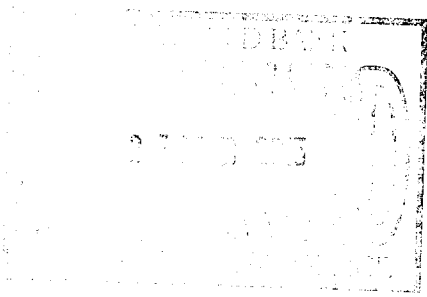


**OFFICIAL
DOCUMENTS**



CREDIT NUMBER 5563-ZM

Financing Agreement

(Kariba Dam Rehabilitation Project)

between

REPUBLIC OF ZAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated FEBRUARY 20, 2015

CREDIT NUMBER 5563-ZM

FINANCING AGREEMENT

AGREEMENT dated FEBRUARY 20, 2015, entered into 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) constitute an integral 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.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to fifty million six hundred thousand Special Drawing Rights (SDR 50,600,000) (variously, "Credit" and "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 IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

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ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement;
 - (b) A representation made by the Project Implementing Entity in or pursuant to the Project Agreement, or any representation or statement furnished by the Project Implementing Entity and intended to be relied upon by the Association in making the Financing was incorrect in any material respect.
 - (c) any of the Parties to the Protocol Regarding the Kariba Dam Rehabilitation Project has failed to perform any of its respective obligations under said Protocol;
 - (d) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement; and
 - (e) IBRD or IDA has suspended in whole or in part the right of the Project Implementing Entity to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Project Implementing Entity to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.
- 4.02. The Co-financing Deadline for the effectiveness of the European Union Co-financing Agreement is July 30, 2015.



4.03. The Additional Events of Acceleration consist of the following-

- (a) The events specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occur.
- (b) The events specified in paragraphs (c), (d) and (e) of Section 4.01 of this Agreement occur and are continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

- (a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
- (b) The Project Implementing Entity has adopted the Project Implementation Manual in accordance with the provisions of Section I.B of the Schedule 2 to this Agreement.
- (c) The Project Implementing Entity has established a Project Steering Committee and appointed a Project Manager in accordance with the provisions of Section I.A of Schedule 2 to this Agreement.
- (d) The AFDB Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- (e) The SIDA Grant Agreement and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under the Grant Agreement (other than the effectiveness of this Agreement) have been fulfilled.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.04. For purposes of Section 8.05(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 date of this Agreement.



ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01 The Recipient's Representative is its minister responsible for finance.

6.02. The Recipient's Address is:

Ministry of Finance
P.O. Box 50062
Lusaka, Zambia

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

6.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at SIANGGA, ZAMBIA, as of the
day and year first above written.

REPUBLIC OF ZAMBIA

By



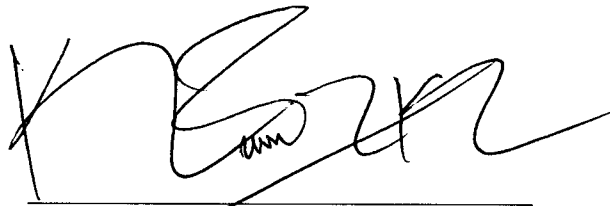
Authorized Representative

Name: ALEXANDER B. CHIKWANDA

Title: MINISTER.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: KUNDHAVI KADIREGAN

Title: COORDINATOR DIRECTOR

SCHEDULE 1

Project Description

The objective of the Project is to assist in improving the safety and reliability of the Kariba Dam.

The Project consists of the following parts:

Part A: Institutional Support

Carrying out of activities to support the implementation of the Project, such activities to include: (i) Provision of technical services and supervision relating to the works; (ii) carrying out of a dam break analysis; (iii) engaging an independent panel of experts; (iv) engaging an independent Dispute Adjudication Board; (v) carrying out of an environmental and social impact assessment; (vi) carrying out of audits, evaluations and other studies; and (vii) carrying out activities needed for the implementation, coordination and monitoring and evaluation of the Project, all through the provision of goods and equipment, the financing of consultants' services, non-consulting services and Operating Costs.

Part B: Plunge Pool Reshaping

Carrying out of activities to stabilize and reshape the plunge pool, such activities to include: (i) reshaping of the plunge pool; (ii) carrying out of additional engineering studies, investigations and surveys, and supply of equipment; (iii) provision of technical services for the monitoring of the plunge pool reshaping; and (iv) carrying out of visibility and communications activities, all through the financing of goods, works, consultants' services and non-consulting services.

Part C: Spillway Refurbishment

Carrying out of activities to refurbish the spill way, such activities to include: (i) refurbishment of the spillway; and (ii) carrying out of additional engineering studies investigations and surveys, and supply of equipment, all through the financing of goods, works, consultants' services and non-consulting services.



SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Steering Committee

1. The Recipient shall cause the Project Implementing Entity to establish, and thereafter maintain, throughout the implementation of the Project, a Project Steering Committee with composition and terms of reference satisfactory to the Association and with adequate resources to carry out its responsibilities under the Project.
2. Without limitation upon the generality of the provisions of paragraph A.1 above, the functions of the Project Steering Committee shall be to: (a) endorse all Project plans and budgets; (b) facilitate communication between Contracting States and coordinate all inter-governmental matters; (c) facilitate obtaining consents, permits and approvals required from the Contracting States; (d) facilitate the integration of the Project into the national plans and public sector investor programs of Contracting States; and (e) provide overall strategic guidance over the implementation of the Project.

Project Implementing Entity

3. Without limitations upon the generality of Section 3.01 of this Agreement, the Project Implementing Entity will be responsible for the implementation of the Project including financial management, procurement, and monitoring and evaluation.
4. The Recipient shall take all action necessary on its part to ensure that:
 - (a) the Project Implementing Entity is maintained through-out the implementation of the Project, with: (i) mandate, functions and resources satisfactory to the Association; and (ii) adequate staff with qualifications and experience satisfactory to the Association, all for purposes of ensuring the prompt and efficient implementation of the Project; and
 - (b) the Project Implementing Entity's Operating Revenue shall reflect the principles of Cost Recovery and be sufficient to cover Operating Expenses and Debt Service.



Project Manager

5. The Recipient shall cause the Project Implementing Entity to maintain, throughout the implementation of the Project, a Project Manager with qualifications and skills satisfactory to the Association with the responsibility of managing the overall day-to-day implementation of the Project.

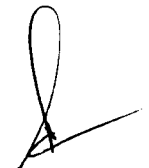
B. Implementation Arrangements

Project Implementation Manual

1. The Recipient shall: (a) cause the Project Implementing Entity to prepare, under terms of reference satisfactory to the Association, and furnish to the Association a Project implementation manual containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures, corruption and fraud mitigation measures and such other arrangements and procedures as shall be required for the Project; and (b) cause the Project Implementing Entity to thereafter adopt and carry out the Project in accordance with such Project implementation manual as shall have been approved by the Association (Project Implementation Manual).
2. Except as the Association shall otherwise agree in writing, the Project Implementing Entity may not amend or waive, or permit to be amended or waived, any provision of the Project Implementation Manual.
3. In case of a conflict between the provisions of the Project Implementation Manual and this Agreement, those of this Agreement shall prevail.

Annual Work Plans and Budget

4. The Recipient shall cause the Project Implementing Entity, not later than December 15 of each year, to prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.
5. The Recipient shall cause the Project Implementing Entity to exchange views with the Association on each such proposed annual work plan, and shall thereafter cause the Project Implementing Entity to adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Association, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Association (Agreed Annual Work Plan).



C. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement") which shall include the obligation of the Project Implementing Entity to:
 - (a) repay: (i) the principal amount of the Credit made available under the Subsidiary Agreement ("Subsidiary Credit") in Dollars over a period of thirty (30) years commencing two years following the Effective Date; and (ii) interest on the principal amount withdrawn and outstanding from time to time at a rate of 2% per annum;
 - (b) implement the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines and in accordance with the provisions of this Agreement;
 - (c) (i) procure all goods and services required under the Project and to be financed out of the proceeds of the Financing in accordance with the provisions of Section III of this Schedule; and (ii) ensure that all such goods and services are used exclusively for the purposes of the Project;
 - (d) ensure that all facilities relevant to the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed;
 - (e) with respect to records management: (i) maintain records adequate to record the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Financing and disclose their use in the Project; (ii) furnish such records and information as may be requested by the Recipient or the Association; and (iii) retain all records evidencing expenditures under the Project for the period of time specified in the General Conditions;
 - (f) with respect to monitoring and evaluation: (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Recipient and the Association, the progress of the Project and the achievement of its objective; (ii) prepare periodic reports, in form and substance satisfactory to the Recipient and Association, integrating the results of such monitoring and evaluation activities and setting out measures

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recommended to ensure the continued efficient and effective execution of the Project, and to achieve its objective, each such report to cover a calendar quarter; (iii) furnish each such report to the Recipient and the Association within forty-five (45) days after the end of such period; and (iv) prepare, and furnish to the Recipient a final report, of such scope and in such detail as the Recipient and the Association shall reasonably request, on the execution of the Project, and furnish the same to the Recipient and the Association within not later than (6) months after the end of the Project;

- (g) with respect to financial management: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the Association, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to the Project; (ii) avail the records pertaining to the Project to external and internal auditors; (iii) prepare as part of the Project Report, interim unaudited financial reports covering each quarter, and furnish them to the Recipient and the Association not later than forty-five (45) days after the end of the period covered by such reports, and provide such other information concerning such unaudited financial statements as the Recipient or the Association may from time to time reasonably request; and (iv) have its financial statements audited by independent auditors and applying standards both acceptable to the Association at least once in each fiscal year; and
- (h) open and maintain a dedicated Project Account, until the completion of the Project, in a commercial bank on terms and conditions acceptable to the Association; and ensure that the funds deposited into the Project Account shall be used exclusively to finance the cost of expenditures related to the Project.

- 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 or waive the Subsidiary Agreement or any of its provisions.

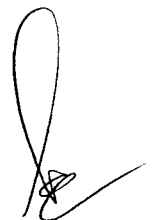
D. Anti-Corruption

The Recipient shall cause the Project to be carried out in accordance with the provisions of the Anti-Corruption Guidelines.



E. Safeguards

1. The Recipient shall, not later than March 30, 2015 and in any event prior to the carrying out of any rehabilitation works under the Project, cause the Project Implementing Entity to: (i) in accordance with terms of reference and process acceptable to the Association, prepare the safeguard instruments and furnish said instruments to the Association for its review and approval ("Safeguard Instruments"); (ii) thereafter disclose the Safeguard Instruments in country and at the Infoshop; and (iii) implement the Project in accordance with the Safeguard Instruments.
2. If any Supplemental Social and Environmental Safeguard Instruments is required under any of the Safeguard Instrument, the Recipient shall cause the Project Implementing Entity to:
 - (i) Prepare: (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with the applicable Safeguard Instrument; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the rehabilitation works; and
 - (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument.
3. The Recipient shall cause the Project Implementing Entity to ensure that all studies and technical assistance under the Project are undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference shall be designed to ensure that said studies and technical assistance are consistent with the Association's environmental and social safeguard policies.
4. If any activity under the Project would involve Affected Persons, the Recipient shall cause the Project Implementing Entity to: (i) ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Social and Environmental Safeguard Instrument prepared in accordance with the RPF, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented; and (ii) provide from its own resources, any financing required for any measures under sub-paragraph (i) above including any costs associated with land acquisition required for the Project.

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5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall for the Safeguards Instruments, including each Supplemental Social and Environmental Safeguard Instrument, cause the Project Implementing Entity to regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the status of compliance with such Instruments including each Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:
- (i) measures taken in furtherance of the Safeguards Instruments including each Supplemental Social and Environmental Safeguard Instrument;
 - (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments including each Supplemental Social and Environmental Safeguard Instrument; and
 - (iii) remedial measures taken or required to be taken to address such conditions.

Dam Safety

6. Prior to the issuance of a request for proposals relating to a contract for any of the rehabilitation works under the Project, and in accordance with the provisions of Section III of this Schedule 2 to the Agreement, the Recipient shall cause the Project Implementing Entity to:
- (a) appoint and thereafter maintain until one (1) year after the Closing date of the Project, an independent Panel of Experts with qualifications, experience and terms of reference satisfactory to the Association to:
 - (i) inspect and evaluate the safety status of the Dam, its appurtenances, the catchment area, the area surrounding the reservoir, downstream areas and its performance history;
 - (ii) review and evaluate the operational and maintenance procedures;
 - (iii) review and evaluate the proposed rehabilitation works; and
 - (iv) provide a written report on the findings and recommendations for any remedial work or safety-related measures necessary to upgrade the Dam to an acceptable standard of safety;
 - (b) furnish to the Association for review, no later than fifteen (15) days after the review referred to in paragraph (a) above, and thereafter take all necessary measures required to address the conclusions and recommendations of the review and update or adopt Dam Safety Plans, in form and substance acceptable to the Association, and reflecting the conclusions and recommendations of the Panel, as follows:
 - (i) a Dam Construction Supervision and Quality Assurance Plan and a preliminary updated Dam Emergency Preparedness Plan

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including an estimate of funds needed to finalise updating of said Dam Emergency Preparedness Plan;

- (ii) a preliminary updated Dam Operation and Maintenance Plan and a Dam Instrumentation Plan prior to bid tendering of the rehabilitation works under the Project;
 - (iii) a final updated Dam Emergency Preparedness Plan not later than one (1) year prior to the completion of the rehabilitation works; and
 - (iv) a final updated Dam Operation and Maintenance Plan not later than one (1) year prior to the completion of the rehabilitation works.
- (c) (i) convene, as early as possible in the preparation stage and regularly through-out the design of and rehabilitation of the Dam, Panel meetings and reviews, (ii) inform the Association in advance of each such meetings such that the Association may participate in said meetings as an observer; and (iii) furnish to the Association not later than fifteen (15) days after each meeting or review, a copy of the Panel's report of its conclusions and recommendations;
- (d) (i) following the completion of rehabilitation works, convene the Panel to carry out a review and report on its findings on the operation of the Dam following the rehabilitation works; and (ii) furnish to the Association not later than fifteen (15) days after the review, a copy of the Panel's report thereof;
- (e) pre-qualify bidders prior to bid tendering for the refurbishment work on the Dam; and
- (f) have periodic dam safety inspections performed by independent professionals, with qualifications, experience, and terms of reference satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure and cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association and set out in the Project Implementation Manual. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the



Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall ensure and cause the Project Implementing Entity to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall ensure and cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.



B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding <i>(subject to the additional provisions set out in paragraph 3 below)</i>
(b) Shopping
(c) Procurement from UN Agencies
(d) Direct Contracting

3. **Additional Provisions and Modifications to National Competitive Bidding**

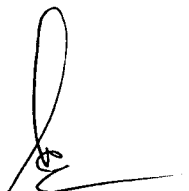
The procurement procedure to be followed for National Competitive Bidding ("NCB") shall be the open bidding procedure set forth in the Public Procurement Act, 2008, Act. No.12 of 2008, as amended by the Public Procurement (Amendment) Act, 2011, Act No. 15 of 2011 (the "PPA"), and the Public Procurement Regulations, 2011, Statutory Instrument No. 63 of 2011 (the "Regulations"); provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III, and Appendix 1 of the "Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" (January 2011) (the "Procurement Guidelines"), and the additional provisions in the following paragraphs:

- (a) **Eligibility:** Eligibility to participate in a procurement process and to be awarded an Association-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines. No restriction based on nationality of bidders



and/or origin of goods shall apply, and foreign bidders shall be allowed to participate in NCB without application of restrictive conditions, such as, but not limited to, mandatory partnering or subcontracting with national entities.

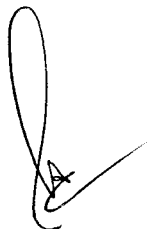
- (b) Domestic Preference: No margins of preference of any sort shall be applied in the bid evaluation.
- (c) Bidding Documents: Procuring entities shall use bidding documents acceptable to the Association.
- (d) Bid validity: An extension of bid validity, if justified by exceptional circumstances, may be requested in accordance with Appendix 1 of the Procurement Guidelines. A corresponding extension of any bid guarantee shall be required in all cases of extension of bid validity. A bidder may refuse a request for extension of bid validity without forfeiting its bid guarantee.
- (e) Qualification: Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a "pass or fail" basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder's or prospective bidder's capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (i) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (ii) financial position; and where relevant (ii) capability of construction and/or manufacturing facilities.
- (f) Prequalification procedures and documents acceptable to the Association shall be used for large, complex and/or specialized works. Verification of the information upon which a bidder was prequalified, including current commitments, shall be carried out at the time of contract award, along with the bidder's capability with respect to personnel and equipment. Where pre-qualification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.
- (g) Bid Evaluation: All bid evaluation criteria other than price shall be quantifiable in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the evaluation criteria or significance of price in bid evaluation. No negotiations shall be permitted.



- (h) Guarantees: Guarantees shall be in the format, shall have the period of validity and shall be submitted when and as specified in the bidding documents.
- (i) Cost Estimates: Detailed cost estimates shall be confidential and shall not be disclosed to prospective bidders. No bids shall be rejected on the basis of comparison with the cost estimates without the Association's prior written concurrence.
- (j) Rejection of bids and re-bidding: No bid shall be rejected solely because it falls outside of a predetermined price range or exceeds the estimated cost. All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Association's prior written concurrence.
- (k) Fraud and corruption: In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.
- (l) Inspection and audit rights: In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultant services. The Procurement Plan shall specify the circumstances under which such methods may be used:

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Procurement Method
(a) Quality-based Selection
(b) Least Cost Selection
(c) Selection based on Consultants' Qualifications
(d) Single-source Selection of consulting firms
(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(f) Single-source procedures for the Selection of Individual Consultants

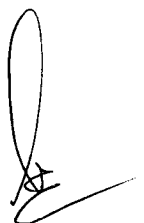
D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects", dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:



Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (Exclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Part A (except Part A(ii)), and Part C of the Project	50,600,000	Such Percentage as shall be communicated by the Association in a Confirmation Letter
TOTAL AMOUNT	50,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 3,400,000 may be made for payments made prior to this date but on or after February 28, 2014, for Eligible Expenditures under the Project.
2. The Closing Date is February 28, 2025.

MC



SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15, commencing May 15, 2021 to and including November 15, 2052	1.5625%

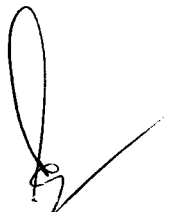
* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.



APPENDIX

Section I. Definitions

1. "Affected Person" means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.
2. "Agreed Annual Work Plan" means the program of activities agreed each Fiscal Year between the Recipient and the Association for implementation under the Project in accordance with Section I.B.4 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.
3. "Anti-Corruption Guidelines" means 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.
4. "AFDB Co-financing Agreement" means the agreement dated February 20, 2015, between the Recipient and AFDB providing for AFDB's Co-financing.
5. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. "Co-financier" means the African Development Bank ("AFDB") and the European Union ("EU").
7. "Co-financing Agreement" means collectively and separately: (a) the AFDB Co-financing Agreement; and (b) the EU Co-financing Agreement, all providing for the Co-financing.
8. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount equal to seventy-five million United States Dollars (\$75,000,000) to be provided by AFDB and an amount equal to one hundred million United States Dollars (\$100,000,000) to be provided by the EU to assist in financing the Project.
9. "Confirmation Letter" means a letter from the Association to the Recipient sent on a semi-annual basis stipulating the percentage of Financing for the Project for the following six months (6) agreed amongst the financiers.



10. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 (revised July 2014).
11. "Contracting States" means the states signatories to the "Agreement Concerning the Utilization of the Zambezi River" signed in Harare 28 July 1987, namely the Republic of Zambia and the Republic of Zimbabwe.
12. "Cost Recovery" means the ability to pay operating expenses and debt service through operating revenue.
13. "Dam" means the Kariba Dam.
14. "Dam Construction Supervision and Quality Assurance Plan" means the Recipient's plan setting out measures, including organization, staffing levels, procedures, equipment, and supervision qualifications, for supervision and quality assurance of the rehabilitation work on the Dam, in accordance with the provisions of the Environmental and Social Management Framework, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.
15. "Dam Emergency Preparedness Plan" means the Project Implementing Entity's plan setting out measures, including clear statements on the responsibility for operations decision making and related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evaluating threatened areas and mobilizing emergency forces and equipment, for when facility failure is considered imminent or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels relating to the Dam, in accordance with the provisions of the ESIA, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.
16. "Dam Instrumentation Plan" means the Project Implementing Entity's plan setting out measures for the installation of instruments to monitor and record the behavior of and the hydro-meteorological, structural, and seismic factors relating to the Dam, in accordance with the provisions of the ESIA, as the same may be modified from time to time in consultation with Association, and such term includes any schedules or annexes to such Plan.
17. "Dam Operation and Maintenance Plan" means the Project Implementing Entity's plan setting out measures, including organizational structure, staffing, technical expertise, and training required, equipment and facilities needed, procedures, and funding arrangements, including long-term maintenance and safety inspections, for the operation and maintenance of the Dam, in accordance



with the provisions of the ESIA, as the same may be modified from time to time in consultation with the Association, and such term includes any schedules or annexes to such Plan.

18. "Dam Safety Plans" means, collectively, the: (i) Dam Construction Supervision and Quality Assurance Plan; (ii) Dam Emergency Preparedness Plan; (iii) Dam Instrumentation Plan; and (iv) Dam Operation and Maintenance Plan.
19. "Debt Service" means the aggregate amount of repayment of principal, and interest, and other charges on debt.
20. "Dispute Adjudication Board" means a board of experts with qualifications and terms of reference acceptable to the Association, appointed by the Project Implementing Entity to provide non-binding expert advice on the works contracts under the Project.
21. "EU Co-financing Agreement" means the agreement to be signed between the Recipient and the EU to provide for the EU's Co-financing.
22. "Environmental and Social Assessment" and "ESIA" means the assessment to be carried out by the Project Implementing Entity on the potential environmental and social impacts of the Project, evaluating alternatives, and proposing appropriate mitigation, management, and monitoring measures and defining specific measures to be implemented.
23. "Environmental and Social Management Plan" and "ESMP" means a plan prepared and adopted by the Project Implementing Entity, as provided in the Environmental and Social Impact Assessment providing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and social impacts under the Project, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.
24. "Fiscal Year" means each fiscal year of the Recipient commencing on July 1 and ending on June 30 of the subsequent year.
25. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
26. "Operating Costs" means the incremental costs incurred by the Project Implementing Entity, based on annual budgets approved by the Association, on account of Project implementation, management and monitoring, including fuel and operation and maintenance costs for vehicles; stationary and sundries; advertising and office running costs including services of office machines and



equipment; purchase of materials for workshops; office supplies; communication charges; and venues for workshops and Training.

27. "Operating Expenses" means the sum of all expenses related to operations including administration, adequate maintenance, taxes and payments in lieu of taxes, and provisions for uncollected revenue, but excluding non-cash operating charges and costs associated with debt service.
28. "Operating Revenue" means the sum of all revenues generated by operations.
29. "Panel of Experts" means a panel of experts with qualifications and terms of reference acceptable to the Association appointed by the Project Implementing Entity to advise it on dam safety matters under the Project.
30. "Parties to the Protocol Regarding the Kariba Dam Rehabilitation Project" means the Republic of Zambia and the Republic of Zimbabwe.
31. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011(revised July 2014).
32. "Procurement Plan" means the Recipient's procurement plan for the Project, dated October 28, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
33. "Protocol Regarding the Kariba Dam Rehabilitation Project" means the Protocol entered into between the Republic of Zambia and the Republic of Zimbabwe regarding the Project and signed in June and July 2014.
34. "Project Implementation Manual" means the manual referred to in Section I.B of Schedule 2 to this Agreement consisting of different modules setting out respectively, *inter alia*, the administrative, financial and accounting procedures; the procurement and disbursement procedures arrangements; the monitoring and evaluation arrangements including the performance indicators to be used for the Project, procedures for the implementation of the Safeguards Instruments and other activities and arrangements to be used for the purpose of implementing the Project, as the same may be amended from time to time with the prior agreement of the Association.
35. "Project Implementing Entity" means Zambezi River Authority.
36. "Project Implementing Entity's Legislation" means the Agreement between the Republic of Zambia and the Republic of Zimbabwe concerning the utilization of the Zambezi River" signed in Harare, 28 July, 1987, the Zambezi River



Authority Act of the Republic of Zambia (Chapter 467) and the Zambezi River Authority Act of the Republic of Zimbabwe (Chapter 20:23).

37. "Project Manager" means the designated team leader responsible for the day-to-day implementation of the Project and referred to in Section I.A(5) of Schedule 2 to this Agreement.
38. "Project Steering Committee" means the committee established for purposes of the Project, referred to in Section I.A(1) of Schedule 2 to this Agreement and comprising directors from the ministries of the Contracting States responsible for energy as chairperson and co-chairperson, one senior official from the Ministry of Finance of each Contracting State, two senior officials from the power utilities in each Contracting State and representatives of the Zambezi River Authority.
39. "Resettlement Action Plan" and "RAP" mean the plan approved by the Association for the Project, prepared by the Project Implementing Entity on the basis of the RPF as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out on the RAP.
40. "Resettlement Policy Framework" and "RPF" mean a document in form and substance acceptable to the Association, to be prepared by the Project Implementing Entity and outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.
41. "Safeguards Instruments" means the ESIA, the RPF and any Supplemental Social and Environmental Safeguard Instruments.
42. "SIDA" means the Swedish International Development Agency.
43. "SIDA Grant" means an amount of \$20,000,000 to be provided by the Association to the Recipient through the SIDA Grant Agreement.
44. "SIDA Grant Agreement" means the agreement of same date as this Agreement between the Recipient and the Association, acting as administrator of funds provided by SIDA, providing a grant to the Recipient to assist in financing the Project; as such agreement may be amended from time to time. The term "SIDA Grant Agreement" includes all appendices, schedules and agreements supplemental to the SIDA Grant Agreement.



45. "Subsidiary Agreement" means the agreement referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.
46. "Supplemental Social and Environmental Safeguard Instruments" means any ESMP, RAP or other supplemental social and environmental safeguard instruments as required under the terms of any of the ESIA or RPF.
47. "Training" means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.B of Schedule 2 to this Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.
48. "UN" means the United Nations.
49. "Zambezi River Authority" means the authority for the management of the Zambezi River, established pursuant to Article 7 of the Agreement between the Republic of Zimbabwe and the Republic of Zambia concerning the utilization of the Zambezi River signed at Harare, 28 July 1987.

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