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**GRANT NUMBER E2930 ZM**

# **Financing Agreement**

**(Transport Corridors for Economic Resilience Project)**

**between**

**REPUBLIC OF ZAMBIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**GRANT NUMBER E2930 ZM**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF ZAMBIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.
- 1.03. Notwithstanding any provision to the contrary in the General Conditions:
  - (a) each of the Project Implementing Entities, as defined in the Appendix to this Agreement, shall be deemed to be a Project Implementing Entity for purposes of the General Conditions, regardless of whether or not it is a party to a Project Agreement; and
  - (b) all references in the General Conditions to obligations of a Project Implementing Entity under a Project Agreement shall be construed as references to obligations of the Project Implementing Entity arising under this Agreement or the Subsidiary Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to two hundred and one million two hundred thousand Special Drawing Rights (SDR 201,200,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are March 15 and September 15 in each year.
- 2.05. The Payment Currency is Dollar.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall:
- (a) carry out (i) Part 1.2 of the Project through the Ministry of Commerce, Trade, and Industry; (ii) Part 2 of the Project through the Ministry of Small and Medium Enterprise Development; (iii) Parts 3.1, 3.2, 3.3 of the Project through the Ministry of Transport and Logistics; and (iv) Part 3.4 of the Project through the Ministry of Infrastructure, Housing and Urban Development; and
  - (b) cause: (i) Parts 1.1 and 1.4 of the Project to be carried out by Road Development Agency (“RDA”); and (ii) Part 1.3 of the Project to be carried out by Road Transport and Safety Agency (“RTSA”) - all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, and the Subsidiary Agreement.

### **ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of the following, namely, any of the Project Implementing Entities’ Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the corresponding Project Implementing Entity to perform any of its obligations under the Financing Agreement or the relevant Subsidiary Agreement.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has prepared and adopted the Project Operations Manual in form and substance satisfactory to the Association;
  - (b) the Recipient has prepared and duly executed a Subsidiary Agreement with NRFA, in form and substance satisfactory to the Association;
  - (c) the Recipient has recruited or appointed, into the Project Implementation Unit, the Project coordinator with qualifications, experience, and under terms of reference satisfactory to the Association;
  - (d) the Recipient has prepared and duly executed the Project Implementation Memorandum of Understanding with Project Implementing Entities and participating ministries, in form and substance satisfactory to the Association; and

- (e) the RDA has recruited or appointed into its environmental and social management unit, one social specialist and one occupational health & safety (OHS) specialist.

- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its minister responsible for finance.
- 6.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Finance and National Planning  
P.O. Box 50062  
Lusaka, Zambia; and

- (b) the Recipient's Electronic Address is:

Telex:	Facsimile:
42221	(+260 211) 253494/251078

- 6.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

**REPUBLIC OF ZAMBIA**

By



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Dr. Situmbeko Musokotwane

**Title:** \_\_\_\_\_ Minister of Finance and National Planning

**Date:** \_\_\_\_\_ 07-Mar-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Boutheina Guerhazi

**Title:** \_\_\_\_\_ Director, Regional Integration

**Date:** \_\_\_\_\_ 28-Feb-2024

## SCHEDULE 1

### Project Description

The objective of the Project is to improve year-round transport and trade connectivity between Zambia and Tanzania and expand economic activity along the Dar es Salaam Corridor in Zambia.

The Project consists of the following parts:

#### **Part 1: Resilient transport and trade facilitation systems along the Dar es Salaam Corridor and preparatory studies for ensuing corridors under the SoP**

- 1.1 *Development of climate resilient road sections along Dar es Salaam Corridor*

Carrying out rehabilitation of 203km road section between Serenje and Mpika, including bridges and structures, with a resilient pavement design and safety measures including conducting preparatory studies (including road safety audits, roadside stations assessment and design) and carrying out supervision of the rehabilitation of the road section.
- 1.2 *Development of the Nakonde One Stop Border Post*

Developing the border crossing facility at Nakonde (Zambia)/ Tunduma (Tanzania) into a One Stop Border Post (OSBP), through: (i) construction of key infrastructure (including buildings, roads, parking areas, power supply) and procurement and installation of ICT equipment for the building operations, and (ii) training of staff at Nakonde.
- 1.3 *Development of the safety, mobility, automated, real-time traffic management (SMART) Corridor Concept on the Lusaka – Nakonde section of the Dar es Salaam Corridor*

Improving corridor coordination and management to provide safe and efficient transport flow and enhanced trade facilitation on the Lusaka – Nakonde section through the digitization and installation of special corridor features, systems and facilities to reduce the cost of transport and trade inefficiencies along the corridor.
- 1.4 *Preparatory studies for road sections along key regional corridors*
  - (a) Updating the detailed design for rehabilitation of 203km Serenje - Mpika road section.
  - (b) Carrying out of feasibility studies, detailed designs, and environmental and social impact assessment for the rehabilitation/widening of the 207km Lusaka-Luangwa section of the Nacala Corridor.

- (c) Carrying out detailed designs for the rehabilitation of the 212km Livingstone-Katima Mulilo road section of the Walvis Bay-Ndola-Lubumbashi Corridor.

## **Part 2: Corridor-oriented development**

- 2.1. *Assessment of socio-economic development opportunities along the Dar es Salaam Corridor.*

Carrying out an assessment designed to identify current gaps, opportunities and related investment needs that will enable the acceleration of the Project's development impact for the growth oriented MSMEs in the hinterland of the Dar es Salaam Corridor in Zambia.

- 2.2. *Development of identified MSME businesses for regional exports.*

Carrying out a program of activities complementing ongoing World Bank funded operations and/or based on the assessment undertaken in part 2.1 above designed to assist select MSMEs to take advantage of the corridor to grow their businesses, such program to include interventions such as: (i) construction or rehabilitation of infrastructure, warehousing and agro-logistic centers to improve last mile connectivity; (ii) provision of Matching Grants for capital investments towards productive assets such as machinery/equipment for logistics centers and warehouses; and (iii) provision of business advisory services to MSMEs (with a special focus on capacity building for women and youth entrepreneurs).

## **Part 3: Sectoral capacity development and project management.**

- 3.1. *Support to regional corridors management*

Enhancing institutional capacities for regional corridors' monitoring, planning and management including: (i) facilitating the institutional inclusion of the Dar es Salaam Corridor into the Central Corridor in collaboration with the Central Corridor Transit Transport Facilitation Agency; and (ii) provision of technical assistance to other corridors and entities such as Lobito Corridor Development Facilitation Agency Permanent Secretariat, TAZARA and Nacala Corridor.

- 3.2. *Development of a railway strategy for Zambia including an action plan for enhancing the institutional set-up, operational efficiency and financial sustainability of ZRL*

Carrying out an assessment of the Zambia Railways Limited (ZRL), the development of a strategy and action plan for improving ZRL institutional set-up, operational efficiency and financial performance, and supporting the implementation of such strategy and action plan.

3.3. *Studies and sectoral capacity building activities.*

Carrying out studies, assessments, and capacity building activities aiming at improving the Recipient's capacity to plan and manage regional corridors, including: (i) development of Zambia transport and logistics policy, strategy and roadmap; (ii) supporting the domestic construction industry; (iii) development of a national road safety capacity review and action plan; (iv) development of a greening strategy for the transport sector; (v) conducting assessment and action plan to increase women's participation in logistics; (vi) supporting the development of public private partnership (PPP) enabling environment and provision of transaction advisory services; and (vii) building capacity of sector ministries, authorities and agencies (including RDA, NRFA, MTL, and RTSA) in planning and implementing their mandates.

3.4. *Project management, monitoring and evaluation.*

Supporting overall project management and implementation including implementation of procurement, financial management and audit activities, environmental and social risks management activities and monitoring and evaluation.

**Part 4: Contingent Emergency Response Component**

Providing immediate response to an Eligible Crisis or Emergency, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

1. **Ministry of Infrastructure, Housing and Urban Development.** The Recipient shall designate at all times during the implementation of the Project, the Ministry of Infrastructure, Housing and Urban Development (MIHUD), to be responsible for the overall coordination and supervision of the Project.
2. **Project Steering Committee.** No later than three (3) months after the Effective Date, the Recipient shall establish and thereafter maintain throughout the implementation of the Project, a Project steering committee, to be chaired by the permanent secretary of the Ministry of Infrastructure, Housing and Urban Development, and comprising, *amongst others*, of permanent secretaries of the MoTL, Ministry of Commerce, Trade and Industry, Ministry of Finance and National Planning, Ministry of Green Economy and Environment, Ministry of Small and Medium Enterprise Development (and the chief executive officers of RDA, RTSA, NRFA and Zambia Revenue Authority) with mandate, powers and resources satisfactory to the Association (“Project Steering Committee” or “PSC”). The PSC shall be responsible for, *inter alia*, overseeing overall Project implementation and progress.
3. **Project Technical Committee:** No later than three (3) months after the Effective Date, the Recipient shall establish and thereafter maintain throughout the implementation of the Project, a Project technical committee chaired by the focal point from the MoTL and comprising, amongst others, of focal points from ministries and agencies represented in the Project Steering Committee as well as focal points from RTSA and National Road Fund Agency with mandate, powers and resources satisfactory to the Association (“Project Technical Committee”). The committee shall be responsible for, *inter alia*, providing technical guidance and support for the implementation of the Project including serving as platform for coordination with the Tanzanian government counterparts on issues related to cross-border facilitation and with relevant regional agencies such as the Central Corridor Transit Transport Facilitation Agency.
4. **Project Implementation Unit:** No later than three (3) months after Effective Date the Recipient shall establish and thereafter maintain at all times during the implementation of the Project, a Project implementation unit - to be led by a Project coordinator, and comprising, amongst others, project managers (*for each of the following thematic areas: corridor development, Nakonde OSBP, smart corridor, capacity development and corridor-oriented development*), a procurement

specialist, an accountant, a monitoring and evaluation specialist, an environmental specialist, a health and safety specialist, and a social specialist with mandate, powers and resources satisfactory to the Association (“Project Implementation Unit” or “PIU”), to be responsible for, *inter alia*, the management and implementation of the Project.

**B. Subsidiary Agreement and Other Implementation Arrangements.**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the National Road Fund Agency under a subsidiary agreement between the Recipient and the National Road Fund Agency, under terms and conditions approved by the Association (“Subsidiary Agreement”).
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, repeal or waive the Subsidiary Agreement or any of its provisions.
3. Without limitation to the provisions of paragraphs 1 and 2 of this Section I.B, the Recipient shall cause the National Road Fund Agency (and other Project Implementing Entities and ministries) to enter into and comply with implementation agreement whereby the National Road Fund Agency shall make portions of the proceeds of the Financing available to such entities and ministries including Road Development Agency, Zambia Revenue Authority and Road Transport and Safety Agency in the amounts and under terms and conditions acceptable to the Association as further detailed in the Project Operations Manual for purpose of financing identified activities under the Project.

**C. Regional Level: Inter-Country Coordination with the United Republic of Tanzania**

The Recipient shall collaborate and coordinate with the United Republic of Tanzania on the arrangements and modalities for inter-country trade facilitation and logistics enhancement.

**D. Project Operations Manual**

1. The Recipient shall:
  - (a) prepare a project operations manual, in form and substance satisfactory to the Association, containing detailed arrangements and procedures for implementation of the Project including, *inter alia*: (i) implementation arrangements, including delineation of roles and responsibilities of various entities, institutions and agencies involved in Project implementation as

well as their coordination and inter-relationships; (ii) disbursement arrangements, reporting requirements, financial management procedures and audit procedures; (iii) the procurement procedures, standard procurement documentation, contracts administration and management procedures; (iv) measures to mitigate fraud and corruption as well as other integrity and fiduciary risks; (v) environmental and social risk management arrangements including measures to ensure the protection of Personal Data under the Project, address risk of gender based violence and sexual exploitation of minors as well as operation of grievance redress mechanism; (vi) procedures for preparing and reviewing a consolidated annual work plan and budget for each Fiscal Year; (vii) monitoring and evaluation arrangements, reporting and communication, including performance indicators; (viii) arrangements to address community health, safety and security risks and impacts including measures to manage security risks and to avoid or minimize the transmission of communicable diseases; (ix) arrangements for provision of Matching Grants under Part 2.2 of the Project; and (x) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project;

- (b) (i) furnish to, and exchange views with the Association on such manual promptly upon its preparation; (ii) thereafter adopt such manual as shall have been approved by the Association (“Project Operations Manual” or “POM”); and (iii) implement the Project in accordance with the Project Operations Manual; and
- (c) not amend, suspend, abrogate, repeal, or waive any provisions of the Project Operations Manual without the prior written agreement of the Association.

- 2. In the event of any conflict between the provisions of the Project Operations Manual on the one hand, and those of this Agreement on the other hand, the provisions of this Agreement shall prevail.

**E. Environmental and Social Standards**

- 1. The Recipient shall, and shall cause the Project Implementing Entities to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
- 2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entities to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entities to, ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall, and shall cause the Project Implementing Entities to, ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall, and shall cause the Project Implementing Entities to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

6. The Recipient shall, and shall cause the Project Implementing Entities to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**F. Annual Work Plan and Budget**

1. Each year, the Recipient shall prepare a draft annual work plan and budget containing all activities and expenditures proposed to be included in the Project for the following year of Project implementation, of such scope and detail as the Association shall have reasonably requested, including a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing thereof, and disbursement schedule.
2. The Recipient shall furnish to the Association, as soon as available, but in any case, not later than October 31 of each year, the annual work plan and budget referred to in paragraph 1 above, for review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an “Annual Work Plan and Budget”) are eligible to financing from the proceeds of the Financing.
3. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets, provided, however, that in case of any conflict between an Annual Work Plan and Budget and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Annual Work Plan and Budget.

**G. Contingency Emergency Response Component**

1. In order to ensure the proper implementation of Part 4 of the Project (“Contingent Emergency Response” or “CERC Part”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for

coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan.

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual nor the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingent Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**Section II. Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Training, and Operating Costs for Parts 1, 2, and 3 of the Project	197,400,000	100%
(2) Matching Grants under Part 2.2 of the Project	3,800,000	100% of the amounts disbursed
(3) Emergency Expenditures under Part 4 of the Project	0	100%
<b>TOTAL AMOUNT</b>	<b>201,200,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date;
  - (b) for Emergency Expenditures under Category (3) until:

- (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (3); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
  - (ii) the Recipient has adopted the CERC Manual, CERC ESMF and Emergency Action Plan, in form and substance acceptable to the Association.
- 2. The Closing Date is February 27, 2030.

## APPENDIX

### Definitions

1. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient and approved by the Association in accordance with Section I.F.(2) of Schedule 2 to this Agreement; and the “Annual Work Plans and Budgets” refer to more than one.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Central Corridor” means the rail, road and inland waterway transport routes linking the eastern part of Democratic Republic of Congo, Republic of Zambia, Republic of Malawi, Republic of Rwanda, Republic of Burundi, the Republic of Uganda with the port of Dar es Salaam in the United Republic of Tanzania.
5. “Central Corridor Transit Transport Facilitation Agency” means the inter-governmental agency established pursuant to the Central Corridor Transit Transport Facilitation Agreement executed on September, 2 2006 (as amended) and whose members include the Republic of Zambia, United Republic of Tanzania, Republic of Rwanda, Republic of Malawi, Republic of Burundi, the Republic of Uganda and the Democratic Republic of Congo.
6. “CERC Manual” means the manual referred to in Section I.G of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of the said Section.
7. “CERC ESMF” means the environmental and social management framework for the CERC Part (to be prepared, adopted, and disclosed by the Recipient) , in form and substance satisfactory to the Association, said framework setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues) of CERC Part activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, procedural, budget and institutional arrangements and actions needed to implement these measures, and information on the agency or agencies responsible for addressing the Projects’ risks and impacts; as well as for the preparation of environmental and social management plans, as such framework

may be amended by the Recipient from time to time, with the prior written agreement of the Association.

8. “CERC Part” means the contingent emergency response component under Part 4 of the Project.
9. “Dar es Salaam Corridor” means the rail, road and inland waterway transport routes linking Republic of Zambia (*and the southern part of Democratic Republic of Congo and Republic of Malawi*) with the port of Dar es Salaam in the United Republic of Tanzania.
10. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
11. “Emergency Action Plan” means the plan referred to in Section I.G of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated January 12, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
13. “Environmental and Social Standards” or “ESSs” means, collectively:
  - (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”;
  - (ii) “Environmental and Social Standard 2: Labor and Working Conditions”;
  - (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”;
  - (iv) “Environmental and Social Standard 4: Community Health and Safety”;
  - (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”;
  - (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”;
  - (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”;
  - (viii) “Environmental and Social Standard 8: Cultural Heritage”;
  - (ix) “Environmental and Social Standard 9: Financial Intermediaries”;
  - (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”;effective on October 1, 2018, as published by the Association.

14. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
15. “ICT” means information and communication technologies.
16. “Lobito Corridor Development Facilitation Agency Permanent Secretariat” means the secretariat established pursuant to the Lobito Corridor Transit Transport Facilitation Agency Agreement executed at Lobito in Angola, on January 27, 2023, by the ministers responsible for transport from Republic of Zambia, the Republic of Angola and the Democratic Republic of Congo.
17. “Ministry of Commerce, Trade and Industry” means the Recipient’s ministry responsible for trade or any successor thereto.
18. “Ministry of Finance and National Planning” means the Recipient’s ministry responsible for finance, or any successor thereto.
19. “Ministry of Green Economy and Environment” means the Recipient’s ministry responsible for environment or any successor thereto.
20. “Ministry of Infrastructure, Housing and Urban Development” or “MIHUD” means the Recipient’s ministry responsible for infrastructure or any successor thereto.
21. “Ministry of Small and Medium Enterprise Development” means the Recipient’s ministry responsible for MSMEs or any successor thereto.
22. “Ministry of Transport and Logistics” or “MoTL” means the Recipient’s ministry responsible for transportation or any successor thereto.
23. “MSMEs” means micro, small and medium enterprises.
24. “Nacala Corridor” means the rail, road and inland waterway transport routes linking the Republic of Zambia (*and Republic of Malawi*) with the port of Nacala in the Republic of Mozambique as per the intergovernmental agreement dated October 7, 2023.
25. “National Road Fund Agency” or “NRFA” means the Recipient’s agency established and operating pursuant to the National Road Fund Act (Act 13 of 2002 of the Law of the Recipient) and responsible for, *inter alia*, administering and managing the national road fund.
26. “One Stop Border Post” or “OSBP” means the legal and institutional framework, facility and associated procedures that enable goods, people and vehicles to stop in a single facility in which they undergo necessary controls following applicable regional and national laws to exit one sovereign state and enter the adjoining sovereign state.

27. “Operating Costs” means recurrent costs of the Project, based on Annual Work Plans and Budgets approved by the Association, such term including: (i) operation and maintenance of vehicles, repairs, rental, fuel and spare parts; (ii) computer maintenance, including hardware and software, printers and photocopiers; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) maintenance for office facilities; (vi) utilities and insurances; (vii) bank charges; and (viii) travel, accommodation and *per diem* costs for technical staff carrying out training, preparatory, supervisory and quality control activities (excluding salaries of the Recipient’s civil servants).
28. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
29. “Project Implementing Entities” means NRFA, RDA, ZRA and RTSA; and “Project Implementing Entity” means any one of the Project Implementing Entities.
30. “Project Implementing Entities’ Legislation” means the Recipient’s National Road Fund Act (Act 13 of 2002 of the Law of the Recipient) for NRFA; the Recipient’s Public Roads Act (Act 12 of 2002 of the Law of the Recipient) for RDA; the Recipient’s Road Traffic Act (Act 11 of 2002 of the Law of the Recipient) for RTSA; and the Recipient’s Zambia Revenue Authority Act, 1993 (Chapter 321 of the Laws of the Recipient) for ZRA.
31. “Project Implementation Memorandum of Understanding” means the agreement referred to in section I.B.3 of Schedule 2 to this Agreement.
32. “Project Implementation Unit” or “PIU” means the unit referred to in Section I.A.4 of Schedule 2 to this Agreement.
33. “Project Operations Manual” or “POM” means the manual referred to in Section I.D.1(b) of Schedule 2 to this Agreement as said manual may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
34. “Project Steering Committee” or “PSC” means the steering committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
35. “Project Technical Committee” or “PTC” means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
36. “Road Development Agency” or “RDA” means the Recipient's agency established and operating pursuant to the Public Roads Act (Act 12 of 2002 of the Law of the Recipient) and responsible for, *inter alia*, planning, managing, and coordinating the road network in Zambia.

37. “Road Transport and Safety Agency” or “RTSA” means the Recipient's agency established and operating pursuant to the Road Traffic Act (Act 11 of 2002 of the Law of the Recipient) and responsible for, *inter alia*, implementing policy on roads transport, traffic management and road safety and coordinating road safety programs.
38. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
39. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement.
40. “TAZARA” means Tanzania Zambia Railway Authority established and operating pursuant to agreement relating to the Tanzania-Zambia Railway made between the Government of the United Republic of Tanzania and the Government of the Republic of Zambia, dated 28th September, 1993 as given effect in Zambia through the Recipient’s Tanzania-Zambia Railway Act, 1995 (chapter 454 of the Laws of the Recipient).
41. “Training” means the reasonable cost of training of persons involved in Project-supported activities, based on the Annual Work Plans and Budgets approved by the Association, such term including seminars, workshops, and study tours, and costs associated with such activity including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation, acquisition and reproduction of training materials, and other costs directly related to training preparation and implementation.
42. “Walvis Bay-Ndola-Lubumbashi Corridor” means the road transport routes linking Republic of Zambia (*and the southern part of Democratic Republic of Congo*) with the port of Walvis Bay in the Republic of Namibia.
43. “Zambia Railways Limited” or “ZRL” means a corporation wholly owned by the Recipient mandated under the Recipient’s Railways Act of 1984 to operate rail passenger and freight trains in Zambia.
44. “Zambia Revenue Authority” or “ZRA” means body established and operating pursuant to the Recipient’s Zambia Revenue Authority Act, 1993 (Chapter 321 of the Laws of the Recipient) and responsible for, *inter alia*, assessing, charging, levying and collecting revenues due to the Government of Zambia.