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: Swedish Grant No. TF019029-ZM (Kariba Dam Rehabilitation Project)
Additional Instructions: Disbursement and Financial Information Letter – First Restatement

I refer to the Letter Agreement (“Agreement”) between the International Bank for Reconstruction and Development/International Development Association (“World Bank”), as administrator of grant funds provided by Sweden (“Donor”) and the Republic of Zambia (the “Recipient”) for the above-referenced project, dated February 20, 2015. The Standard Conditions, as defined in the Letter Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF019029-ZM (“Grant”), and may set out Project specific financial reporting requirements. This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes such additional instructions.

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 and Withdrawal of Grant Funds

The World Bank Disbursement Guidelines for Projects, dated May 1, 2006, as amended in February 2017, (“Disbursement Guidelines”) are available in the World Bank’s public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the
Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

(i) Disbursement Arrangements

The table in Schedule 1 provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01 (c) of the Standard Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Bank’s web-based portal “Client Connection” at 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 Bank 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 Recipient encounters legal limitations), and which were previously agreed with the Bank. 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 World Bank's public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The Recipient must prepare and furnish to the Bank 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 Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank’s website (http://www.worldbank.org) and “Client Connection”. The World Bank 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 Grant, 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 World Bank 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. Form of Statement of Expenditure (SOE)

Cc 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>Grant Number</th>
<th>TF019029</th>
</tr>
</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 Letter Agreement</td>
</tr>
<tr>
<td><strong>Disbursement Deadline Date</strong></td>
<td>Four (4) months after the closing date</td>
</tr>
</tbody>
</table>

### Disbursement Methods, and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods Section 2 (**)</th>
<th>Methods Available</th>
<th>Supporting Documentation Subsections 4.3 and 4.4 (**)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure in the format provided in Attachment 2 of this letter</td>
</tr>
<tr>
<td>Advance (into a Designated Account)</td>
<td>Yes</td>
<td>Statement of Expenditure in the format provided in Attachment 2 of this letter</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
</tr>
</tbody>
</table>

### Designated Account (Section 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, Subsection 6.3 (</strong>)**</td>
<td>Monthly</td>
</tr>
<tr>
<td><strong>Amount</strong></td>
<td>200,000.00</td>
</tr>
</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 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
<table>
<thead>
<tr>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>As reflected in Grant agreement, Section IV.A.2, withdrawal schedule, Grant 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.</td>
</tr>
</tbody>
</table>

* Select the agreed supporting documentation, and add the following “in the format provided in Attachment 2 of this letter”

** Sections and subsections indicated 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]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C.  20433
United States of America

Attention: [Country Director]

Dear [Country Director]:

Re: Grant No. ____-____ (____________ Project)

I refer to the [Grant] [Letter] Agreement (“Agreement”) between the [International Bank for Reconstruction and Development/International Development Association] (“[World Bank”][“Association”]), acting as [an implementing agency of the Global Environmental Facility][administrator of the Global Partnership on Output-based Aid][administrator of name of the trust fund], and [name of recipient] (the “Recipient”), dated ______, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard 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.

For the purpose of delivering Applications to the [World Bank] [Association], [2]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 [World Bank] [Association].

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1 Instruction to the Recipient when sending this letter to the World Bank: 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 World Bank/Association.

2 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 World Bank/Association.

3 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 World Bank/Association.

4 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 World Bank/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 [World Bank] [Association] by electronic means. In full recognition that the [World Bank] [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 [World Bank] [Association] that it will cause such persons to abide by those terms and conditions.]

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

[Name], [position] Specimen Signature: ____________________

[Name], [position] Specimen Signature: ____________________

[Name], [position] Specimen Signature: ____________________

Yours truly,

/ signed /

___________________________

[Position]

5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the World Bank/Association.
### Attachment 2 – Statement of Expenditure

**IDA - International Development Association**

**Statement of Expenditures**

<table>
<thead>
<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 &amp; 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>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
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<td>0.00</td>
</tr>
</tbody>
</table>

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

(insert location)

_A separate form should be used for each category_