
CREDIT NUMBER. 7345-ZM

Financing Agreement

(Zambia Agribusiness and Trade Project-II)

between

REPUBLIC OF ZAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7345-ZM

FINANCING AGREEMENT

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

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — CREDIT

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount equivalent to one hundred and seventy million Dollars (USD 170,000,000) (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 Credit in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance of Credit.
- 2.04. The Payment Dates are April 1 and October 1 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with Schedule 3 to this Agreement.
- 2.06. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out the Project, except Part 1.3(a) of the Project, through MCTI; and (b) cause the Eligible AFI to carry out Part 1.3(a) of the

Project, all in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Subsidiary Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consist of the following: the law of the Recipient or other documents establishing the Eligible AFI shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Eligible AFI to perform any of its obligations under the Project.

ARTICLE V – EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has updated, as required, the mandate, terms of reference, composition and resources of the Project Steering Committee (“PSC”) in form and manner satisfactory to the Association, and in accordance with Section I.A.2 of Schedule 2 to this Agreement.
 - (b) The Recipient has updated, as required, the terms of reference, resources and staff of the Technical Working Group (“TWG”) in form, and manner satisfactory to the Association, and in accordance with Section I.A.3 of Schedule 2 to this Agreement.
 - (c) The Recipient has prepared and adopted a Project Implementation Manual (“PIM”), including a Matching Grant Manual and an LoC Subproject Manual, in form and manner satisfactory to the Association, and in accordance with Section I.C of Schedule 2 to this Agreement.
 - (d) The Recipient has prepared and adopted an Environmental and Social Management Framework, in form and manner satisfactory to the Association.
 - (e) The Recipient has recruited for the Project Implementation Unit (“PIU”), a social specialist, under terms of reference and with qualifications and experience acceptable to the Association.
- 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 the minister responsible for finance and national planning.

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:

Facsimile:	Email:
(+260 211) 253494/251078	Situmbeko.Musokotwane@grz.gov.zm

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

(a) the Association's address is:

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

(b) the Association's Electronic Address is:

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

AGREED as of the Signature Date.

REPUBLIC OF ZAMBIA

By



Authorized Representative

Name: Dr. Situmbeko Musokotwane

Title: Minister of Finance and National Planning

Date: 12-Dec-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Achim Fock

Authorized Representative

Name: Achim Fock

Title: Country Manager

Date: 22-Nov-2023

SCHEDULE 1

Project Description

The objectives of the Project are to increase access to markets and finance and promote firm growth in Zambia's agribusiness sector.

The Project consists of the following parts:

Part 1. Support Access to Markets and Finance

MarketConnect

- 1.1 Provision of tailored technical assistance to selected agribusiness firms ("Agribusinesses") and Producer Organizations ("POs") to upgrade and improve market linkages, and foster partnerships with off takers and buyers through, *inter alia*:
- (a) provision of: (i) holistic and demand driven training and capacity building in relation to business development services; and (ii) support for reviewing commercialization arrangements for partnerships between selected POs, Agribusinesses and/or off takers;
 - (b) financing new product certification, food safety standards and applications for new/ renewal of export licensing to Agribusinesses and POs to facilitate group and company level certifications that enhance marketability of commodities/products;
 - (c) provision of business incubation and acceleration support to early-stage businesses to enable them to better leverage digital technologies; and
 - (d) development of "centers of excellence" for demonstration and knowledge spillovers from the Project and for training youth (with a focus on women) as agriculture entrepreneurs (referred to as "agripreneurs") who may serve as last mile business development services providers for "bundling" services.

Productive Alliances

- 1.2 Improving the capacity of small and marginal farmers to finance and execute productivity enhancing investments through Productive Alliances, which includes, *inter alia*:
- (a) provision of Matching Grants to POs (and some off takers) for carrying out Productive Alliance Subprojects, including support for productive

investments at the PO level to enable primary and secondary value addition as well as adoption of climate resilient production technologies for stronger market participation; and

- (b) support for awareness building, training and promotion of a range of climate mitigation and adaptive practices.

Line of Credit to Support Agribusinesses

- 1.3 Enhancing access to finance by galvanizing financial intermediaries to work with growth-orientated agribusiness firms and enterprises through, *inter alia*:
 - (a) provision of a Line of Credit to an eligible apex financial institution (“Eligible AFI”) to enable lending to eligible Agribusinesses through eligible participating financial institutions (“Eligible PFIs”), with a focus on disadvantaged or vulnerable populations for investment in new technologies and climate adaptation and mitigation measures and sustainable practices (“LoC Subprojects”); and
 - (b) provision of technical assistance to the Eligible AFI and Eligible PFIs for capacity building to ensure robust delivery of the Line of Credit;

Part 2. Promote Trade and Agribusiness Competitiveness

Implementing Trade Commitments

- 2.1 Support for implementation of global, continental and regional commitments and domestic regulations, through: (a) implementing Zambia’s Africa Continental Free Trade Agreement strategy and action plan including developing capacities required within MCTI; (b) supporting the National Trade Facilitation Committee and Corridor Committees to ensure Zambia’s commitments are implemented and interests are represented; and (c) strengthening the recently established Technical Regulations Department within MCTI to improve the technical regulations regime.

Improving Trade Efficiency

- 2.2 Support through MCTI to Zambia’s trade agencies to implement an automated, coordinated and risk-based approach to trading goods, including, strengthening:
 - (a) coordinated border management to improve efficiency and reduce cost;
 - (b) coordinated risk management, including harmonization of requirements across agencies, joint inspections and related modifications in customs ASYCUDA system; and
 - (c) trade agency automation including: (i) ICT systems for Zambia’s key trade related agencies; and (ii) WAN connectivity at headquarters for connection to the national single window and at selected border to connect to ASYCUDA World.

Strengthen Business Regulatory, National Quality Infrastructure and SPS Capacities and Facilities

- 2.3 Enhancing capacities and facilities of Zambia's key business regulations, investment promotion institutions and trade related agencies involved in agricultural trade , including: (a) capacity building of business regulatory and investment policy and promotion institutions; (b) re-purposing or refurbishing or constructing diagnostic facilities in Lusaka; (c) setting up a national accreditation body and laboratory accreditation for selected testing at selected agencies; (d) provision of equipment and supplies to support inspection and sampling, that are energy efficient and climate resilient; and (e) supporting Zambia's trade agencies to expand stakeholder engagement, consultation and awareness including for women and small and medium enterprises that would include the establishment of joint resource centers.

Part 3. Project Management

Support Project management, monitoring and evaluation through, *inter alia*, financing of technical assistance, Training, Operating Costs and other associated costs associated with Project coordination, management and implementation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

Ministry of Commerce, Trade and Industry

1. The Recipient shall designate the MCTI with responsibility for overall implementation of the Project, and the Department of Planning and Information with overall coordination of the Project.

Project Steering Committee

2. The Recipient shall maintain throughout Project implementation a high-level Project Steering Committee, with a mandate, terms of reference, composition and resources satisfactory to the Association, chaired by the Permanent Secretary for MCTI or his/her representative, and comprised of, *inter alia*, permanent secretaries from partner ministries and private sector. The PSC shall be responsible for: (a) overseeing overall implementation of the Project; (b) providing policy guidance; (c) ensuring inter-agency coordination; and (d) reviewing and approving annual work plans and budgets. The Project manager shall serve as secretary of the PSC, which shall be required to meet quarterly but not less than twice a year.

Technical Working Group

3. The Recipient shall throughout Project implementation maintain a TWG, with resources and staff in adequate numbers and with terms of reference, qualifications, and experience satisfactory to the Association, chaired by the Director of Planning and Information in the MCTI, and including representatives from relevant departments and agencies, a nominee from the Attorney General's Office, selected PIU staff, and head of MCTI accounting department. The TWG shall be responsible for providing technical oversight on Project implementation and shall be required to meet at least quarterly.

Project Implementation Unit

4. The Recipient shall, not later than one (1) month after the Effective Date, update the terms of reference of the PIU and maintain throughout Project implementation the PIU, with resources, with competent staff in adequate numbers and with terms of reference, qualifications, and experience satisfactory to the Association. The PIU shall be responsible for day-to-day management, implementation, preparation of the annual work plan to be submitted to the PSC for approval, implementation of stakeholder engagement plan and project's grievance redress mechanism, and

monitoring and evaluation of the Project. The PIU shall include the following staff: (a) a Project manager; (b) a financial management specialist; (c) a procurement specialist; (d) two agribusiness specialists; (e) an environmental specialist; (f) a social specialist; (g) an infrastructure specialist; (h) access to finance specialist; (i) monitoring and evaluation specialist; (j) communications specialist, and (k) ten provincial level staff each with terms of reference, qualification and experience acceptable to the Association.

Provincial Productive Alliances Advisory Committee

5. The Recipient shall not later than three (3) month(s) after the Effective Date establish and throughout Project implementation maintain a provincial productive alliances advisory committees in each province of Zambia chaired by a member of the private sector, as set forth in the PIM, and comprised of, *inter alia*, members of Chambers of Commerce and Zambia National Farmers Union, members of local leadership, representatives from the Ministry of Agriculture, Ministry of SME Development, Ministry of Livestock and Fisheries and Provincial Planning Office (“Provincial Productive Alliances Advisory Committee” or “PPAAC”). The PPAAC shall be led by a provincial level PIU staff and be responsible for enhancing outreach, ensuring local-level ownership and providing guidance and feedback on Project implementation at a regional level for Parts 1, 2 and 3 of the Project.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part 1.3(a) of the Project, the Recipient shall make the portion of the Financing allocated to Category (3) of the table set forth in Section III.A. of this Schedule available to the Eligible AFI through a Subsidiary Agreement to be entered into between the Recipient and the Eligible AFI as a sub-loan, under terms and conditions approved by the Association (“Subsidiary Agreement”).
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such a 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.
3. In the event of any inconsistency between a provision of the Subsidiary Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

C. Project Implementation Manual

1. The Recipient shall carry out the Project in accordance with the PIM (including a Matching Grant Manual, a LoC Subsidiary Agreement and LoC Subproject Manual) in accordance with Section 4.01(c) of this Agreement, and shall carry out the Project in accordance with said PIM, containing, *inter alia*, detailed arrangements and procedures for:
(i) implementation arrangements; (ii) administrative, financial management, accounting, and disbursement mechanisms, procedures and protocols; (iii) procurement; (iv) environmental and social safeguards aspects; (v) monitoring and evaluation; (vi) grievance redress mechanism; (vii) corruption and fraud mitigation measures; (viii) roles and responsibilities of various agencies in implementation of the Project; (ix) selection and eligibility criteria for Subprojects, POs and Agribusinesses; (x) funding conditions to be met for POs and Agribusinesses to qualify for Matching Grants or a Line of Credit, respectively; (xi) procedure and criteria for selecting investments (including economic and technical feasibility, ownership and environmental and social risks and impacts on the surrounding community, climate resilience, gender) for Subprojects; and (xii) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation.
2. The Recipient shall not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the Association.
3. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the PIM, and those of this Agreement, the provisions of this Agreement shall prevail.

D. Productive Alliance Sub-projects under Part 1.2(a) of the Project

1. For the purposes of carrying out Part 1.2(a) of the Project, the Recipient, through MCTI, shall:
 - (a) select a PO and a Subproject, all in accordance with criteria, conditions and procedures set out in the PIM;
 - (b) after having selected a PO and the relevant Subproject as provided above, enter into an agreement with the relevant PO (“Productive Alliance Subproject Agreement”), under terms and conditions approved by the Association and included in the PIM, for the provision of the corresponding Matching Grant for the implementation of the Productive Alliance Subproject.

2. Without limitation to the provisions in the above paragraph 1(b), the terms and conditions approved by the Association for Productive Alliance Subprojects shall include the right of the Recipient to:
 - (a) suspend or terminate the right of the PO to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the failure of the PO to perform any of its obligations under the Productive Alliance Subproject Agreement; and
 - (b) require each PO to:
 - (i) carry out the Productive Alliance Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods, works and services to be financed out of the Matching Grant in accordance with the provisions of this Agreement; (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Productive Alliance Sub-Project and the achievement of its objective; (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Productive Alliance Subproject; and (B) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (vi) enable the Recipient and the Association to inspect the Productive Alliance Subproject and any relevant records and documents; and (vii) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
3. The Recipient shall exercise its rights under each Productive Alliance Subproject 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 any Productive Alliance Subproject Agreement or any of its provisions.

E. LoC Subprojects under Part 1.3(a) of the Project

1. For the purposes of carrying out Part 1.3(a) of the Project, the Recipient shall:
 - (a) cause the Eligible AFI to provide financing to the Eligible PFIs in accordance with the PIM (including the LoC Subproject Manual) through a PFI Agreement on terms and conditions which shall include:
 - (b) that the Eligible AFI shall obtain rights adequate to protect its interests and those of the Recipient and the Association, including the right of the Eligible AFI to suspend or terminate the right of the Eligible PFI to use the proceeds of the PFI Agreement and the obligation of the Eligible PFI to refund all or any part of the amount of the financing provided to the Eligible PFI upon such PFI's failure to perform any of its obligations under the Eligible PFI Agreement or under the LoC Subproject Manual;
 - (c) the requirement of each Eligible PFI to:
 - (i) carry out Part 1.C of the Project in accordance with the PIM (including the annexed LoC Subproject Manual);
 - (ii) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards adequate to reflect its operations, resources and expenditures in respect of the pertinent LoC Subproject; and (B) at the Association's and Recipient's request, have such financial statements audited (annual audit) by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
 - (iii) prepare and furnish to the Recipient and the Association all such information as the Recipient and the Association shall reasonably request relating to the foregoing; and
 - (d) that the Eligible AFI shall exercise its rights under each LoC Subproject Agreement in such manner as to ensure that the LoC Subproject is carried out in accordance with the LoC Subproject Manual and to protect the interests of the Recipient and the Association.

F. Eligibility Criteria, Terms and Conditions of the LoC Subprojects

The Recipient shall cause the Eligible AFI to ensure that each Eligible PFI shall appraise, approve, monitor and evaluate respective LoC Subprojects to be financed under Part 1.3(a) of the Project, and administer credits or loans to the respective eligible Agribusinesses, in accordance with the terms and conditions of the pertinent PFI Agreement between the Recipient and the Eligible PFI, the guidelines and procedures set forth in the LoC Subproject Manual contained in the PIM.

G. Annual Work Plan and Budget

1. The Recipient shall, not later than one month after the Effective Date, and thereafter by November 30 of each subsequent year during the implementation of the Project, prepare and furnish to the Association for its no-objection, the annual work plan and budget containing all proposed activities for inclusion in the Project (“Annual Work Plan and Budget” or “AWPB”), in line with the PIM, together with the financing plan for such activities and a timetable for their implementation.
2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed AWPB and incorporate the views of the Association in the final AWPB to be adopted no later than one month after the date referred to in paragraph 1 above.
3. The Recipient shall ensure that the Project is implemented in accordance with the AWPB provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

H. Environmental and Social Standards.

1. The Recipient shall, and shall cause the Eligible AFI to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Eligible AFI to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Eligible AFI to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;

- (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall, and shall cause the Eligible AFI to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall, and shall cause the Eligible AFI to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Recipient shall , and shall cause the Eligible AFI to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment

and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

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

Section III. Withdrawal of the Proceeds of the Credit

A. General

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

Category	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Operating Costs and Training for the Project under Parts 1, 2 and 3 of the Project (except Parts 1.2(a) and 1.3(a) of the Project)	91,000,000	100%
(2) Matching Grants for Productive Alliance Subprojects (under Part 1.2(a) of the Project)	52,000,000	100%
(3) Line of Credit for LoC Subprojects (under Part 1.3(a) of the Project)	27,000,000	100%
TOTAL AMOUNT	170,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) under Category (3), unless: (i) the Recipient has entered into a Subsidiary Agreement with an Eligible AFI; and (ii) the Eligible AFI has adopted the PIM, including the LoC Subproject Manual, in form and substance satisfactory to the Association.
2. The Closing Date is December 15, 2028.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1: commencing October 1, 2029, to and including October 1, 2034	8.3334%
On April 1, 2035	8.33326%

* 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 3.05 (b) of the General Conditions.

APPENDIX

Definitions

1. “Africa Continental Free Trade Agreement” means the agreement entered into between members of the African Union on March 21, 2018, and which entered into force on May 30, 2018, establishing the African Continental Trade Area, and which is aimed at eliminating barriers to trade in Africa and boosting intra-Africa trade across all sectors.
2. “Agribusinesses” means any eligible small or medium agribusiness enterprise as defined and determined in accordance with the PIM.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
4. “ASYCUDA” means Automated Systems for Customs Data.
5. “ASYCUDA World” means an integrated customs management system for international trade and transport operations in a modern automated environment.
6. “Attorney General’s Office” means the Recipient’s Attorney General’s Office or any successor thereto.
7. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
8. “Corridor Committees” means committees established or existing to support the development of Zambia’s access to markets with its trading partners, such as, the Nacala Development Corridor Tripartite Committee which brings together Malawi, Mozambique with Zambia.
9. “Department of Technical Regulations” means the Department of Technical Regulations within MCTI established pursuant to the National Technical Regulation Act, 2017 (No. 5 of 2017).
10. “Eligible AFI” means an eligible apex financial institution, which is duly registered and licensed to operate as a bank or financial institution pursuant to the laws of the Recipient and selected in accordance with the eligibility criteria set forth in the PIM, for the purpose of managing and operating a revolving facility which shall provide a Line of Credit to Eligible PFIs.

11. “Eligible PFI” means an approved bank or financial institution, which is registered as a bank or financial institution pursuant to the laws of the Recipient and selected in accordance with the eligibility criteria set forth in the PIM to participate through the Line of Credit as a financier of LoC Subprojects; and “Eligible PFIs” means two or more such financial institutions.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated [April 24, 2023], as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
13. “Environmental and Social Management Framework” means the framework document to be prepared and adopted by the Recipient and disclosed in-country on or before the Effectiveness Date for the Project, setting out the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.
14. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
15. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).

16. “Line of Credit” means a revolving facility managed and operated by an Eligible AFI to provide financing out of the proceeds of the Financing to Eligible PFIs for financing LoC Subprojects under Part 1.3(a) of the Project.
17. “LoC Subproject Manual” means the manual referred to in Section I.C.1 of Schedule 2 to this Agreement, and which forms part of the PIM, as said manual may be amended from time to time.
18. “LoC Subproject” means any eligible activity proposed to be financed under Part 1.3(a) of the Project, approved by the Recipient in accordance with the provisions of the PIM and to be carried out by an Agribusiness.
19. “LoC Subproject Agreement” means any agreement to be executed between an Eligible PFI and an eligible Agribusiness for an LoC Subproject, as such agreement may be amended from time to time, with the agreement of the Recipient and the Association, and such terms includes all appendices, schedules and agreements supplemental to the LoC Subproject.
20. “Lusaka” means the capital city of Zambia.
21. “Matching Grant” means a grant made out of the proceeds of the Financing to a selected PO (for Productive Alliance Subprojects) for the partial financing of the cost of the pertinent Subproject, subject to specific terms and conditions set forth in the PIM and in the relevant Productive Alliance Subproject Agreement.
22. “Matching Grant Manual” means the manual referred to in Section I.C.1 of Schedule 2 to this Agreement, and which forms part of the PIM, as said manual may be amended from time to time.
23. “MCTI” means the Recipient’s Ministry of Commerce, Trade and Industry, or any successor thereto.
24. “Ministry of Agriculture” means the Recipient’s ministry responsible for agriculture, or any successor thereto acceptable to the Association.
25. “Ministry of Livestock and Fisheries” means the Recipient’s ministry responsible for livestock and fisheries or any successor thereto acceptable to the Association.
26. “Ministry of Small and Medium Enterprise Development” means the Recipient’s ministry responsible for small and medium enterprise development, or any successor thereto acceptable to the Association.
27. “National Quality Infrastructure” means the Recipient’s public and private institutional framework needed to implement standardization, accreditation,

metrology and conformity assessment services including inspection, testing, laboratory and product certification.

28. “National Trade Facilitation Committee” means the Recipient’s National Trade Facilitation Committee established pursuant to Legal Framework Agreement of WTO Article 23(2) and Act No. 12 of 2018 with a mandate to reduce trade barriers and streamline customs procedures.
29. “Operating Costs” means the reasonable incremental costs arising on account of Project implementation, based on the Annual Work Plans and Budget, and approved by the Association, including costs relating to: office supplies, maintenance of office equipment, communication, advertising, office rentals, utility costs, operation and maintenance of office vehicles, per diem and travel costs for Project staff on official travel, reasonable bank charges, allowances and salaries of Project staff (but excluding the salaries of the Recipient’s civil servants).
30. “Permanent Secretary for MCTI” means the Recipient’s Permanent Secretary at the MCTI who shall be responsible for the investment’s portfolio within the ministry, or any successor thereto.
31. “PFI Agreement” means the Agreement to be entered into between the Eligible AFI and the Eligible PFI in respect of activities under Part 1.3(a) of the Project.
32. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
33. “Producer Organization” or “PO” means any producer-based organization vested with legal personality and/or group of small holder producers organized into a legally established entity, which upon meeting the criteria set forth in the PIM, is eligible to receive a Matching Grant, for carrying out of a Productive Alliance Subproject.
34. “Productive Alliance” means any alliance between a Producer Organization and a buyers or off-takers, which specifies commercial terms of partnership including volume, frequency and consistency of purchases between both parties.
35. “Productive Alliance Subproject” means any eligible investment proposed to be financed under Part 1.2(a) of the Project and approved by the Recipient in accordance with the provisions of the PIM and to be carried out by a Producer Organization.
36. “Productive Alliance Subproject Agreement” means any agreement to be executed between the Recipient and a Producer Organization for a Productive Alliance Subproject, as such agreement may be amended from time to time, with the

agreement of the Recipient and the Association, and such terms includes all appendices, schedules and agreements supplemental to the Productive Alliance Subproject Agreement.

37. “Project Implementation Manual” or “PIM” means the manual, including the Matching Grant Manual and the LoC Subproject Manual, acceptable to the Association to be prepared in accordance with Section I.C of Schedule 2 to this Agreement and to be adopted by the Recipient as referred in Section 4.01(c) of this Agreement, as the same may be amended from time to time with the prior written agreement of the Association.
38. “Project Implementation Unit” or “PIU” means the existing ZATP PIU established within MCTI, pursuant to Establishment of Zambia Agribusiness and Trade Project (ZATP) Project Implementation Unit (PIU) under MCTI dated November 2016, and which shall have its terms of reference, resources and staff updated, as required, pursuant to Section I.A.3 of Schedule 2 to this Agreement.
39. “Project Steering Committee” or “PSC” means the existing ZATP Project steering committee established pursuant to Establishment of Project Steering Committee (PSC) for Zambia Agribusiness and Trade Project (ZATP), dated November 2016 and referred to in Section I.A.1 of Schedule 2 to this Agreement, and which shall have its mandate, terms of reference, composition and resources updated, as required, pursuant to Section 4.01(a) of this Agreement.
40. “Provincial Productive Alliances Advisory Committees” means the committees established at the provincial level and in accordance with the PIM to assist with respect to Productive Alliances, the following: enhance outreach, ensure local-level ownership and provide guidance and feedback for Subproject implementation.
41. “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.
42. “Subproject” means any Productive Alliance Subproject and/or Line of Credit Subproject, and “Subprojects” means two or more of such Subproject.
43. “Subproject Agreement” means each agreement to be entered into between the Recipient and a PO (for Productive Alliance Subprojects) or Line of Credit (for LoC Subprojects), as the case may be, as specified in Sections I.D and I.E, respectively, of Schedule 2 to this Agreement.
44. “Subsidiary Agreement” means the agreement to be entered into between the Recipient and the Eligible AFI, pursuant to the provisions of Section I.B.1 of Schedule 2 to this Agreement, and in a manner and substance satisfactory to the

Association, as such agreement may be updated from time to time with the prior written concurrence of the Association.

45. “Technical Working Group” or “TWG” means the existing ZATP Technical Working Group established pursuant to Establishment of Technical Working Group (TWG) for Zambia Agribusiness and Trade Project (ZATP), dated November 2016 and referred to in Section I.A.3 of Schedule 2 to this Agreement, and which shall have its mandate, terms of reference, resources and staff updated, as required, pursuant to Section 4.01(b) of this Agreement.
46. “Training” means the costs of training under the Project, based on the annual work plans and budget referred to in Section I.A.2 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.
47. “WAN” means Wide Area Network.
48. “Zambia” means the Republic of Zambia.
49. “ZATP” means the Zambia Agribusiness Trade Project [Credit No. 59330-ZM] in terms of which the Association extended to the Recipient a credit of USD 40 million equivalent under a Financing Agreement dated May 29, 2017.