QUARTER PROGRESS REPORT[1]
QUARTER Quarter 3| YEAR 2025

A. BASIC INFORMATION

Quantum Project ID	**01002904**	**Reporting Date**:	**10/22/2025**
Full Title:	**Biodiversity Finance Initiative**		
Start Date:	**7/14/2025**	**Completion Date** (and approved extension, if any)**:**	**10/22/2025**
Total Project Fund (and fund revisions, if any)**:**	**USD 813,679.28**	**Annual Project Fund: 663, 705.53 AWP Budget (2025)**	
Implementing Partner:	**BOZ, SEC, MGEE, MoFNPL and MLNR**		
Donor/s:	German Government, European Union, Norwegian Government, Flanders, Canadian Government, Belgium Government, UK government		
Responsible Parties:	**UNDP**		
Project Description	The Biodiversity Finance Initiative (BIOFIN) Phase II aims to produce improved biodiversity and development outcomes and to contribute to filling the finance gap through the implementation of Biodiversity Finance Solutions (FS). The key financing solutions earmarked for implementation include the development of a national green finance strategy and implementation plan, development of a green finance taxonomy and green finance tagging and reporting system and the development of the green bond market in Zambia and the study on nature related risk for the financial sector in Zambia.		
Target Group	Levels ☒National ☐Regional ☐Sub-National (Provincial/Municipal/Brgy.) ☐Community/Sectoral Groups	Shocks and Fragility ☐Internally displace persons ☐Migrants ☒Persons directly affected by natural disasters ☐Persons negatively affected by armed conflict or violence ☐Refugees	Socio-Economic ☒People living in multi-dimensional poverty ☐People living under the national poverty line ☐People living in Geographically Isolated and Disadvantaged Areas (GIDA) ☐Unemployed persons	Status ☐Key populations for HIV, tuberculosis, and malaria ☐Minorities (race, ethnicity, linguistic, religions, etc.) ☒Persons with disabilities ☐Sexual and gender orientation ☒Women ☒Youth ☐Indigenous People

[1] UNDP CO Template for project Quarterly Progress Reporting, Updated as of January 2024

Gender Marker	☐Gen 0 No noticeable contribution to gender equality	☒Gen 1 Some contribution to gender equality	☐Gen 2 Gender equality as a significant objective **Insert Link to GAP**	☐Gen 3 Gender equality as a principal objective **Insert Link to GAP**
Contributing to Directions of Change	☒*Structural transformation* ***Structural transformation accelerated, particularly green, inclusive, and digital transition***	☐*Gender and Leaving no-one behind* ***No-one left behind, centering on equitable access to opportunities and a rights-based approach to human agency and human development***	☐*Building resilience* **Resilience built to respond to systemic uncertainty and risk**	
Adopting the Development Enablers	☐*Strategic Innovation* ***Empowering governments and communities to enhance the performance of entire systems, making them adaptive and resilient***	☐*Digitalization* ***Supporting countries to build inclusive, ethical, and sustainable digital societies***	☒*Development Financing* ***Partnering with governments and the private sector and other partners to align public finance and private capital flows with the SDGs and mobilize finance at scale***	
Contributing to Moonshots	☐Helping 100 million people to escape out of multidimensional poverty.	☐Supporting 500 million people to gain access to clean energy.	☐Supporting 800 million people to participate in elections, many for the first time.	☒Promoting over US$1 trillion of public expenditure and private capital investment in the SDGs.
2023-2027 CPD Outcome alignment	By 2027, ecosystems are healthier, and more people, including the marginalized and vulnerable, are more resilient, contribute to and benefit from the sustainable management and use of natural resources and environmental services, and more effective respons			
B.2 CPD Output indicator alignment *[Choose between 1-3 applicable indicators]*	*"Indicator1.1.4.: Number of national institutions with strengthened* Choose an item. Choose an item.			
2022-2025 UNDP SP IRRF Output Indicator Alignment *See [link] for full list of indicators.*	Indicator1.1.4.: Number of national institutions with strengthened capacities in environmental protection and management of environmental impacts in key productive sectors.			
SDG Target Tagging	**BIOFIN supports various SDGs through advocating for and facilitating for conservation of natural resources and financing of this conservation. Through its activities in these area, the project contributes towards SDGs 15, 14,13, 17, 1, 2, 8, 12 and 6.**			

B. PROGRESS REVIEW

CPD 2023-2027 indicator tracking 2024.xlsx

Status of Output Indicators[2]

Expected output	Project Output Indicator	Accomplishment for the Reporting Period		Links to Evidence
		Quarter Target	Quarter Result	
Sub-Output 1: Finance Solution 2: (Phase II) Technical Assistant for Green Bond transaction preparation issuance	**Indicator 2.1.: (i) Development of the Green Bonds Guidelines for Zambia** **(iii) Indicator2.2. Number of Capacity Building interventions to potential issuers,** **(iii)Development of an updated online compendium of potential green bonds projects** **Indicator 2.3: Number [#] of green bonds issued and listed at the Lusaka Securities Exchange**	Pipeline development for technical assistance. 1 1 1	BWB and BIOFIN and SEC have identified potential issuers to receive technical assistance. These include ZAFFICO, PROSPERO, IDC, ZICB and Zambia Sugar. Capacity building for both issuers, regulators was conducted. A pipeline of 10 potential issuers developed or which 5 will receive support These are ZAFFICO, PROSPERO, IDC, ZICB and Zambia Sugar. CEC Greenbond issued the second tranche.	N/A https://www.linkedin.com/posts/undp-zambia_looking-forward-to-biofin-biodiversity-activity-7358366720310681 60-QDFD?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAvKCaIB2t-1uTMgpfSRXtqGkfXFM8xonSM NA **Zambia's Bold Step Toward A Greener Future: CEC-R Secures $96.7 Million Green Financing | United Nations Development Programme**
Sub-Output 3: Finance Solution 3: (Phase II) Main streaming biodiversity in the Green Finance strategy and implementation plan for the financial sector	**Indicator 3.1: (i) Existence of the Green finance policy in Zambia.**	This workstream has been completed, and a zero draft report has been submitted to the Ministry of Finance for review and adoption.	Pending Stakeholders to endorse the next steps of the strategy.	**Zambia National Green Finance Strategy-Revised.docx**

[2] Ensure Consistency with ProDoc and AWP indicators

Sub-Output 4: Finance Solution 4: (Phase II) Developing a Green Finance tagging/reporting system for the Financial Sector	**Indicators 4.1: (i) Existence of the Green finance tagging system for the Banking Sector Including a Green Finance Taxonomy.** **ndicator 4.2: Existence of the Green finance tagging system for the capital markets (iii)Existence of the Green finance tagging system for the Pensions and Insurance sector (iv)Amount generated for the green sectors by the financial system through this tagging system.**	The Green Finance Taxonomy has been drafted and pending launch. The Tagging and Reporting System is currently under Piloting with selected financial institutions. These include ZANACO, Prudential, ABSA	Pre- Adoption workshow with support from the GFMW was conducted.	TBC NA
Outcome 6: (Phase II) Empowering financial institutions to increase the update of gender-equal nature-related financial disclosure framework at all levels of the decision-making.	**Indicator: Existence of a framework that includes gender quality at all levels for Zambia**	The works by the consultant to operationalisation of Zambia's Green Finance Framework and Green Loans Guidelines. Have been completed.	The handover to Bank of Zambia was done.	N/A https://www.linkedin.com/posts/undp-zambia_zambia-takes-a-leap-towards-a-greener-financial-activity-7373666036275036162-ijzf?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAvKCaIB2t-1uTMgpfSRXtqGkfXFM8xonSM

Status of Activities[3]

		Physical Performance		Financial Performance			
Expected output	**Activity Indicator**	**Quarter Target**	**Accomplishments for the Quarter [4]**	**Planned Budget**	**Donor Code**	**Expenditure[5]**	**Delivery Rate[6]**
Output 1: Finance Solution 1a Phase II: Development of Green Bond	1.1. Green bond guidelines and listed rules launched by December 2020	N/A	Completed : The Greenbond guidelines were completed and gazzeted in January 2020: https://www.seczambia.org.zm/regulatory-framework-for-greenbonds/	**N/A**	N/A	**N/A**	100%

[3] Ensure Consistency with AWP

[4] Use traffic light to indicate progress vis-à-vis annual output targets in AWP: Green (Completed), Yellow (Ongoing), Red (Delayed/Not started). Data provided can be qualitative or quantitative based on the nature of the output indicator [UNDP PHL CO Data Clean-up Guidelines].

[5] Expense + commitment + advances

[6] (cumulative expenditure/planned budget) * 100

Guidelines and Listing Rules for Zambia							
Sub-Output 2: Finance Solution 2: (Phase II) Technical Assistant for Green Bond transaction preparation issuance.	2.1. A guide and a taxonomy are developed covering the full spectrum on green bonds and impact verification on nature/biodiversity by 2023. 2.2. Green Bond taxonomy and guidelines launched by 2023. 2.3. Stakeholders trained in the green bond taxonomy and guideline implementation by 2023. 2.4. An online platform and template are developed for uploading green bonds projects by 2023 Initial issuers are supported to upload the projects. 2.5. At least 1 green bond with at least 30% of the proceeds to have some direct positive impact on biodiversity is issued by December 2025.	i iiii i v	Green Finance Taxonomy developed and pending launch Ongoing: Capacity building workshop for Stakeholders to be trained in the green bond taxonomy and guideline implementation scheduled for Q3 2025. Ongoing: Online template are developed for uploading green bonds projects by 2023 Initial issuers are supported to upload the projects. Ongoing: At least 1 green bond with at least 30% of the proceeds to have some direct positive impact on biodiversity is issued by December 2025.	USD 100, 000	012113	USD 35, 000	5%
Sub-Output 3: Finance Solution 3: (Phase II) Main streaming biodiversity in the Green Finance strategy and implementation plan for the financial sector	3.1. Development of the draft Green Finance Policy and Implementation Plan for the financial Sector 3.2. Development of the draft Green Finance Policy and Implementation Plan for the financial Sector 3.3. Stakeholder consultations and consensus 3.4. Review and validation of the Green Finance Policy and	ii i ii i	Completed: Development of the draft Green Finance Policy and Implementation Plan for the financial Sector (Situation analysis). Completed: Development of the draft Green Finance Policy and Implementation Plan for the financial Sector Completed: Stakeholder consultations and consensus Completed: Review and validation of the Green Finance Policy and Implementation Plan for the Banking Sector Ongoing: Discussions are ongoing with the respective ministries such as MGEE and MoFNPL on the next steps for the Green Finance Strategy.	USD 150, 000	000117	USD 29, 117.54	15%

	Implementation Plan for the Banking Sector 3.5. Official Launch of the Green Finance Policy and Implementation Plan for the Banking Sector. 3.6. Capacity building and dissemination to the financial sector regulators and regulated entities on the provisions of the policy.	i i					
Sub-Output 4: Finance Solution 4: (Phase II) Developing a Green Finance tagging/reporting system for the Financial Sector	4.1. Stakeholder consultations and consensus on the concept for the tagging/reporting system 4.2. Development of the tagging System including recruitment of consultant 4.3. Review and validation of the draft Tagging system and related user manuals and reports 4.4. Launch and of the green finance Tagging system 4.5. Piloting of the green finance Tagging system	Consultant finalized the Green Finance Taxonomy. Currently starting the the piloting of the tagging and reporting system. With 3 financial institutions namely ZANACO, PRUDENTIALS and ABSA i i ii	Ongoing: 2. Green Finance Taxonomy was developed and discussion with financial institutions on piloting the tagging and reporting system are ongoing. Completed: recruitment of consultant Completed: Review and validation of the draft Tagging system and related user manuals and reports Ongoing:This workstream is pending the piloting of the green finance Tagging systems	USD 150, 000	012113	USD 15, 539.67	15%
Outcome 6: (Phase II) Empowering financial institutions to increase the update of gender-equal nature-related financial disclosure framework at all levels of the decision-making.	6.1. TA on the formation of the gender-responsive nature-related financial risk disclosure framework.	The works by the consultant to operationalisation of Zambia's Green Finance Framework and Green Loans Guidelines. Have been completed..	Completed; The works were completed and the report was launched ; see link to the report: https://www.undp.org/zambia/publications/study-nature-related-financial-risks-zambia	154,960	UK2	USD 123, 812	0%

C. Key Challenges and Next Steps

Explain why activity indicator targets were not met and plans to catch-up in the next quarter

1. The most of the project's deliverables require feedback from stakeholders which delayed in most cases. This also affected the delivery.
2. Limited budget for some activities which were not anticipated such as in person technical review and validation of the submission of the consultants.
3. Low quality of some submission by consultant delayed the finalizing and adoption of Green Finance Strategy.

D. RISK LOG UPDATE[7]

Assess identified risks and record new risks that may affect project implementation.

Include risks identified in the Project's Social and Environmental Screening, Programme Visits, audit/spotcheck findings, if any.

Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(~~individual~~ team accountable for managing the risk)*	Risk Treatment and Treatment Owner	Links to Evidence
There is a risk that project timelines may not be met/conformed to.	As a result of this, the project outputs could be delayed.	Which will impact in timely delay of the project outputs and deliverables	**3. OPERATIONAL (3.4. Reporting and communication) - UNDP Risk Appetite: EXPLORATORY TO OPEN**	Likelihood: **3 - Moderately likely** Impact: **3 - Intermediate** Risk level:	From: 02-Apr-25 To: 30-Jun-25	…	Risk Treatment 1.1: 1.1: Consultant deliverables have been developed and with key stakeholders:	Emails, Reports

[7] Ensure consistency with Risk Log in ProDoc and Quantum

	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(~~individual~~ team accountable for managing the risk)*	Risk Treatment and Treatment Owner	Links to Evidence
					MODERATE (equates to a risk appetite of EXPLORATORY)			Risk Treatment Owner: Project Manager	
	There is a risk that some key stakeholders are not available to input into the consultants' outputs.	As a result of critical stakeholder input may be missing.	Which will impact in the comprehensiveness of the project outputs.	**3. OPERATIONAL (3.5. Partners' engagement) - UNDP Risk Appetite: EXPLORATORY TO OPEN**	Likelihood: **3 - Moderately likely** Impact: **3 - Intermediate** Risk level: **MODERATE (equates to a risk appetite of EXPLORATORY)**	From: 02-Apr-25 To: 30-Sep-25	…	Risk Treatment 2.1: A stakeholder matrix/engagement plan has been developed to ensure that key stakeholders are identified and considered. Technical adhoc committee established to keep track and review project outputs. Risk Treatment Owner: Environmental Finance Officer	Mailing List, Emails from stakeholders, Stakeholder matrix and minutes from the Steering Committee
								Risk Treatment 2.2: Stakeholders to will be brought in one room for input in a timely manner incorporating some degree of flexibility in the engagement schedule to maximize their likelihood of participation. Risk Treatment Owner: Environmental Finance Officer	Attendance sheets, emails and letters of invitation
	There is a risk that there may be inadequate financial resources to	As a result of stakeholders may not be adequately consulted.	Which will impact in the adoption of some project outputs e.g. strategy on green finance.	**3. OPERATIONAL (3.5. Partners' engagement) - UNDP Risk Appetite:**	Likelihood: **2 - Low likelihood** Impact: **2 - Minor**	From: 01-Jan-25 : 31-Dec-25	…	Risk Treatment 3.1: Stakeholder engagements across some projects will be combined to cut on average costs.	

	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(~~individual~~ team accountable for managing the risk)*	Risk Treatment and Treatment Owner	Links to Evidence
	undertake comprehensive stakeholder engagement.			**EXPLORATORY TO OPEN**	Risk level: **LOW (equates to a risk appetite of MINIMAL)**			Risk Treatment Owner: Finance and Administration Officer …	
								Risk Treatment 3.2: Exploration of other more cost efficient engagement approaches for example virtual meetings will be considered. Risk Treatment Owner: Finance and Administration Officer	Online meetings for validation, attendance sheets and email communication
								Risk Treatment 3.3: A stakeholder engagement plan has been developed to ensure that all critical stakeholders are included. Risk Treatment Owner: Environmental Finance Officer Risk Treatment 3.4: Project to undertake resource mobilization and collaborate with other stakeholders for co-financing Risk Treatment Project Manager	Mailing list developed and adhoc committee created.
	There is a risk that marginalised stakeholders will be excluded.	As a result of the technical nature of the policies being developed.	Which will impact in non-inclusiveness of the project.	**1. SOCIAL AND ENVIRONMENTAL (1.2. Gender equality and women's**	Likelihood: **3 - Moderately likely**	From: 01-Jan-25 To: 31-Dec-25	…	Risk Treatment 4.1: Ensure that clear and basic explanations of the various project workstreams are explained to respective	

	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(~~individual~~ team accountable for managing the risk)*	Risk Treatment and Treatment Owner	Links to Evidence
				empowerment) - UNDP Risk Appetite: CAUTIOUS	Impact: **3 - Intermediate** Risk level: **MODERATE (equates to a risk appetite of EXPLORATORY)**			stakeholders to ensure they are able to follow the process and contribute actively. Various stakeholders such as the gender division at Cabinet office will be engaged at inception to ensure that no one is left behind.	Exhibition pictures, social media posts, video of stakeholder interviews
								Risk Treatment Owner: Project Manager	
	There is a risk that government priorities may shift	As a result of competing needs emerging.	Which will impact in reduced attention, political will and support from the government which could negatively impact the project's success.	**7. STRATEGIC (7.7. Alignment with national priorities) - UNDP Risk Appetite: OPEN TO SEEKING**	Likelihood: **2 - Low likelihood** Impact: **4 - Extensive** Risk level: **LOW (equates to a risk appetite of CAUTIOUS)**	From: 01-Jan-25 To: 31-Dec-25	…	Risk Treatment 5.1: Continue with regular communication and engagement with government regarding the significance of biodiversity conservation.	Letter of collaboration and minutes from govt engagement meeting
								Risk Treatment Owner: Project Manager	
	Human Rights:-duty-bearers , Project partners many have limited capacity to meet their obligations in the project	As a result of misalignment or whitewashing or green washing of project activities.	Which will impact in credibility of the projects.	**1. SOCIAL AND ENVIRONMENTAL (1.1. Human rights) - UNDP Risk Appetite: CAUTIOUS**	Likelihood: **2 - Low likelihood** Impact: **4 - Extensive** Risk level: **LOW (equates to a risk appetite of CAUTIOUS)**	From: 01-Jan-25 To: 31-Dec-25	…	Risk Treatment 6.1: Train partners on Project overall goal.	Capacity building workshop concept notes, reports and attendance sheets
								Risk Treatment Owner: Project Manager	

	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(~~individual~~ team accountable for managing the risk)*	Risk Treatment and Treatment Owner	Links to Evidence
	Human Rights: -Is there a risk that rights-holders i.e project-affected persons do not have the capacity to claim their rights	As a result project might hinder human rights or communities might rise against the project.	Which will impact in the project sustainability and reputation.	**1. SOCIAL AND ENVIRONMENTAL (1.1. Human rights) - UNDP Risk Appetite: CAUTIOUS**	Likelihood: **2 - Low likelihood** Impact: **4 - Extensive** Risk level: **LOW (equates to a risk appetite of CAUTIOUS)**	From: 01-Jan-25 To: 31-Dec-25	…	Risk Treatment 7.1: Create awareness on ways of receiving grievances from project affected stakeholders	TBC
								Risk Treatment Owner: Project Manager	
	Human Rights:-Impacts for people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities.	As a result project will not contribute to the national goals.	Which will impact in reduced attention, political will and support from the government which could negatively impact the project's success.	**1. SOCIAL AND ENVIRONMENTAL (1.1. Human rights) - UNDP Risk Appetite: CAUTIOUS**	Likelihood: **2 - Low likelihood** Impact: **4 - Extensive** Risk level: **LOW (equates to a risk appetite of CAUTIOUS)**	From: 01-Jan-25 To: 31-Dec-25	…	Risk Treatment 8.1: Develop a stakeholder Management Plan for all stakeholders on the project to ensure inclusivity	Stakeholder engagement plan developed
								Risk Treatment Owner: Project Manager	
	Stakeholder Accountability:- Exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them	As a result of stakeholders may not be adequately consulted.	Which will impact in lack of adoption and implementation of the project activities down stream.	**4. 1. SOCIAL AND ENVIRONMENTAL (1.1. Human rights) - UNDP Risk Appetite: CAUTIOUS**	Likelihood: **2 - Low likelihood** Impact: **4 - Extensive** Risk level: **LOW (equates to a risk appetite of CAUTIOUS)**	From: 01-Jan-25 To: 31-Dec-25	…	Risk Treatment 9.1: Develop a stakeholder Management Plan for all stakeholders on the project to ensure inclusivity	Refer to the staheolder engagement plan for BIOFIN
								Risk Treatment Owner: Project Manager	

	Event	Cause	Impact(s)	Risk Category and Sub-category *(including Risk Appetite)*	Impact, Likelihood & Risk Level *(see Annex 3 Risk Matrix)*	Risk Valid From/To	Risk Owner *(~~individual~~ team accountable for managing the risk)*	Risk Treatment and Treatment Owner	Links to Evidence

E. Communications and Visibility

Description of all communication and visibility activities & budget	Link
BIOFIN PARTICIPATION IN THE NAP EXPO	**https://www.linkedin.com/posts/undp-zambia_napexpo-activity-7361721402678202373-9bz3?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAvKCaIB2t-1uTMgpfSRXtqGkfXFM8xonSM**
Zambia's Green Bond Workshop	https://www.linkedin.com/posts/undp-zambia_looking-forward-to-biofin-biodiversity-activity-7358836672031068160-QDFD?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAvKCaIB2t-1uTMgpfSRXtqGkfXFM8xonSM
BIOFIN Participation in the International Trade Fair	https://www.linkedin.com/posts/undp-zambia_sdgs-activity-7347904078192021504-VPOq?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAvKCaIB2t-1uTMgpfSRXtqGkfXFM8xonSM

F. Monitoring & Evaluation

Description of all M&E activities conducted and budget	Link
Project has been reporting on quarterly progress through the Quarterly Progress Report	Q2 2025 QPR

Prepared by: _____ Signature: _____ Date: _____

Project Manager/Coordinator

Endorsed by: _____ Signature: _____ Date: _____

Programme Analyst

Approved by: _____ Signature: _____ Date: _____

Programme Team Leader
UNDP

Noted by (for NIM): _____ Signature: _____ Date: _____

Implementing Partner (Focal Point)