Strategic Climate Fund- Pilot Program for Climate Resilience Grant Agreement

(Providing Additional Financing and Amending and Restating the Original Grant Agreement for the Strengthening Climate Resilience PPCR (Phase II) Project)

between

REPUBLIC OF ZAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as an implementing entity of the Strategic Climate Fund- Pilot Program for Climate Resilience

Dated August 22, 2018
AGREEMENT dated April 2, 2018, entered into between REPUBLIC OF ZAMBIA ("Recipient"); and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting in its capacity as an implementing entity of the Strategic Climate Fund ("SCF") – Pilot Program for Climate Resilience ("PPCR").

(A) under an agreement dated June 14, 2013 as amended to date, between the Recipient and the World Bank ("Original Grant Agreement"), the World Bank, acting in its capacity as an implementing entity of the SCF-PPCR, agreed to provide the Recipient with a grant (SCF-PPCR Grant No. TF014588) in an amount of thirty-one million Dollars ($31,000,000) ("Original Grant") to assist in financing the project described in Schedule 1 to the Original Grant Agreement ("Original Project");

(B) under an agreement dated June 14, 2013 as amended to date, between the Recipient and the World Bank, ("Loan Agreement"), the World Bank, acting not in its individual capacity but solely in its capacity as an implementing entity SCF-PPCR, agreed to provide the Recipient with a loan (SCF-PPCR loan number TF014573) in an amount of five million Dollars (US$5,000,000) ("Original Loan") to assist in financing the Original Project;

(C) the Recipient has requested the World Bank, acting in its capacity as an implementing entity of the Strategic Climate Fund SCF–PPCR to provide additional financing from SCF-PPCR in support of activities related to the Original Project, by providing a grant in an amount of one million one hundred thousand Dollars ($1,100,000) ("Additional Grant") and a Loan in an amount equivalent to thirteen million five hundred thousand Dollars ($13,500,000) ("Additional Loan"); and

(D) the World Bank has agreed, on the basis, inter alia, of the foregoing, to extend such additional financing to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the World Bank hereby agree to amend and restate the Original Grant Agreement with effect from the Effective Date of this Agreement, to read as follows:

**Article I**

**Standard Conditions; Definitions**

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

**Article II**

**The Project**

2.01. The Recipient declares its commitment to the objectives of the Project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Ministry of National Development Planning in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III**

**The Grant**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in a total amount thirty-two million one hundred thousand United States Dollars ($32,100,000) ("Grant") (consisting of the Original Grant in the amount of ($31,000,000) and Additional Grant in the amount of $1,100,000) to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the above-mentioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.
Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The SCF-PPCR Loan Agreement has been signed and delivered, and all conditions of effectiveness of said agreement or the right of the Recipient to withdraw funds thereunder have been satisfied, except for the condition that this Agreement has become effective.

4.02. As part of the evidence to be furnished pursuant to Section 4.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.

5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:
Ministry of Finance
P.O. Box 50062
Lusaka
Zambia

Telex: Facsimile:
(+260) 42221 (+260 211) 253494/251078

5.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)
AGREED at Lusaka, Zambia, as of the day and year first above written.

REPUBLIC OF ZAMBIA

By

[Signature]

Authorized Representative

Name: MARGARET MVANAKATWE

Title: MINISTER

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as an implementing entity of the Strategic Climate Fund - Pilot Program for Climate Resilience

By

[Signature]

Authorized Representative

Name: [Signature]

Title: COORDINATING OFFICER
SCHEDULE 1

Project Description

The objective of the Project is to strengthen the Recipient’s institutional framework for climate resilience and improve the adaptive capacity of vulnerable communities in the Barotse sub-basin.

The Project constitutes the second phase of the Program, and consists of the following parts:

Part 1  Strategic National Program Support

Carrying out a program of activities to strengthen the national institutional framework for climate resilience, such program of activities to comprise the following:

(a) institutional support to the national climate change program through: (i) mainstreaming of climate resilience into key national and sectoral policies and programs; (ii) provision of short term and post graduate training opportunities for climate change champions, knowledge sharing, analysis and dissemination; (iii) carrying out of studies on management of external resources and climate risk financing; and (iv) operational support to the Climate Change Coordinating Unit including in fiduciary management and programmatic monitoring and evaluation, all through the provision of technical assistance, the acquisition of goods, vehicles and equipment, the financing of consultant services, the financing of Operating Costs and the carrying out of Training.

(b) providing support for enhanced climate and early warning information dissemination through: (i) carrying out of social marketing awareness campaigns; (ii) application of rapid communication systems between line agencies and communities in the pilot sub-basins; and (iii) establishment of a pilot open data platform, all through the provision of technical assistance and Training; acquisition of goods and equipment and financing of consultant services, non-consultant services and Operating Costs.

(c) Identifying the challenges, risks and opportunities for producers to transform their livelihoods into market based enterprises.

(d) developing a service delivery system for an information platform to facilitate the dissemination and accessibility of information for producer groups and other users / stakeholders.

Part 2  Support for Participatory Adaptation

Carrying out a program of activities to strengthen the adaptive capacity of vulnerable rural communities in the Barotse sub-basin, such program of activities to comprise the following:
(a) Engaging the services of experienced non-governmental organizations and other qualified facilitators to strengthen the capacity of communities to identify and articulate climate risks, use participatory approaches to prioritize adaptation options, prepare and implement sub-grant proposals and manage canals.

(b) Support to the Western Province and District Councils for: (i) carrying out of climate risk and assessment studies for the Barotse sub-basin; (ii) mainstreaming of climate resilience into regional plans and budgets; (iii) designing and overseeing the implementation of structural and non-structural adaptation options; (iv) enhancing access of Beneficiaries to adaptation knowledge and centers of expertise; and (v) improving the policy and recurrent financing framework for traditional canals, all through the provision of technical assistance; acquisition of goods and equipment and financing of consultant services, non-consultant services and Training.

(c) Financing incremental operating expenditures and strengthening the capacity of the Western Province and District Councils including in financial management, safeguards screening and monitoring and evaluation, all through the provision of technical assistance; acquisition of vehicles, goods and equipment; and financing of consultant services and Operating Costs.

Part 3  Pilot Participatory Adaptation

Carrying out a program of activities to pilot climate adaptation in the Barotse sub-basin, such program of activities to comprise the following:

(a) Providing Sub-Project Grants to finance eligible Sub-Projects at the District, Ward community groups and individual levels, and to finance innovations or scale up the work of best performing Beneficiaries.

(b) Establishing and operating an Adaptation Contingency Fund to finance eligible Sub-Projects based on the occurrence of a defined event (s) as detailed in the Participatory Adaptation Implementation Manual.

(c) Rehabilitating and strengthening the management of traditional canals.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

Ministry of National Development Planning

1. The Recipient shall vest in the Ministry of National Development Planning responsibility for overall Project execution, coordination and implementation of the Project.

National Project Coordinating Unit

2. The Recipient shall maintain throughout Project implementation, the National Project Coordinating Unit (NPCU), with an institutional framework and terms of reference satisfactory to the World Bank and facilities and resources adequate to carry out its responsibilities under the Project. Without limitation on the foregoing, the NPCU shall be responsible for the day to day implementation of the Project at national level.

Climate Change Coordinating Unit

3. The Recipient shall maintain throughout Project implementation, the Climate Change Coordinating Unit, with an institutional framework and terms of reference satisfactory to the World Bank and facilities and resources adequate to carry out its responsibilities under the Project. Without limitation on the foregoing, the Climate Change Coordinating Unit, shall be responsible for inter-ministerial coordination of the Project.

National Disaster Management and Mitigation Unit and the Zambia Meteorological Department

4. (a) The Recipient shall maintain throughout Project implementation, the National Disaster Management and Mitigation Unit (DMMU) and the Zambia Meteorological Department (ZMD), with an institutional framework and terms of reference satisfactory to the World Bank and facilities and resources adequate to carry out its responsibilities under the Project.

(b) Without limitation on the foregoing, the DMMU and ZMD shall be responsible for the implementation of Part 1.B (ii) and (iii) of the Project.

Provincial Project Implementation Unit

5. (a) The Recipient shall: (i) maintain throughout Project implementation, the Provincial Project Implementation Unit (PPIU), within the Western Province
administration headed by a Project manager, and comprising an environmental and social safeguards management specialist, a monitoring and evaluation specialist, adaptation specialist and an accounting assistant, all with qualifications, experience, and terms of reference satisfactory to the World Bank; and (ii) ensure that the PPIU has adequate resources to carry out its responsibilities under the Project.

(b) Without limitation on the foregoing, the PPIU shall be responsible for overseeing and facilitating the day-to-day implementation of the Project in the Barotse sub-basin.

**Provincial Planning Sub-Committee**

6. (a) The Recipient shall maintain, throughout Project implementation, the Provincial Planning Sub-Committee within Western Province with an institutional framework and terms of reference satisfactory to the World Bank and facilities and resources adequate to carry out its responsibilities under the Project.

(b) Without limitation on the foregoing, the functions of the Provincial Planning Sub-Committee shall be to: (a) facilitate overall coordination of the Project in the Province; and (b) endorse Sub-Projects for subsequent approval by the NPCU.

**District Planner and District Planning Advisory Sub-Committee**

7. The Recipient shall maintain, throughout Project implementation, the office of the District Planner and the District Planning Advisory Sub-Committee within each District, each with an institutional framework and terms of reference satisfactory to the World Bank and facilities and resources adequate to carry out its responsibilities under the Project.

8. Without limitation on the foregoing, the District Planner, under the guidance of the District Planning Advisory Sub-Committee, shall be responsible for: (a) mainstreaming climate resilience in District integrated development plans; (b) facilitating, coordinating and monitoring the implementation of the Project at the District, Ward and community levels; and (c) screening Sub-Projects against the eligibility criteria and recommending them for consideration by the Provincial Planning Sub-Committee.

**B. Implementation Arrangements**

**Project Operational Manual and Participatory Adaptation Implementation Manual**

1. The Recipient shall: (a) by not later than 90 days after the Effective Date, update the Participatory Adaptation Implementation Manual to include implementation arrangements for additional activities under Part 3 of the Project; (b) carry out the
Project in accordance with the Project Operational Manual and the updated Participatory Adaptation Implementation Manual; and (b) except as the World Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Operational Manual and the Participatory Adaptation Implementation Manual.

2. In case of a conflict between the provisions of the Project Operational Manual or the Participatory Adaptation Implementation Manual and this Agreement, those of this Agreement shall prevail.

Annual Work Plans

3. The Recipient shall, not later than December 30 of each year prepare and furnish to the World Bank, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget and specification of the source or sources of financing for all Eligible Expenditures.

4. The Recipient shall exchange views with the World Bank on each such proposed annual work plan, and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the World Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the World Bank (Agreed Annual Work Plan).

C. Sub-Projects

1. For purposes of implementation of Part 3 of the Project, the Recipient shall provide Sub-Project Grants to Beneficiaries to implement Sub-Projects in accordance with eligibility criteria and procedures acceptable to the World Bank and specified in the Participatory Adaptation Implementation Manual which shall include the following:

(a) Sub-Project Grants shall be provided for priority adaptation investments and viable business enterprise investments identified through climate resilience planning.

(b) Beneficiaries shall: (i) contribute part of the cost of Sub-Projects in cash or in kind as stipulated in the Participatory Adaptation Implementation Manual; (ii) meet minimum registration and fiduciary requirements as established set out in the Participatory Adaptation Implementation Manual; and (iii) open and maintain a bank account, where appropriate, on terms and conditions satisfactory to the World Bank, for receiving Beneficiary contributions and funds from the proceeds of the Sub-Project Grants.

(c) Sub-Project Grants shall be made under a Sub-Project Grant Agreement with the respective Beneficiary on terms and conditions acceptable to the
World Bank, which shall cover rights adequate to protect its interests and those of the World Bank, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-Project Grant, or obtain a refund of all or any part of the amount of the Sub-Project Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Sub-Project Grant Agreement; and (ii) require each Beneficiary to: (A) carry out its Sub-Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Sub-Project Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-Project and the achievement of its objectives; (E) (1) maintain adequate records to reflect, in accordance with sound accounting practices, the outputs, operations, resources and expenditures in respect of the Sub-Project; and (2) at the World Bank’s or the Recipient’s request, have such records and outputs audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the report of such audit to the Recipient and the World Bank; (F) enable the Recipient and the World Bank to inspect the Sub-Project, its operation and any relevant records and documents; (G) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank may reasonably request; and (H) take such measures as shall be necessary or appropriate to comply with the requirements of the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF), the Pest Management Plan (PMP), and any Resettlement Action Plans (RAPs) and/or Environmental Management Plans (EMPs), as the case may be.

2. The Recipient shall exercise its rights and carry out its obligations under each Sub-Project Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Project. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-Project Grant Agreement or any of its provisions.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
E. Safeguard

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF, the RPF, the PMP and any RAPs and/or EMPs.

2. Without limitation to the foregoing, the Recipient shall ensure that all technical assistance under the Project, application of whose results would have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the World Bank, such terms of reference to ensure that the technical assistance takes into account the requirements of the ESMF, the RPF, the PMP, any applicable RAP and or EMPs, and the Recipient’s own laws relating to the environment and social aspects.

3. Except as otherwise agreed in writing by the World Bank, the Recipient shall require that in implementing Sub-Projs, the Beneficiaries take such measures as shall be necessary or appropriate to comply with the requirements of the ESMF, the RPF, the PMP, and any RAPs and/or EMPs, as the case may be.

4. The Recipient shall ensure that Project reports referred to in Section II.A of this Schedule shall include adequate information on the implementation and monitoring of the measures undertaken to implement the provisions of the ESMF, the RPF, the PMP, and any RAPs and/or EMPs.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank and set out in the Project Operational Manual. Each Project Report shall cover the period of one calendar quarter and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period and a Management Letter shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

Section IV. Withdrawal of Grant Proceeds

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section and such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Original Grant Allocated (expressed in USD)</th>
<th>Amount of the Additional Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed Inclusive of Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, vehicles, consultants’ services under the Project (except for Part 3.C of the Project).</td>
<td>9,839,000</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
<td>Percentage</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>--------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>(2) Sub-Project Grants under Part 3.A of the Project</td>
<td>5,088,000</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Adaptation Contingency Fund Sub-Project Grants under Part 3.B of the Project</td>
<td>400,000</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Training and Operating Costs</td>
<td>3,271,000</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Goods, works, non-consulting services, consulting services, Sub-Projects Grants under Part 3.A and Adaptation Contingency Fund Sub-Project Grants under Part 3.B of the Project and Training and Operating costs</td>
<td>12,402,000</td>
<td>1,100,000</td>
<td>Such percentage of Eligible Expenditures as specified in the respective Agreed Annual Work Plan</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT**

| Amount       | 31,000,000    | 1,100,000  |

* The Eligible Expenditures can be claimed against any of the following: (i) Category 2 of the Original Loan and the Additional Loan; and (ii) Category 5 of the Original Grant and the Additional Grant, all in accordance with the percentages specified in the respective Agreed Annual Work Plan.

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments:

   (a) made prior to the date of: (i) the Original Grant Agreement with respect to amounts of the Original Grant; and (ii) this Agreement with respect to amounts of the Additional Grant.

   (b) under Categories (1), (2), (3) and (4) after the date of this Agreement.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2022.
APPENDIX

Definitions

1. “Adaptation Contingency Fund” means the fund established under Part 3.B of the Project to provide Sub-Project Grants contingent upon the early warning of a disaster for the implementation of Sub-Projects aimed at increasing the Beneficiaries’ preparedness in the event that the disaster takes place.

2. “Agreed Annual Work Plan” means the program of activities agreed each Fiscal Year between the Recipient and the World Bank for implementation under the Project in accordance with Section 1.B of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.


4. “Barotse Royal Establishment” mean the traditional chiefs of the Lozi community recognized and operating under the Chief’s Act, Chapter 287 of the Laws of the Recipient.

5. “Beneficiaries” means the District Councils, Wards, community groups or individuals who meet the eligibility criteria specified in the Participatory Adaptation Implementation Manual for receiving Sub-Project Grants and to which or for whose benefit a Sub-Project Grant is made or proposed to be made, and in its singular form the term means any one such grouping.

6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

7. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and “Displaced Persons” means more than one Displaced Person.

8. “District” means an administrative subdivision of the Recipient within a Province established pursuant to Provincial and Districts Boundaries Act, Chapter 286 of the Laws of the Recipient.
9. "District Council" means a local government unit within the Recipient’s territory established and operating pursuant to Local Government Act, Chapter 281 of the Laws of the Recipient.

10. "District Planner" means a staff of the Recipient responsible for planning at the District level and referred to in Section I.A of Schedule 2 to this Agreement.

11. "District Planning Advisory Sub-Committee" means the planning committee of the Recipient established for each District comprising representatives from various line ministries and government agencies at the district level, the Barotse Royal Establishment and civil society, and referred to in Section I.A of Schedule 2 to this Agreement.

12. "Environmental Management Plan" or "EMP" means an Environmental Management Plan acceptable to the World Bank and prepared in accordance with the ESMF and "EMPs" means, collectively, all such plans.

13. "Environmental and Social Management Framework" or "ESMF" means the Environmental and Social Management Framework prepared and adopted by the Recipient, dated February 2013, defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts of the Project activities, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the World Bank.

14. "Fiscal Year" means each fiscal year of the Recipient commencing on January 1 and ending on December 31.

15. "Management Letter" means, in respect of each of the audited Financial Statements of the Recipient, a letter issued by the external auditors as part of the annual audit report setting forth internal control weaknesses identified during the audit period.


17. "Climate Change Coordinating Unit" means a unit of the Recipient referred to in Section I.A of Schedule 2 to this Agreement, established in the Ministry of National Development Planning to oversee all climate resilience interventions in the country and comprising of technical and operational Staff of the Recipient.
18. "National Disaster Management and Mitigation Unit" or "DMMU" means a unit of the Recipient referred to in Section I.A of Schedule 2 to this Agreement responsible for disaster management and mitigation and established and operating under the Disaster Management Act, Act No. 13 of 2010, or its legal successor thereto.

19. "Operating Costs" means the incremental expenses incurred by the Recipient for Project implementation, supervision, management, and monitoring, on account of office space rental and utilities, office supplies and consumables, bank charges, communications, vehicle operation, maintenance and insurance, building and equipment maintenance and insurance, Project related travel costs and subsistence, advertising and contracted staff salaries (other than consultants' services), but excluding salaries of civil servants.

20. "Participatory Adaptation Implementation Manual" means the Participatory Adaptation Implementation Manual dated September 5, 2013, in form and substance acceptable to the World Bank setting out the guidelines for community participation in the Project, selection criteria and detailed guidelines and procedures for the implementation of Sub-Projects, including administrative, financial and accounting, procurement, social and environmental safeguards, monitoring and evaluation procedures.

21. "Pest Management Plan" or "PMP" means the Recipient's plan acceptable to the World Bank, dated February 2013, setting out the measures to be taken for the development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any schedules or annexes to such Plan.

22. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 19, 2018 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.


24. "Program" means the Strategic Program for Climate Resilience designed to mainstream climate change into the most economically vulnerable sectors of the Recipient's economy and set forth or referred to in the letter dated June 14, 2011 from the Recipient to the World Bank.

25. "Project Operational Manual" or "POM" means the Project Operational Manual dated September 5, 2013 containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation,
procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures, corruption and fraud mitigation measures, guidelines on Operating Costs, and such other arrangements and procedures as shall be required for the Project.

26. “Province” means an administrative subdivision of the Recipient established pursuant to Provincial and Districts Boundaries Act, Chapter 286 of the Laws of the Recipient.

27. “Provincial Planning Sub-Committee” means the planning committee of the Recipient established at the Western Province administration comprising representatives from various line ministries and government agencies at the provincial level, the Barotse Royal Establishment and civil society, and referred to in Section I.A of Schedule 2 to this Agreement.

28. “Provincial Project Implementation Unit” or “PPIU” means a unit of the Recipient established in Mongu Western Province to oversee Project implementation in the Barotse sub-basin and referred to in Section I.A of Schedule 2 to this Agreement.

29. “RAP” means the resettlement action plan, in form and substance satisfactory to the World Bank, prepared or to be prepared by the Recipient on the basis of the RPF, and giving details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the RPF, along with the procedural and institutional measures needed to implement such actions, measures and policies, as such RAP may be amended from time to time with the prior written agreement of the World Bank.

30. “RPF” means the Resettlement Policy Framework acceptable to the World Bank, dated February 2013, adopted by the Recipient, and giving details of provisions for compensation, rehabilitation and resettlement assistance to Displaced Persons, as such RPF may be amended from time to time with the prior written agreement of the World Bank.

31. “SCF-PPCR Loan Agreement” means the amended and restated Strategic Climate Fund-Pilot Program for Climate Resilience Loan Agreement, entered into between the Association, acting as an implementing entity of the Strategic Climate Fund – Pilot Program for Climate Resilience and the Recipient on the same date as this Agreement for the financing of the Project (SCF-PPCR Loan Agreement No. TF014573-ZM and TF0A7494-ZM).


33. “Sub-Project” means a priority investment proposed to be implemented by an eligible District, Ward, community group or individual and which meets the
eligibility criteria set out in the Participatory Adaptation Implementation Manual and the provisions of Section I. C of Schedule 2 to this Agreement, and are eligible to receive financing under Part 3 of the Project, and Sub-Projects means two or more of such investments.

34. “Sub-Project Grant” means a grant financing made or proposed to be made by the Recipient for the purpose of financing eligible Sub-Projects under the Project and referred to in Section I. C of Schedule 2 to this Agreement.

35. “Sub-Project Grant Agreement” means an agreement acceptable to the World Bank, between the Recipient and the Beneficiary through which the Recipient provides Sub-Project Grants to eligible Beneficiaries, and referred to in Section I.C of Schedule 2 to this Agreement.

36. “Training” means the reasonable costs of training under the Project, based on annual budgets approved by the World Bank, and attributable to seminars, workshops, study programs and tours, along with tuition, travel and subsistence allowances for training participants, services of trainers and workshop facilitators, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course or workshop preparation and implementation.


38. “Zambia Meteorological Department” or “ZMD” means the metrological department within the Recipient’s Ministry of Transport and Communication.