



FACTSHEET

NATURE, PEOPLE AND CLIMATE (NPC) INVESTMENT PLAN FOR ZAMBIA

BACKGROUND

Deploying the power of nature is essential to addressing climate change, with natural ecosystems sequestering around 30% of man-made emissions. Rural peoples' resilience to the effects of climate change can also be strengthened when the vital services that nature provides are maintained and bolstered.

CIF's \$400 million Nature, People, and Climate (NPC) investment program supports the development of Nature-based Solutions (NbS) to climate change in low and middle-income countries, ranging from small island states to highly vulnerable sub-Saharan African nations and large Latin American countries. The program funds initiatives that recognize the interdependence among land use, climate change, and the livelihoods of rural communities and Indigenous peoples.

By bridging the gap between mitigation and adaptation funding, CIF's programmatic approach incentivizes countries to manage these complex relationships and understand the trade-offs between them, contributing to lasting change. It will target additional benefits, such as improved biodiversity and livelihoods.

A unique feature is the programs' Dedicated Grant Mechanism (DGM), a direct financing window for Indigenous Peoples and local communities. With DGM, they are empowered to contribute traditional knowledge to climate solutions, with the autonomy to decide how to allocate funding.

CIF NPC partners with Africa's Zambezi River Basin Region (Zambia, Malawi, Mozambique, Namibia, and Tanzania), Brazil, Dominican Republic, Egypt, Ethiopia, Fiji, Kenya, Namibia, Rwanda and Zambia to generate Nature-based Solutions as a contribution to achieving global climate goals.

THE CHALLENGE

Zambia faces major environmental challenges that include climate variability, deforestation, and limited access to clean water and energy. Rainfed agriculture, a critical source of livelihoods and a key driver of economic growth and hydropower, are highly vulnerable to climate variability. Climate induced changes including extreme temperatures, rainfall variability, and dry spells are affecting natural resource productivity, intensifying poverty and constraining economic growth. For instance, a crippling El Niño-induced drought in 2024 (following another record breaking 2015-2016 El Niño) has impacted almost half the population (9.8 million people), and exacerbated many existing challenges including:

- **Climate variability and water security:** Over the past three decades, floods and droughts have become more frequent, costing the nation an estimated 0.4% in annual economic growth¹. Combined with unsustainable water resource management and rapid landscape change, Zambia faces mounting water stress and challenges related to poor water quality and sanitation. These trends are expected to intensify.
- **Deforestation and land degradation:** Forests directly contribute 4.7% of GDP, but are threatened by high rates of deforestation (276,021 hectares lost annually), driven by the expansion of agriculture, coupled with unsustainable agriculture practices, high dependency on wood fuel for energy, unsustainable logging, forest fires and infrastructure development including mining and large-scale construction
- **Vulnerable natural resource dependent communities:** Agriculture is primarily rain-fed, and subsistence based. Without adaptation, rainfall variability could keep 300,000 people below the poverty line over the next decade and reduce annual Gross Domestic Product (GDP) growth by 0.9%².

1 Economic Assessment of the Impacts of Climate Change in Zambia, Pegasys, 2010

2 <https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/PPCR%208%20SPCR%20Zambia.pdf>

INVESTMENT PLAN HIGHLIGHTS

The **overall objective of Zambia's NPC investment plan** is to attain a low-carbon, climate-resilient economy, with strengthened adaptive capacity and inclusive, resilient communities, powered by sustainable, diversified livelihoods in the Central, Copperbelt and North-western Provinces of Zambia.

All three provinces are part of two critical watersheds in Zambia – Zambezi and Kafue. They are highly vulnerable to climate impacts such as droughts and floods, and their natural resources, including forests, water catchments and land, have been degraded due to unsustainable practices.

The Zambia NPC investment plan is anchored on three programmes:

DIVERSIFIED AND INCLUSIVE RESILIENT LIVELIHOODS (\$20 MILLION IN CIF NPC FUNDING)

- 1 | Promotes climate-smart agriculture, improved animal feed, crop insurance services and other alternative livelihoods.
- 2 | Focuses on including women and youth by setting specific targets for female and/or youth access to finance, alternate livelihoods and capacity-building.

SUSTAINABLE MANAGEMENT OF ECOSYSTEMS, (\$10 MILLION IN CIF NPC FUNDING)

- 1 | Implements sustainable land and forest management practices to restore ecosystems and improve water availability.
- 2 | Engages the community – especially women, youth and marginalized groups – in land use planning, community forest management, awareness raising on carbon markets, and more.

ENTERPRISE DEVELOPMENT FOR NATURE-BASED SOLUTIONS (\$3 MILLION IN CIF NPC FUNDING)

- 1 | Encourages private sector participation and market linkages to develop NbS-related enterprises, such as pellet production from wood waste, development of timber and non-timber forest products, and more.
- 2 | Prioritizes participation of women, youth and persons with disabilities in all activities.



FUTURE IMPACT

The expected impacts of Zambia's NPC IP are:

- Improved productivity in agriculture, forestry, fisheries and livestock;
- Enhanced resiliency to climate change and minimized vulnerability to disaster risks;
- Improved disaster and risk mitigation planning; and
- Increased availability and inclusive uptake of green technologies to support NbS enterprises development.



THE CLIMATE INVESTMENT FUNDS

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