



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
AFCC2/RI-ZAMBEZI RIVER BASIN DEVELOPMENT PROJECT
APPROVED ON MAY 30, 2014
TO
ZAMBEZI RIVER AUTHORITY

WATER

AFRICA

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AFCC2/RI-Zambezi River Basin Development Project (P133380)

ABBREVIATIONS AND ACRONYMS



BASIC DATA

Product Information

Project ID P133380	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 30-May-2014	Current Closing Date 31-Aug-2018

Organizations

Borrower Zambezi River Authority	Responsible Agency Zambezi River Authority
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Project Development Objective (PDO)

Original PDO

The Project Development Objective is to advance preparation of the Batoka Gorge Hy-dro-Electric Scheme and strengthen cooperative development within the Zambezi River Basin.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-16238	03-Jul-2014	03-Jul-2014	24-Jul-2014	31-Aug-2018	6.00	5.13	.87

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

The project is primarily supporting the engineering, environmental and social, legal and transaction advisory studies required for the development of the Batoka Gorge Hydropower project. The studies to date have been done professionally and to an acceptable standard. However, the process has been impacted by several technical, capacity and scope of works changes that have led to previous project extensions and the need for additional finance. This project restructuring will extend the project closing date by four months to support contract continuity and to enable the Zambezi River Authority to explore additional financing options. The restructuring does not change the PDO, safeguard category, allocation of funds, or any implementation arrangements. Overall implementation and progress toward the development objective are both considered Moderately Satisfactory, as are financial management, procurement, and project management ratings. The project is compliant with safeguard requirements.

II. DESCRIPTION OF PROPOSED CHANGES

The project restructuring extends the closing date to 31st December 2018. It also better aligns the results framework with current best practice. The restructuring does not change the PDO, safeguard category, allocation of funds, or any implementation arrangements.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Components and Cost		✓
Cancellations Proposed		✓



Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-16238		30-Sep-2016	30-Sep-2017, 31-Aug-2018	31-Dec-2018	30-Apr-2019



Results framework

COUNTRY: Africa

AFCC2/RI-Zambezi River Basin Development Project

Project Development Objectives(s)

The Project Development Objective is to advance preparation of the Batoka Gorge Hy-dro-Electric Scheme and strengthen cooperative development within the Zambezi River Basin.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	End Target
		2014	2019
Advance preparation of the Batoka Gorge Hydro-electric scheme (Action: This Objective is New)			
Indicator 2: Beneficiaries (Number)		0.00	6,000,000.00
Updated feasibility & ESIA for Batoka Gorge HES (Text)		Outdated baseline studies insufficient to mobilize financing	Updated feasibility & ESIA for Batoka Gorge HES
Action: This indicator is New			
Options for investment transaction structure for Batoka Gorge HES assessed (Text)		Insufficient information to mobilize financing	Options for transaction structure assessed facilitating financing of the Batoka Gorge HES
Action: This indicator is New			
Indicator 1: Investment Mobilisation (Amount(USD))		0.00	2,500,000,000.00
Strengthen cooperative development within the Zambezi River Basin (Action: This Objective is New)			
Legal frameworks for transboundary water management and development harmonized (Text)		Fragmented legal framework	Updated legal framework endorsed by Council of Ministers
Action: This indicator is New			
Institutional arrangements for catastrophic disaster management enhanced (Text)		Limited coordination	Institutional arrangements for coordination enhanced
Action: This indicator is New			



Indicator Name	DLI	Baseline 2014	End Target 2019
Joint dam break analysis completed (Text)		No integrated dam break analysis for the Zambezi River Basin	Joint dam break analysis completed
<i>Action: This indicator is New</i>			

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline 2014	End Target 2019
Engineering Studies for the proposed Batoka Gorge Hydro-Electric (<i>Action: This Component is New</i>)			
Disaster Management (Text)		No integrated dam break analysis for the Zambezi River basin	Joint dam break analysis completed
<i>Action: This indicator has been Marked for Deletion</i>			
Contract for engineering studies signed (Yes/No)		No	Yes
<i>Action: This indicator is New</i>			
Environmental and Social Impact Assessment for the proposed (<i>Action: This Component is New</i>)			
Contract for environmental and social assessment signed (Yes/No)		No	Yes
<i>Action: This indicator is New</i>			
Technical Assistance and Transaction Advisory Services for the (<i>Action: This Component is New</i>)			
Investment implementation (Text)		Outdated baseline studies insufficient to mobilise financing	Studies facilitate financing for development of the Batoka Gorge HES
<i>Action: This indicator has been Marked for Deletion</i>			



Indicator Name	DLI	Baseline 2014	End Target 2019
Investment Integration (Text)		Outdated studies for the Batoka Gorge HES	Studies for the Batoka Gorge HES completed and increasing regional development
Action: This indicator has been Marked for Deletion			
Transaction Advisors appointed to help with the structuring and resource mobilization (Yes/No)	No		Yes
Action: This indicator is New			
Investor conference hosted by two governments with a range of stakeholders (Yes/No)	No		Yes
Action: This indicator is New			
Transaction structure endorsed by the two Governments (Yes/No)	No		Yes
Action: This indicator is New			
Legal Framework (Text)		Fragmented legal framework	Updated legal framework endorsed by Council
Action: This indicator has been Marked for Deletion			
Legal and Institutional Reviews to support the Zambezi River Authority (Action: This Component is New)			
Consultative process regarding draft Amendments to the legal framework undertaken between the relevant ministries and the AGs (Yes/No)	No		Yes
Action: This indicator is New			
Dam Break Analysis to Zambezi River Authority (Action: This Component is New)			
Contract for dam break analysis signed (Yes/No)	No		Yes
Action: This indicator is New			



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