



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
ZAMBIA - MINING AND ENVIRONMENTAL REMEDIATION AND IMPROVEMENT PROJECT  
APPROVED ON DECEMBER 16, 2016  
TO  
MINISTRY OF FINANCE, REPUBLIC OF ZAMBIA

ENVIRONMENT, NATURAL RESOURCES & THE BLUE ECONOMY

EASTERN AND SOUTHERN AFRICA

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**ABBREVIATIONS AND ACRONYMS**

IFRs	Interim Financial Reports
M&E	Monitoring and Evaluation
MOH	Ministry of Health
MMMD	Mines of Mines and Minerals Development
PCU	Project Coordination Unit
PIU	Project Implementation Unit
TD	Tailings Dam
ZEMA	Zambia Environmental Management Agency

**BASIC DATA**

**Product Information**

Project ID P154683	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 16-Dec-2016	Current Closing Date 28-Jun-2024

**Organizations**



Borrower	Responsible Agency
Ministry of Finance, Republic of Zambia	

**Project Development Objective (PDO)**

Original PDO

To reduce environmental health risks to the local population in critically polluted mining areas in Chingola, Kabwe, Kitwe and Mufulira municipalities, including lead exposure in Kabwe municipality

**Summary Status of Financing (US\$, Millions)**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-59370	16-Dec-2016	29-May-2017	30-Nov-2017	28-Jun-2024	55.21	42.00	12.05

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No

**I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING**

The Zambia Mining and Environmental Remediation and Improvement Project was approved by the World Bank Board of Executive Directors on December 16, 2016, and the project became effective on November 30, 2017. The Project Development Objective (PDO) is to reduce environmental health risks to the local population in critically polluted mining areas in Chingola, Kabwe, Kitwe and Mufulira municipalities, including lead exposure in Kabwe municipality.

The project has been restructured twice under full level 2, latest on June 27, 2022. The first restructuring on April 12, 2018 was due to a delay in effectiveness conditions by one year; the second restructuring on June 27, 2022 extended the project by two years to June 28, 2024. The project is closing on June 28, 2024, and the Government through the PIU has started the preparation of a project implementation and completion report.

The project is rated Moderately Satisfactory and is on track to achieve the majority of its Project Development Objective (PDO). The lagging indicators are under the health roll out activities (blood lead level screening and treatment) and the set targets will not be achieved. However, the health activities are fully operational and 225 local community members have been screened and one is under treatment for blood lead levels above the threshold of 45 µg/dL.

The progress towards the project’s development objectives remains Moderately Satisfactory with over 6M USD disbursed since January 2024. The project has made very good progress since the last mission to overcome activity implementation challenges and has set the project on a path for completion. The current disbursement rate is at 77.7% with 12.05M USD yet to disburse by June 28, 2024. However, the project will proceed with the cancellation of 4M USD from the unallocated/cost saving amounts



resulting in a new undisbursed amount of 8.05M USD and a higher disbursement rate of 86%. The cost savings are primarily from a strong USD against the Zambia Kwacha for activities under Kwacha contracts. Some of the cost savings are already funding works enhancements to the Tailings Dam 10 and the Kabwe Canal. The remaining 8.05M USD (plus 4.1M USD in DA float) is due for disbursement under the following activities, amounts and timelines; (i) Tailings Dam 10 works are scheduled for completion in June 2024 with disbursements over April – June of 3.9M USD plus retention; (ii) Kabwe Canal reach 4 is complete with the exceptions of the enhancements (reach 5 due for completion June 10, 2024) resulting in a planned disbursement over April – June of 1.1M USD; (iii) the ZEMA laboratory is scheduled for completion by June 2024 with disbursements over April – June of 1.8M USD; (v) Kabwe insitu remediation activities are due for completion by June 10, 2024 with a potential disbursement of 1.9M USD; (vi) Several other activities under livelihoods, consultancy, goods and non-consulting services are ongoing and have an end date of June 2024 with planned disbursement over April to June of approximately 2.6 M USD.

## II. DESCRIPTION OF PROPOSED CHANGES

The Bank received a request for a no cost extension from the Permanent Secretary Ministry of Mines and Mineral Development (MMMD) for 18 months until December 31, 2025 to allow enough time to complete all remaining activities. The Bank decided not to give the no cost extension and to keep the project on track for a June 28, 2024 closure. The project activities are scheduled to be completed by June 28, 2024 and the recent mission reaffirmed this decision. Thereafter, it was decided to cancel any unallocated amounts due to cost savings and currency fluctuations because all remaining activities on the project were adequately funded including any work enhancements. A letter was sent to the Secretary of Treasury on March 19, 2024 confirming a project closure date of June 28, 2024 and the request to cancel 4M USD of unallocated amounts. The Bank received a letter from the Secretary of Treasury on April 10, 2024 confirming the cancellation for 4M USD and acknowledging the closure date of June 28, 2024.

## III. SUMMARY OF CHANGES

	Changed	Not Changed
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓



Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

**IV. DETAILED CHANGE(S)**

**CANCELLATIONS**

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-59370-001	Disbursing&Repaying	XDR	39,950,106.00	3,035,984.00	10-Apr-2024	36,914,122.00	BORROWER'S REQUEST FOR COUNTRY REASONS

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
				Current	Proposed

IDA-59370-001 | Currency: XDR

iLap Category Sequence No: 1

Current Expenditure Category: Gd,Wk,Ncs,Cs,Trg,OC excl KMC & ZEMA



	5,997,753.00	5,997,752.82	5,997,753.00	100.00	100.00
iLap Category Sequence No: 10		Current Expenditure Category: Sub-Project Grants under Part 3.2(a) of the Project			
	270,000.00	0.00	270,000.00	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: Gd,Wk,Ncs,Cs,Trg,OC , ZEMA			
	2,224,363.00	2,224,362.09	2,224,363.00	100.00	100.00
iLap Category Sequence No: 3		Current Expenditure Category: Gd,Wk,Ncs,Cs,Trg,OC, KMC			
	1,808,339.00	1,808,338.36	1,808,339.00	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: Sub-Project Grants prt 3.2a KMC			
	0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 5		Current Expenditure Category: Sub-Project Grants prt 3.2a Kitwe			
	7,058.00	7,057.96	7,058.00	100.00	100.00
iLap Category Sequence No: 6		Current Expenditure Category: Sub-Project Grants pt 3.2a Chingola			
	4,175.00	4,174.16	4,175.00	100.00	100.00
iLap Category Sequence No: 7		Current Expenditure Category: Sub-Project Grants pt 3.2a Mufulira			
	17,525.00	17,524.86	17,525.00	100.00	100.00
iLap Category Sequence No: 8		Current Expenditure Category: PPF REFINANCING			
	678,602.00	678,601.01	678,602.00		
iLap Category Sequence No: 9		Current Expenditure Category: Goods, works, non-consulting services, consulting services, Training and Operati			
	28,942,291.00	16,937,901.82	25,906,307.00	100.00	100.00
<b>Total</b>	<b>39,950,106.00</b>	<b>27,675,713.08</b>	<b>36,914,122.00</b>		



**The World Bank**

Zambia - Mining and Environmental Remediation and Improvement Project (P154683)

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