



ZAMBEZI RIVER AUTHORITY

Web Site: www.zaraho.org.zm



HEAD OFFICE:

Kariba House
32 Cha Cha Cha Road
P.O. Box 30233 Lusaka
Zambia
Telephone: 0211228401/2, 227970/3
Fax: 0211227498
e-mail: zaraho@coppernet.zm

HARARE OFFICE:

Club Chambers
Nelson Mandela Avenue
P.O. Box 630 Harare
Zimbabwe
Telephone: 704031/6
Fax: 704035
zarahara@mweb.co.zw

KARIBA OFFICE:

Administration Block
21 Lake Drive
Pvt. Bag 2001 Kariba
Zimbabwe
Telephone: 2605/7
Fax: 2606
zarakari@mweb.co.zw

Please reply to Lusaka Office

Reference: 903

OFFICIAL DOCUMENTS

CR 5563-ZM

February 10, 2015

International Development Association
International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington D. C. 20433
UNITED STATES OF AMERICA

**RE: Credit 5563-ZM
(Kariba Dam Rehabilitation Project)
Supplemental Letter
Representations**

Dear Sirs and Mesdames

In connection with (a) the Financing Agreement ("Agreement") of even date herewith between Republic of Zambia ("Recipient") and International Development Association ("Association") for the above-captioned project ("Project"), and (b) the Project Agreement ("Project Agreement") of same date between the Association and the Zambezi River Authority ("Project Implementing Entity") also for the Project, the Project Implementing Entity ("PIE") hereby undertakes and warrants to the Association that:

1. The financial statement of the PIE dated 31st December 2013, copies of which have been furnished to the Association, correctly set forth the financial and operating condition of the PIE as of that date, and since that date there have been no material adverse changes in the financial and operating conditions of the PIE.
2. The PIE is not engaged in litigation as plaintiff or defendant, the outcome of which might materially and adversely affect its financial condition.
3. The PIE has no outstanding agreements or liabilities, contingent or otherwise (including taxes), that might materially and adversely affect its financial condition.

4. No debt of the PIE is secured by any mortgage, pledge, charge, priority, or other lien, and no contract or arrangement exists for the creation of any such mortgage, pledge, charge, priority, or other lien.

5. There are not existing defaults in the payment of principal of, or interest or other charges on, any of the debts of the PIE.

6. The PIE is not in violation of, and execution and delivery of the Project Agreement and the compliance with all its terms do not and will not result in any violation of, any provisions of any existing agreement, franchise, concession, license, or permit, or of any statute, law, decree-law, executive decree, regulation, or any other legal rule of a similar nature presently in effect and applicable to the PIE.

7. The PIE is a duly existing autonomous legal entity, established and operating under the laws of the Republic of Zambia and the Republic of Zimbabwe, with full authority to carry out its present business, including in the Recipient's territory, to carry out the Project, and to execute and deliver the Project Agreement, and has furnished to the Association true copies of the PIE Documentation (as defined in the Agreement) presently in force and effect and governing or applicable to the operations of the PIE.

It is our understanding that, in making the Credit and entering into the Project Agreement with the PIE, the Association may rely on the representations contained herein.

Very truly yours
ZAMBEZI RIVER AUTHORITY

By:  _____
Authorized Representative