Honorable Dr. Bwalya K.E. Ng’andu, MP
Minister of Finance
Ministry of Finance
P.O.Box 50062
Chimanga Road
Lusaka
Republic of Zambia

Honorable Dr. Bwalya:

Re: IDA Credit 5563-ZM (Kariba Dam Rehabilitation Project)
Additional Instructions: Disbursement and Financial Information Letter - First Restatement

I refer to the Financing Agreement between the International Development Association (the “Association”) and Republic of Zambia (the “Recipient”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time to time request withdrawals of Credit amounts from the Credit Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

This Disbursement and Financial Information Letter is a revision of the Disbursement Letter dated February 20, 2015 to introduce (i) advances as a method of disbursement as detailed in Schedule I; and (ii) the service account as detailed in Section III. All other provisions of the Disbursement letter dated February 20, 2015, except as amended, shall remain in force and effect.

I. Disbursement Arrangements, Withdrawal of Credit Funds, and Reporting of Uses of Credit Funds.

The Disbursement Guidelines for Projects, dated May 1, 2006, as amended in February 2017, (“Disbursement Guidelines”) are available in the Association’s public website at https://www.worldbank.org and its secure website “Client Connection” at https://clientconnection.worldbank.org. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the guidelines apply to the Credit is specified below.

(i) Disbursement Arrangements
• **(ii) General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, and conditions, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and processing of advances, instructions on supporting documentation, and frequency of reporting on the Designated Account.

• **Special Provision.** Projects in situations of urgent need of assistance or capacity constraints: Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.

(ii) **Electronic Delivery.** Section 11.01 (c) of the General Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Association’s web-based portal “Client Connection” at [https://clientconnection.worldbank.org](https://clientconnection.worldbank.org). This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations), and which were previously agreed with the Association. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Association’s public website at [https://worldbank.org](https://worldbank.org) and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. **Financial Reports and Audits.**

(i) **Financial Reports.** The Recipient must prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports (“IFR”) for the Project covering the quarter.

(ii) **Audits.** Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Association not later than six (6) months after the end of such period.

III. **Other Information.**

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s website (http://www.worldbank.org/) and “Client Connection”. The Association recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Credit, and retrieve related policy, financial, and procurement information. For more information about the website and registration
arrangements, or if you have any queries in relation to the above, please contact the Association by email at askloans@worldbank.org using the above reference.

Yours sincerely,

__________________________

George Ferreira Da Silva  
Finance Officer for Zambia  
Africa Region
Attachments
1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)

With copies:
Mr. Fredson K. Yamba
Secretary to the Treasury
Ministry of Finance
Lusaka, Zambia

Mr. Mukuli Chikuba
Permanent Secretary
Economic Management & Finance
Ministry of Finance
Lusaka, Zambia

Dr. Mulenga Emmanuel Pamu
Permanent Secretary
Budget & Economic Affairs
Ministry of Finance
Lusaka, Zambia

Mr. Danies Chisenda
Permanent Secretary
Monitoring & Evaluation
Ministry of National Development Planning
Lusaka, Zambia

Mr. Munyaradzi C Munodawafa
Chief Executive Officer
Zambezi River Authority
Kariba House
Lusaka, Zambia

Mr. Sithembinkosi Z Mhlanga
Senior Manager Projects
Zambezi River Authority
Kariba House
Lusaka, Zambia
## Schedule 1: Disbursement Provisions

### Basic Information

<table>
<thead>
<tr>
<th>Credit Number</th>
<th>IDA 55630</th>
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</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
<td>Republic of Zambia</td>
</tr>
<tr>
<td><strong>Recipient</strong></td>
<td>Zambezi River Authority</td>
</tr>
<tr>
<td><strong>Name of the Project</strong></td>
<td>Kariba Dam Rehabilitation Project</td>
</tr>
<tr>
<td><strong>Closing Date</strong></td>
<td>Section IV.B.2. of Schedule 2 to the Financing Agreement.</td>
</tr>
<tr>
<td><strong>Disbursement Deadline Date</strong></td>
<td>Four months after the closing date.</td>
</tr>
</tbody>
</table>

### Disbursement Methods and Supporting Documentation

| Direct Payment | Yes | Copy of records |
| Reimbursement  | Yes | Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL |
| Advance (into a Designated Account) | Yes | Statement of Expenditure (SOE) in the format provided in Attachment 2 of the DFIL |
| Special Commitments | Yes | Copy of Letter of Credit |

### Designated Account (Sections 5 and 6 **)

<table>
<thead>
<tr>
<th><strong>Type</strong></th>
<th>Segregated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Institution - Name</strong></td>
<td>Standard Chartered Bank, Zambia</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>USD</td>
</tr>
<tr>
<td><strong>Frequency of Reporting</strong></td>
<td>Monthly</td>
</tr>
<tr>
<td><strong>Subsection 6.3 (</strong>)**</td>
<td></td>
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<tr>
<td><strong>Amount</strong></td>
<td>200,000.00</td>
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</tbody>
</table>

### Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD 50,000.00 equivalent.

### Authorized Signatures (Subsection 3.1 and 3.2 **)

The form for Authorized Signatories Letter is provided in Attachment 1 of this letter Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)

An authorized signatory letter in the Form attached (Attachment 1) should be furnished to the Association at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications.

All Withdrawal Applications and its supporting documentation will be electronically sent via the Association’s system Client Connection.

The World Bank, Loan Department,
Delta Center, 13th Floor,
Upper Hill, Menengai Road,
P.O. Box 30577 - 00100
Nairobi, Kenya.
Tel: 254 20 2936 000

### Additional Instructions

N/A

Other
As reflected in Financing agreement, Section IV.A.2, withdrawal schedule, IDA applicable Disbursement percentage is variable, and will be based on financiers' semi-annual agreement, as reflected in the association's semi-annual Confirmation Letter, sent to the Recipient stipulating the applicable percentage of financing for the Project, split by category, for the following six months.

**Sections and subsections relate to the “Disbursement Guidelines for Projects”, dated May 1, 2006, as amended in February 2017.**
Attachment 1 - Form of Authorized Signatory Letter

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

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

[DATE]

Re: [Grant][Credit]¹ No. ______-____ ([Name of the project])
Attention: _______________________, Country Director

I refer to the [Grant][Credit] Agreement (“Agreement”) between the International Development Association (the “Association”), acting as implementing of the [2] and [name of recipient] (the “Recipient”), dated _______, providing the above [Grant][Credit]. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this [Grant][Credit].

For the purpose of delivering Applications to the Association, including by electronic means, [each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually][jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

¹ Instruction to the Recipient: use “Credit” or “Grant” as applicable. Please delete this footnote in final letter that is sent to the Associations.

² Instruction to the Recipient: add text in line with the Grant Agreement if applicable; if not applicable delete it. Please delete this footnote in final letter that is sent to the Associations

³ Instruction to the Recipient: stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the Association.

⁴ Instruction to the Recipient: stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the Association.

⁵ Instruction to the Recipient: use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.

⁶ Instruction to the Recipient: use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the Association.
This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position]        Specimen Signature: ____________________
[Name], [position]        Specimen Signature: ____________________
[Name], [position]        Specimen Signature: ____________________

Yours truly,

/ signed /

___________
### IDA - International Development Association

**Statement of Expenditures**

**Payment made during the period from**

**The following expenditures have been incurred during the retroactive financing period (please tick)**

<table>
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<th>Yes</th>
<th>No</th>
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**The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)**

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<th>Yes</th>
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<tr>
<th>Item No</th>
<th>Supplier's Name</th>
<th>Brief Description of the expenditure</th>
<th>Prior Review Contract? (YES or NO)</th>
<th>Contract # (Client Connection # for Prior Review contracts)</th>
<th>Contract currency and amount (original + amendment)</th>
<th>Invoice number</th>
<th>Date of payment</th>
<th>Total amount of invoice covered by Application (net of retention)</th>
<th>% Financed by the Bank</th>
<th>Eligible Amount (Col 9 X 10)</th>
<th>Exchange rate</th>
<th>Date of Withdrawal from the Designated Account</th>
<th>Amount Withdrawn from the Designated Account (Col 11 / 12)</th>
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**ONLY for the Designated Account**

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**Supporting documents for this SOE are retained at**

*(insert location)*

A separate form should be used for each category

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**Attachment 2 - Statement of Expenditure**