM-Road Rehab Maintenance Prj (FY04)	91.8	MODERATELY UNSATISFACTORY	SIGNIFICANT
2015	P077452	ZM-Incr.Eff.&Access to Elec SIL (FY08)	43.2	MODERATELY SATISFACTORY	SIGNIFICANT
2015	P145764	Zambia-Health RBF Project	16.7	SATISFACTORY	MODERATE
2016	P106596	ZM-RRMP PHASE II APL	71.6	MODERATELY UNSATISFACTORY	SIGNIFICANT
<b>Total</b>			<b>421.5</b>		

Source: AO Key IEG Ratings as of 8/21/18

**Annex Table 6: IEG Project Ratings for Zambia and Comparators, FY13-17**

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Zambia*	421.5	10	54	70	21	30
AFR	21,229.5	387	73	66	32	30
World	110,052.0	1,262	84	73	53	43

Source: WB AO as of 9/10/18; \*IEG Calculation

Note: Includes 3 PRSC series



**Annex Table 7: Portfolio Status for Zambia and Comparators, FY13-17**

Fiscal year	2013	2014	2015	2016	2017	Ave FY13-17
<b>Zambia</b>						
# Proj	8	7	8	7	12	8
# Proj At Risk	2	1		4	4	3
% Proj At Risk	25.0	14.3	-	57.1	33.3	32.7
Net Comm Amt (\$M)	575.2	495.0	577.0	502.0	851.1	600
Comm At Risk (\$M)	165.0	50.0		322.0	320.0	214
% Commit at Risk	28.7	10.1		64.1	37.6	35.7
<b>AFR</b>						
# Proj	403	438	458	474	502	455
# Proj At Risk	106	115	111	124	135	118
% Proj At Risk	26.3	26.3	24.2	26.2	26.9	26.0
Net Comm Amt (\$M)	40,799.0	46,621.7	51,993.5	56,089.8	61,022.2	51,305
Comm At Risk (\$M)	13,938.0	16,171.5	15,372.2	18,235.0	19,934.3	16,730
% Commit at Risk	34.2	34.7	29.6	32.5	32.7	32.6
<b>World</b>						
# Proj	1,337	1,386	1,402	1,398	1,459	1,396
# Proj At Risk	339	329	339	336	344	337
% Proj At Risk	25.4	23.7	24.2	24.0	23.6	24.2
Net Comm Amt (\$M)	169,430.6	183,153.9	191,907.8	207,350.0	212,502.9	192,869
Comm At Risk (\$M)	39,638.0	39,748.6	44,430.7	42,715.1	50,837.9	43,474
% Commit at Risk	23.4	21.7	23.2	20.6	23.9	22.5

Source: WB BI as of 8/23/18

Agreement type: IBRD/IDA Only





**Annex Table 8: Disbursement Ratio for Zambia, FY13-17**

Fiscal Year	2013	2014	2015	2016	2017	Overall Result
<b>Zambia</b>						
Disbursement Ratio	16.4	18.4	17.8	9.8	20.4	16.5
Inv Disb in FY (\$M)	54.6	88.1	74.1	45.7	85.0	347.5
Inv Tot Undisb Begin FY (\$M)	332.7	477.7	417.0	466.2	415.9	2,109.4
<b>AFR</b>						
Disbursement Ratio	22.5	23.1	24.5	19.6	21.2	22.1
Inv Disb in FY (\$M)	5,652.1	6,143.9	6,473.2	5,572.5	6,222.9	30,064.7
Inv Tot Undisb Begin FY (\$M)	25,175.9	26,540.4	26,463.6	28,377.1	29,309.5	135,866.6
<b>World</b>						
Disbursement Ratio	20.6	20.8	21.8	19.5	20.5	20.6
Inv Disb in FY (\$M)	20,510.7	20,757.7	21,853.7	21,152.9	22,126.4	106,401.4
Inv Tot Undisb Begin FY (\$M)	99,588.3	99,854.3	100,344.9	108,600.3	108,147.9	516,535.6

\* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.

Source: AO disbursement ratio table as of 8/21/18

**Annex Table 9: Net Disbursement and Charges for Zambia, FY13-17 (US\$, millions)**

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY13	54.5	3.8	50.6	-	4.1	46.6
FY14	100.0	5.1	94.9		4.5	90.4
FY15	71.2	6.1	65.0		4.9	60.1
FY16	66.4	6.8	59.7		5.1	54.6
FY17	106.2	7.5	98.7		5.7	93.0
<b>Report Total</b>	<b>398.3</b>	<b>29.3</b>	<b>369.0</b>	<b>-</b>	<b>24.3</b>	<b>344.7</b>

Source: World Bank Client Connection 5/30/18



**Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid for Zambia (US\$, millions)**

Development Partners	2013	2014	2015	2016
<b>All Donors, Total</b>	<b>1145.25</b>	<b>997.73</b>	<b>797.14</b>	<b>962.91</b>
<b>DAC Countries, Total</b>	<b>728.82</b>	<b>774.72</b>	<b>564.78</b>	<b>643.44</b>
Australia	7.07	3.3	2.93	1.3
Austria	0.03	0.02	0.03	0.03
Belgium	1.29	1	1.16	1.53
Canada	5.69	7.84	2.8	1.31
Czech Republic	0.79	0.67	0.6	0.9
Denmark	28.39	41.77	18.44	1.63
Finland	40.57	28.64	15.89	10.98
France	0.6	25.32	29.15	41.91
Germany	35.83	38.18	31.99	27.44
Greece	0	0	0	..
Hungary	..	..	0	0
Ireland	26.28	23.24	19.29	12.47
Italy	1.1	0.38	0.51	1.03
Japan	66.6	50.12	24.35	38.94
Korea	0.28	0.13	0.25	0.37
Luxembourg	..	0.15	..	0.09
Netherlands	7.1	0.04	0.01	..
New Zealand	0.42	0.32	0.17	0.5
Norway	49.4	30.2	22.27	14.34
Poland	0.13	0.07	0.05	0.01
Portugal	..	..	..	0
Spain	0.01	..	0	0.01
Sweden	50.19	51.78	50.46	42.32
Switzerland	0.66	0.56	0.47	0.3
United Kingdom	93.57	149.92	77.15	78.06
United States	312.82	321.06	266.8	367.97
<b>Multilaterals, Total</b>	<b>383.85</b>	<b>223.46</b>	<b>233.22</b>	<b>319.61</b>
EU Institutions	51.43	46.07	76.36	126.89
International Monetary Fund, Total	-17.79	-35.1	-60.77	-69.34
IMF (Concessional Trust Funds)	-17.79	-35.1	-60.77	-69.34
Regional Development Banks, Total	33.3	29.68	60.61	32.83
African Development Bank, Total	33.3	29.68	60.61	32.83
African Development Bank [AfDB]	0.13	0.04	0.01	0.17
African Development Fund [AfDF]	33.17	29.63	60.61	32.66
United Nations, Total	31.58	25.38	32.04	31.74



Development Partners	2013	2014	2015	2016
Food and Agriculture Organisation [FAO]	0.13	..	..	..
International Atomic Energy Agency [IAEA]	0.33	0.41	0.24	0.37
IFAD	6.31	3.32	8.21	7.94
International Labour Organisation [ILO]	1.18	0.84	1.01	0.69
UNAIDS	1.54	1.29	1.2	1.08
UNDP	4.27	3.96	3.91	3.81
UNFPA	3.22	3.5	2.91	2.3
UNHCR	2.29	..	2.65	4.2
UNICEF	8.27	8.61	8.75	9.08
WFP	2.58	1.48	1.26	0.83
World Health Organisation [WHO]	1.47	1.98	1.89	1.44
World Bank Group, Total	70.82	78.61	60.6	86.34
World Bank, Total	70.82	78.61	60.6	86.34
International Development Association [IDA]	70.82	78.61	60.6	86.34
Other Multilateral, Total	214.5	78.82	64.39	111.13
Arab Bank for Economic Development in Africa [BADEA]	-0.16	-0.39	3.53	..
Climate Investment Funds [CIF]	..	1.28	1.9	0.39
Global Alliance for Vaccines and Immunization [GAVI]	18.05	4.76	17.79	18.72
Global Environment Facility [GEF]	4.28	4.26	4.26	5.45
Global Fund	189.75	68.04	37.68	86.45
Nordic Development Fund [NDF]	2.04	1.2	-0.54	-0.54
OPEC Fund for International Development [OFID]	0.55	-0.33	-0.23	0.65
<b>Non-DAC Countries, Total</b>	<b>32.58</b>	<b>-0.45</b>	<b>-0.87</b>	<b>-0.14</b>
Estonia	..	..	..	0.01
Israel	0.01	0.01	0	..
Kuwait	-1.02	-1.01	-0.96	-0.96
Romania	..	..	0	..
Russia	33.05	..	..	..
Thailand	0.01	0.01	0.02	0.01
Turkey	0.52	0.53	0.07	0.48
United Arab Emirates	0.01	0.01	..	0.32

Source: OECD Stat. DAC2a as of 5/30/18

\* Most Data only available up to FY16



**Annex Table 11: Economic and Social Indicators for Zambia, 2013-2017**

Series Name						Zambia	SSA	World
	2013	2014	2015	2016	2017	Average 2013-2017		
<b>Growth and Inflation</b>								
GDP growth (annual %)	5.1	4.7	2.9	3.8	4.1	4.1	3.3	2.8
GDP per capita growth (annual %)	1.9	1.6	(0.1)	0.7	1.0	1.0	0.6	1.6
GNI per capita, PPP (current international \$)	3,550.0	3,750.0	3,800.0	3,850.0	3,920.0	3,774.0	3,550.8	15,732.4
GNI per capita, Atlas method (current US\$)	1,730.0	1,770.0	1,560.0	1,360.0	1,300.0	1,544.0	1,614.4	10,610.0
Inflation, consumer prices (annual %)	7.0	7.8	10.1	17.9	..	10.7	4.6	2.1
<b>Composition of GDP (%)</b>								
Agriculture, value added (% of GDP)	8.2	6.8	5.0	6.2	7.2		16.2	3.6
Industry, value added (% of GDP)	32.6	32.9	33.7	34.9	35.7		23.5	26.1
Services, value added (% of GDP)	53.1	53.5	56.2	54.2	52.7		53.0	51.5
Gross fixed capital formation (% of GDP)	26.0	31.0	38.5	36.4	..	33.0	20.1	23.4
<b>External Accounts</b>								
Exports of goods and services (% of GDP)	40.5	38.8	37.1	35.3	35.2	37.4	26.9	29.6
Imports of goods and services (% of GDP)	44.1	41.2	42.7	38.6	36.4	40.6	30.5	28.9
Current account balance (% of GDP)	(0.6)	(1.4)	(3.6)	(4.6)	(3.9)			
External debt stocks (% of GNI)	21.9	28.3	42.0	50.6	..			
Total debt service (% of GNI)	1.2	1.5	2.4	3.1	..		2.1	
Total reserves in months of imports	2.6	3.1	3.9	3.3	2.4		5.4	13.0
<b>Fiscal Accounts <sup>1</sup></b>								
General government revenue (% of GDP)	17.6	18.9	18.8	18.2	17.9	18.3	18.6	
General government total expenditure (% of GDP)	23.8	24.6	28.1	24.0	25.2	25.1	22.8	
General government net lending/borrowing (% of GDP)	(6.2)	(5.7)	(9.3)	(5.8)	(7.3)	-6.9	-4.2	
General government gross debt (% of GDP)	27.1	36.1	62.3	60.7	62.2	49.7	38.2	
<b>Health</b>								
Life expectancy at birth, total (years)	60.0	60.8	61.4	61.9	..	61.0	59.7	71.8
Immunization, DPT (% of children ages 12-23 months)	79.0	86.0	90.0	91.0	94.0	88.0	71.4	84.9
People using safely managed sanitation services (% of pop)	..	..	..	..	..			38.5



Series Name						Zambia	SSA	World
	2013	2014	2015	2016	2017	Average 2013-2017		
People using at least basic drinking water services (% of pop)	59.6	60.4	61.2	..	..	60.4	56.7	88.0
Mortality rate, infant (per 1,000 live births)	48.3	46.3	44.2	43.0	41.5	44.7	54.9	31.3
<b>Education</b>								
School enrollment, preprimary (% gross)	..	..	..	..	..		31.6	47.7
School enrollment, primary (% gross)	102.3	..	..	..	..		97.8	103.7
School enrollment, secondary (% gross)	..	..	..	..	..		42.8	76.0
School enrollment, tertiary (% gross)	..	..	..	..	..		8.7	35.3
<b>pop</b>								
population, total	15,153,210	15,620,974	16,100,587	16,591,390	17,094,130	16,112,058	1,006,384,501	7,357,707,460
population growth (annual %)	3.0	3.0	3.0	3.0	3.0	3.0	2.7	1.2
Urban population (% of total)	40.9	41.4	41.9	42.4	43.0	41.9	38.5	53.9
Rural population (% of total pop)	59.1	58.6	58.1	57.6	57.0		61.5	46.1
<b>Poverty</b>								
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	..	..	57.5	..	..		41.8	10.6
Poverty headcount ratio at national poverty lines (% of pop)	..	..	54.4	..	..			
Rural poverty headcount ratio at national poverty lines (% of rural pop)	..	..	..	..	..			
Urban poverty headcount ratio at national poverty lines (% of urban pop)	..	..	..	..	..			
GINI index (World Bank estimate)	..	..	57.1	..	..			

Source: WB World Development Indicators DataBank 5/21/18

\*International Monetary Fund, World Economic Outlook Database, April 2018

\*\* \*\*2017 are estimates





**Annex Table 12: List of IFC Long Term Investments in Zambia (US\$, millions)**  
Investments Committed in FY13-17

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
33340	2017	Active	Primary Metals	20.0	10.0	-	10.0
38220	2017	Active	Finance & Insurance	6.0	6.0	6.0	6.0
38397	2017	Active	Construction and Real Estate	4.5	4.5	-	4.5
36658	2016	Closed	Finance & Insurance	25.0	-	-	-
37355	2016	Active	Finance & Insurance	0.3	0.3	0.3	0.3
34461	2015	Active	Agriculture and Forestry	20.0	20.0	20.0	20.0
33794	2014	Active	Finance & Insurance	27.0	9.8	-	9.8
<b>Sub-Total</b>				<b>102.7</b>	<b>50.6</b>	<b>26.3</b>	<b>50.6</b>

**Investments Committed pre-FY13 but active during FY13-17**

Project ID	CMT FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
31091	2012	Active	Food & Beverages	70.2	30.0	-	30.0
28186	2011	Active	Finance & Insurance	1.0	0.7	0.7	0.7
28361	2010	Active	Finance & Insurance	25.0	25.0	-	25.0
<b>Sub-Total</b>				<b>96.2</b>	<b>55.7</b>	<b>0.7</b>	<b>55.7</b>
<b>TOTAL</b>				<b>198.9</b>	<b>106.3</b>	<b>27.0</b>	<b>106.3</b>

Source: IFC-MIS Extract as of 5/31/18



**Annex Table 13: List of IFC Advisory Services in Zambia (US\$, millions)**  
**Advisory Services Approved in FY13-17**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds
601536	Zambia Solar Round 2	2017	2019	ACTIVE	CAS	2.3
601707	DFS Zoono Zambia	2017	2019	ACTIVE	FIG	1.0
601863	Zambia Investment Climate Program III	2017	2020	ACTIVE	EFI	3.3
601876	Metalco GVLII	2017	2019	ACTIVE	CAS	0.1
602173	Stanbic Zambia Women Markets	2017	2017	ACTIVE	FIG	-
601182	Zambia Solar Scale Up	2016	2018	ACTIVE	CAS	2.7
599863	Zambia Secured Transactions and Collateral Registry	2014	2018	ACTIVE	EFI	0.8
600123	MicroEnsure Zambia	2014	2015	CLOSED	FAM	0.2
584967	Zambia Investment Climate Program II	2013	2017	CLOSED	TAC	2.8
594727	Zambia Silos PPP	2013	2013	TERMINATED	PPP	0.1
599819	WTO Trade Facilitation Agreement (TFA) Implementation Support	2013	2013	ACTIVE	TAC	-
<b>Sub-Total</b>						<b>13.3</b>

**Advisory Services Approved pre-FY13 but active during FY13-17**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds
564748	AMSMETA ABCH ZB.	2012	2015	CLOSED	FIG	0.9
569910	AB Bank Zambia Limited TA	2012	2016	CLOSED	FIG	0.8
576627	Investment Climate Rapid Response	2011	2014	CLOSED	IC	2.3
571730	Zambia Emergent Farmers Finance and Support Program	2010	2013	CLOSED	SBA	0.6
<b>Sub-Total</b>						<b>4.6</b>
<b>TOTAL</b>						<b>18.0</b>

Source: IFC AS Portal Data as of 7/15/18



**Annex Table 14: IFC net commitment activity in Zambia, FY13 - FY17 (US\$, millions)**

	2013	2014	2015	2016	2017	Total
<b>Long-term Investment Commitment</b>						
Financial Markets	(0.1)	9.5	-	25.2	-	34.7
Trade Finance	1.4	0.4	-	-	-	1.7
Agribusiness & Forestry	0.1	-	20.0	-	-	20.1
Manufacturing	0.1	-	-	-	10.0	10.1
Tourism, Retail, Construction & Real Estates (TRP)	-	-	-	-	4.5	4.5
Other CTT Sectors	-	-	-	-	6.0	6.0
<b>Total IFC Long Term Investment Commitment</b>	<b>1.4</b>	<b>9.9</b>	<b>20.0</b>	<b>25.2</b>	<b>20.5</b>	<b>77.0</b>
<b>Short-term Finance/Trade Finance / Average Outstanding Balance (GTFP)</b>	<b>0.7</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>

Source: IFC MIS as of 5/24/18

Note: IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments. IEG uses net commitment number for IFC's long-term investment. For trade finance guarantees under GTFP, average commitment numbers have been used.

**Annex Table 15: List of MIGA Projects Active in Zambia, 2013-2017, (US\$, millions)**

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
14467	Itezhi Tezhi Power Company	2017	Active	Power	India	29.1
12574	Silverlands Zambia Limited (SZL)	2017	Active	Agribusiness	United States	18.9
12574	Silverlands Zambia Limited (SZL)	2016	Active	Agribusiness	United States	18.9
12352	Silverlands Ranching Limited (SRL)	2015	Active	Agribusiness	United States	16.2
12182	Chobe Agrivision Company Ltd.	2015	Active	Agribusiness	Mauritius	23.8
11391	Chobe Agrivision Company Ltd.	2013	Active	Agribusiness	Mauritius	45.9
11564	Silverlands Ranching Limited	2015	Active	Agribusiness	Ireland	8.8
11564	Silverlands Ranching Limited	2013	Active	Agribusiness	Ireland	8.8
10535	Yalelo Limited	2013	Active	Agribusiness	Cayman Islands	2.9
9926	Chobe Agrivision Company Ltd.	2012	Active	Agribusiness	Mauritius	9.5
9926	Chobe Agrivision Company Limited.	2011	Active	Agribusiness	Mauritius	5.2
9371	Hitachi Construction Machinery Zambia Co. Ltd	2011	Active	Manufacturing	South Africa	13.5
<b>Total</b>						<b>201.5</b>

Source: MIGA 5/24/18