



GRANT NUMBER E2970-ZM

Financing Agreement

**(National Energy Advancement and Transformation Program Phase I under the
Multiphase Programmatic Approach)**

between

REPUBLIC OF ZAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



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.

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 seventy five million two hundred thousand Special Drawing Rights (SDR 75,200,000 (“Financing”), to assist in financing the program described in Schedule 1 to this Agreement (“Program).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.
- 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 — PROGRAM

- 3.01. The Recipient declares its commitment to the objective of the Program and the MPA Program. To this end, the Recipient shall carry out the Program, and cause;
- (a) Parts A.1, B, and C of the Program to be carried out by ZESCO in accordance with the provisions of Article V of the General Conditions and, Schedule 2 to this Agreement, and the ZESCO Program Agreement; and
 - (b) Part A.2 of the Program to be carried out by REA in accordance with the provisions of Article V of the General Conditions and, Schedule 2 to this Agreement, and the REA Program 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 Program 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) a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out;
 - (b) the Program has been modified or suspended so as to affect materially and adversely the ability of the Recipient or REA or ZESCO to achieve the objectives of the Program; and
 - (c) Either the REA Legislation or the ZESCO Articles of Association has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of ZESCO or REA (as the case may be) to perform any of its obligations under the respective Program Agreement to which it is a party.
- 4.02. The Additional Event of Acceleration consists of the following, namely, the event specified in paragraph (b) Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the ZESCO Subsidiary Agreement has been executed and delivered on behalf of the Recipient and ZESCO;

- (b) the REA Subsidiary Agreement has been executed and delivered on behalf of the Recipient and REA;
- (c) the Program Operations Manual has prepared and adopted in form and substance satisfactory to the Association and in accordance with Section I.D of Schedule 2 of this Agreement;
- (d) the Recipient has established a Program Steering Committee in form and substance satisfactory to the Association and in accordance with Section I.B.1 of Schedule 2 of this Agreement.

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

Date: 13-May-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Achim Fock

Authorized Representative

Name: Achim Fock

Title: Country Manager

Date: 08-May-2024

SCHEDULE 1

Program Description

The objective of the Program is to improve financial performance of the ZESCO.

The Program constitutes the first phase of the MPA Program, and consists of the following activities:

A. Improving Financial and Operational Performance of ZESCO

1. Carrying out a program of activities designed to support the implementation of the measures identified in the ZESCO strategy for (i) management of debt and arrears; (ii) optimizing operational costs; (iii) enhancing revenues; and (iv) reducing the impact of the upfront cost of connecting new customers through grid-connection subsidy program.
2. Carrying out a program of activities designed to strengthen the implementation of the Rural Electrification Fund, pursuant to the Rural Electrification Act.

B. Increasing Reliability and Climate Resilience of the Electricity Sector

Carrying out a program of activities for supporting the implementation of the measures identified in the ZESCO strategy for (i) improved customer management; and (ii) reliability of supply and system resilience, to strengthen ZESCO's revenue collection and reduce costs.

C. Enabling private investment in non-hydro renewable energy

Carrying out a program of activities designed to support the establishment of a foundation for competitive and cost-efficient procurement of new generation to support electrification and meet the needs of key economic growth sectors.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Fiduciary, Environmental and Social Systems

Without limitation on the provisions of Article IV of the General Conditions, the Recipient shall, through the MoFNP, carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the Association including those set forth in the ESSA and the Program Action Plan (“Program Fiduciary, Environmental and Social Systems”) which are designed to ensure that:

- (a) the Financing proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and
- (b) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

B. Program Institutions

1. Program Steering Committee

The Recipient shall establish and thereafter maintain at all times throughout the implementation of the Program, a Program Steering Committee, chaired by the MoE and *inter alia* comprising representatives of REA, ZESCO and MoFNP, to provide overall policy guidance, oversight and coordination over the program implementation with composition, mandate and resources satisfactory to the Association.

2. Program Coordinators; Implementing Team

The Recipient shall ensure that REA and ZESCO each assigns and thereafter maintains at all times throughout the implementation of the Program:

- (a) a coordinator, with terms of reference, qualifications and experience satisfactory to the Association to be responsible for coordinating its Respective Part of the Program; and
- (b) a Program implementing team with terms of reference satisfactory to the Association comprised of qualified and experienced staffing in adequate numbers, to be responsible for the day-to-day implementation of its Respective Part of the Program.

C. Subsidiary Agreements

1. To facilitate the carrying out of ZESCO's Respective Parts of the Program, the Recipient shall make part of the proceeds of the Financing available to ZESCO under a subsidiary agreement between the Recipient and ZESCO, under terms and conditions approved by the Association ("ZESCO Subsidiary Agreement"), which shall include the following:
 - (a) the roles and responsibilities of ZESCO with regard to implementation of the Program; and
 - (b) the obligation of ZESCO, to comply with the provisions, procedures, criteria, and standards set forth in this Agreement, the General Conditions, and the Anti-Corruption Guidelines.
2. To facilitate the carrying out of REA's Respective Part of the Program, the Recipient shall make part of the proceeds of the Financing available to REA under a subsidiary agreement between the Recipient and REA, under terms and conditions approved by the Association ("REA Subsidiary Agreement"), which shall include the following:
 - (a) the roles and responsibilities of REA with regard to implementation of the Program; and
 - (b) the obligation of REA, to comply with the provisions, procedures, criteria, and standards set forth in this Agreement, the General Conditions, and the Anti-Corruption Guidelines.
3. The Recipient shall exercise its rights under the REA Subsidiary Agreement and the ZESCO 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 Agreements or any of their provisions.

D. Program Operations Manual

1. The Recipient shall cause ZESCO to develop and adopt an operation manual for the Program (variously the "Program Operations Manual" or the "POM"), in a manner and substance satisfactory to the Association, and thereafter ensure that the Program is carried out in accordance with such manual, which shall set forth the institutional, administrative, financial, technical and operational guidelines and procedures for the implementation of the Program, including the coordination, roles, and responsibilities of REA and ZESCO, as well as the agreed Program Action Plan, including: (a) the detailed description of Program activities, including

results framework, overall budget and detailed Program expenditures; (b) the composition and terms of reference of Implementing Team technical staff; (c) the detailed environmental and social risk mitigation measures and documents for the Program; (d) financial management protocols and standards applicable to the Program; (e) detailed guidelines for the administration of the Program proceeds and the flow of funds; (f) procurement arrangements for the Program and allocation of responsibilities thereunder; (g) the protocols for reporting to the Association on, and sharing the findings of, any case of fraud and corruption denounced and/or investigated under the Program, in accordance with the Anti-Corruption Guidelines; (h) the Verification Protocol agreed with the Association for evaluating the achievement of the DLIs and their respective DLRs, including the annual schedule therefor; (i) the grievance mechanism for the Program and associated protocols and procedures (including timelines) for addressing and reporting on grievance complaints; and (j) monitoring and evaluation requirements, including verification and performance assessment systems for the Program.

2. The Recipient shall cause ZESCO to refrain from materially and/or substantially amending, revising, waiving, voiding abrogating or suspending any provision of the Program Operations Manual, whether in whole or in part, without the prior written concurrence of the Association.
3. In the event of any inconsistency between a provision of the Program Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

E. Independent Verification Agent

1. The Recipient shall:
 - (a) Not later than three (3) months after the Effective Date appoint and thereafter maintain at all times during the implementation of the Program, an independent verification agent with experience and qualifications and under terms of reference acceptable to the Association (the "Independent Verification Agent"), to: (i) verify the data and other evidence supporting the achievement of the DLIs/DLRs, as set forth in the table in Section IV of Schedule 2 to this Agreement; and (ii) recommend corresponding disbursements to be made, as applicable, pursuant to Section IV herein below; and
 - (b) (i) ensure that the Independent Verification Agent carries out the DLIs/DLRs' verification process(es) in accordance with the Verification Protocol; and (ii) submits to the Association the corresponding verification reports in a timely manner (at least once a year), and in form and substance satisfactory to the Association.

F. Program Action Plan

1. Without limitation upon the generality of Parts A through D of this Section I, the Recipient shall: (a) carry out the Program Action Plan agreed with the Association, in accordance with the schedule set out in the said Program Action Plan, and in a manner and substance satisfactory to the Association; and (b) maintain policies and procedures adequate to enable it to monitor and evaluate, in a manner and substance satisfactory to the Association, the implementation of the said Program Action Plan.
2. The Recipient shall refrain from materially and/or substantially amending, revising, waiving, voiding, abrogating or suspending any provision of the Program Action Plan, whether in whole or in part, without the prior written concurrence of the Association.
3. In the event of any inconsistency between a provision of either the Program Action Plan, on the one hand, and those of this Agreement, on the other, the provisions of this Agreement shall prevail.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

- A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- B. involve the procurement of: (1) works, estimated to cost \$75,000,000 equivalent or more per contract; (2) goods, estimated to cost \$50,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost \$50,000,000 equivalent or more per contract; or (4) consulting services, estimated to cost \$20,000,000 equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Program Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. 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 Program

Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the REA and ZESCO, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) all as set forth in the table in paragraph 2 of this Part A.

2. The following table specifies each category of withdrawal of the proceeds of the Financing (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Financing to each Category:

Category (including Disbursement Linked Indicator as applicable)	DLR Disbursement Linked Result	Disbursement Calculation Formula	Amount of the Financing Allocated (expressed in SDR)
(1) DLI #1: Improved Financial Performance of ZESCO	DLR #1.1: Adoption of Debt and Arrears Management Plan, including mining sector, endorsed by ZESCO Board	DLR #1.1: Allocated amount of SDR 2,406,400 to be disbursed on confirmation of achievement	27,974,400
	DLR #1.2 (i): ZESCO publishes updated ERB approved tariffs with full passthroughs for calendar year 2024	DLR #1.2(i): Allocated amount of SDR 5,264,000 to be disbursed on confirmation of achievement	
	DLR #1.2 (ii): ZESCO publishes updated ERB approved tariffs with full passthroughs for calendar year 2025	DLR #1.2(ii): Allocated amount of SDR 5,264,000 to be disbursed on confirmation of achievement	

	<p>DLR #1.3: Reduction in the outstanding balance of currently on-lent loans by conversion to equity in ZESCO's balance sheet</p>	<p>DLR #1.3 Allocated amount of SDR 7,520,000 to be disbursed on confirmation of reduction of the outstanding balance of currently on-lent loans through conversion to equity, in ZESCO's balance sheet, from a baseline of US\$370 million to a target of US\$185 million</p>	
	<p>DLR #1.4: ZESCO's gross receivables from the mining sector reduced</p>	<p>DLR #1.4: Allocated amount of SDR 7,520,000 to be disbursed on confirmation of reduction of ZESCO's gross receivable from the mining sector from baseline of US\$600 million to target of US\$570 million</p>	
<p>(2) DLI #2: Operationalization of the Rural Electrification Fund, pursuant to the Rural Electrification Act</p>	<p>DLR #2.1: REA Board adopts Operating Guidelines for Rural Electrification Fund (REF)</p>	<p>DLR #2.1: Allocated amount of SDR 3,760,000 to be disbursed on confirmation of achievement</p>	<p>7,520,000</p>

	<p>DLR #2.2: Rural Electrification Fund (REF) Year 1 Annual Report submitted, as per the REF Operating Guidelines</p>	<p>DLR #2.2: Allocated amount of SDR 3,760,000 to be disbursed on confirmation of achievement</p>		
<p>(3) DLR #3 Improved Reliability and Customer Service</p>	<p>DLR #3.1 (i) DLR# 3.1(i): Maintenance of Customer Average Interruption Duration Index (CAIDI) of 7 hours for Dry Season in 2024.</p> <p>DLR# 3.1(ii) Maintenance of Customer Average Interruption Duration Index (CAIDI) of 7 hours for Dry Season in 2025.</p>	<p>DLR# 3.1(i): Allocated amount of SDR 3,008,000 to be disbursed on confirmation of achievement</p> <p>DLR# 3.1(ii): Allocated amount of SDR 3,008,000 to be disbursed on confirmation of achievement</p>	<p>32,185,600</p>	
	<p>DLR #3.2: Deployment of smart-meters for 11,000</p>	<p>DLR#3.2 Upon achieving minimum threshold of deployment of the first 2,500 smart meters, disburse SDR2105.6</p>		

	high-value customers	for each smart meter deployed, up to a maximum of 11,000 smart-meters with a total allocation of SDR 23,161,600	
	DLR #3.3: Design centralized hydrological monitoring system to enhance energy forecast finalized and approved by ZESCO	DLR# 3.3: Allocated amount of SDR 3,008,000 to be disbursed on confirmation of achievement	
(4) DLI #4: Enabling private investment in non-hydro renewable energy	DLR #4.1: Renewable Energy Generation Pipeline review completed.	DLR# 4.1: Allocated amount of SDR 3,760,000 to be disbursed on confirmation of achievement	7,520,000
	DLR #4.2: Renewable Energy Procurement pre-qualification, in line with IRP, launched	DLR# 4.2: Allocated amount of SDR 3,760,000 to be disbursed on confirmation of achievement	
TOTAL AMOUNT			75,200,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) on the basis of DLRs achieved prior to the Signature Date.

- (b) for any DLR under Category (1) to (4), until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved.
- 2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw: (i) an amount not to exceed SDR18,800,000 as an advance; provided, however, that if the DLRs in the opinion of the Association, are not achieved or only partially achieved by the Closing Date, the Recipient shall refund such advance to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.
- 3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1) to (4) has not been achieved by the date by which the said DLR is set to be achieved or such later date as the Association has established by notice to the Recipient, the Association may, by notice to the Recipient: (a) in the case of DLR 3.2 under Category (3), authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said DLR which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the applicable scalability formula set forth for such DLR in the table in Section IV.A; (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR ; and/or (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.
- 4. The Closing Date is December 30, 2026

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the Association’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
2. “Customer Average Interruption Duration Index” or the acronym “CAIDI” means a reliability index that measures the average time to restore electricity service once an outage occurs.
3. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. “Centralized Hydrological Monitoring System” means a system that will enable operational short, medium, and seasonal inflow forecasting and *reservoir* operations system for hydropower plants.
5. “Debt and Arrears Management Plan” means ZESCO’s strategic and timebound plan for management of existing debt and arrears.
6. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
7. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.
8. “Dry Season” means the period of prolonged dry weather each year, as defined by the Recipient’s Energy Regulatory Board.
9. “ERB” means Energy Regulation Board established under Section 3 of the Energy Regulation Act, 1995 and continued under Section 3 of the Energy Regulation Act No.12 of 2019.
10. “ESSA” means the Environmental and Social Systems Assessment for the Program.
11. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Program-for-Results Financing”, dated December 14, 2018 (Last revised on July 15, 2023).

12. Independent Verification Agent” means the Recipient’s agency to be recruited to carry out the verification as specified in the Program Operation Manual, as set forth in Section I.E of Schedule 2 of this Agreement.
13. “IRP” means the Recipient’s Integrated Resource Plan approved by the Recipient in November 2023.
14. “MOE” means the Recipient’s Ministry of Energy or any successor thereto.
15. “MoFNP” means the Recipient’s Ministry of Finance and National Planning or any successor thereto.
16. “MPA Program” means the multiphase programmatic approach program designed to increase sustainability, reliability, and resilience of the Recipient’s electricity sector.
17. “Program Action Plan” means the Recipient’s plan referred to in Section 1.F.1 of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Association.
18. “Program Agreement” means individually the ZESCO Program Agreement or the REA Program Agreement (as the context may require); and “Program Agreements” means collectively the ZESCO Program Agreement and the REA Program Agreement.
19. “Program Coordinators” means collectively the coordinators to be assigned by REA and ZESCO, respectively, responsible for coordinating its Respective Part of the Program referred to in Section I.B.2(a) of Schedule 2 to this Agreement.
20. “Program Fiduciary and Environmental and Social Systems” means the Recipient’s systems for the Program referred to in Section I.A of Schedule 2 to this Agreement.
21. “Program Implementing Team” means the implementation team of the Program to be assigned by REA and ZESCO, respectively, for the implementation of its Respective Part of the Program referred to in Section I.B.2(b) of Schedule 2 to this Agreement.
22. “Program Operation Manual” means the manual referred to in Section I.D.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time.
23. “Program Steering Committee” means the committee to be established referred to in Section I.B.1 of Schedule 2 to this Agreement.
24. “REA” means the Rural Electrification Authority, an autonomous legal entity established pursuant to section 3 of the Rural Electrification Act No. 20 of 2003

(continued under Section 3 of the Rural Electrification Act No. 5 of 2023 of the Laws of Zambia) (REA Legislation) and operating under the laws of the Recipient.

25. “REA Board” means the Board of the Rural Electrification Authority established under section 7 of the Rural Electrification Act No. 5 of 2023.
26. “REA Legislation” means the Recipient’s Rural Electrification Act No. 20 of 2003 (continued under Section 3 of the Rural Electrification Act No. 5 of 2023 of the Laws of Zambia).
27. “REA Subsidiary Agreement” means the agreement referred to in Section I.C.1 of Schedule 2 to this Agreement pursuant to which the Recipient shall make the REA Subsidiary Financing available to REA.
28. “REF Operating Guidelines” means Operating guidelines adopted by REA Board that formalize provisions of the Rural Electrification Act (Act No. 5 of 2023), which promulgates the Rural Electrification Fund (REF) including the details of the governance, operations, financing, and management.
29. “Renewable Energy Generation Pipeline” means a compilation of all the renewable energy generation projects submitted to the Government agencies for consideration.
30. “Renewable Energy Procurement” means the process of engagement and requesting expression of interest from private sector companies and projects interested in establishing renewable energy generation projects.
31. “Respective Part of the Program” means (a) in the case of ZESCO Part A.1, B and C of the Program; and (b) in the case of REA part A.2 of the Program.
32. “Rural Electrification Act” means the Recipient’s Rural Electrification Act (Act No. 5 of 2023).
33. “Rural Electrification Fund” or the acronym “REF” means the fund established under Section 18 of the Rural Electrification Act No. 20 of 2003 of the Laws of Zambia (continued under Section 15 of the Rural Electrification Act No. 5 of 2023 of the Laws of Zambia), managed by REA and consisting of money appropriated by Parliament, electricity levy collected as well as loans, grants or donations.
34. “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.
35. “Verification Protocol” means the verification protocol agreed between the Recipient and the Association, which shall form part of the Program

Operation Manual, setting forth the basis and methodology for the verification of achievement of Disbursement Linked Results under the Program, as same may be modified from time to time with the prior written agreement of the Association.

36. “ZESCO” means ZESCO Limited, a company incorporated under Companies Act No. 10 of 2017 (as amended by the Companies Act No. 12 of 2020) and being the national power utility responsible for generation, transmission, distribution and supply of electricity in Zambia.
37. “ZESCO Articles of Association” means the articles setting forth the internal regulations of ZESCO adopted pursuant to the Companies Act No. 10 of 2017 (as amended by the Companies Act No. 12 of 2020).
38. “ZESCO Subsidiary Agreement” means the agreement referred to in Section I.B.2. of Schedule 2 to this Agreement pursuant to which the Recipient shall make the ZESCO Subsidiary Financing available to ZESCO.