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ANNUAL REPORT 2024



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STRATEGIC PHILOSOPHY

This report is anchored on the Rural Electrification Authority's corporate philosophy, which is articulated through its Vision, Mission and Core Values as outlined below:



VISION STATEMENT

"A beacon of excellence in providing access to electricity to all rural communities for improved livelihoods."



MISSION STATEMENT

"To electrify rural communities in an equitable and sustainable manner for social-economic transformation."



OUR CORE VALUES

The Board, Management and Staff of the Rural Electrification Authority are committed to upholding the following values and ethical principles, which guide their behavior in discharging the Authority's mandate:

- i) **Integrity;**
- ii) **Innovation;**
- iii) **Transparency;**
- iv) **Accountability; and**
- v) **Partnerships.**

These core values are collectively represented by the acronym **I²TAP**.

ACRONYMS

Acronym	Full Form
CP	Cooperating Partners
DLI	Disbursement-Linked Indicator
DLR	Disbursement-Linked Result
ESAP	Electricity Services Access Project
GRZ	Government of the Republic of Zambia
HT	High Tension (Minimum Voltage 11kV)
IAERP	Increased Access to Electricity & Renewable Energy Production
ICT	Information and Communication Technology
IDA	International Development Association
KMHPP	Kasanjiku Mini Hydro Power Plant
kWp	Kilo-Watt Peak
LCGEP	Least Cost Geospatial Electrification Plan
LV	Low Voltage
MEA	Monitoring, Evaluation, and Accountability
M&E	Monitoring and Evaluation
MoE	Ministry of Energy
MoU	Memorandum of Understanding
MPA	Multi-Phase Programmatic Approach
NEAS	National Energy Access Survey
NEAT	National Energy Advancement and Transformation
NGOCC	Non-Governmental Gender Organizations' Coordinating Council
NRECA	National Rural Electric Cooperative Association
OG-RESS	Off-Grid Renewable Energy Smart Subsidy
PAYG	Pay-As-You-Go
PDU	Presidential Delivery Unit
PforR	Program-for-Results
PPP	Public-Private Partnership
PREP	Priority Electrification Project
REA	Rural Electrification Authority
REF	Rural Electrification Fund
REMP	Rural Electrification Master Plan
RGC	Rural Growth Centre
RHC	Rural Health Centre
SDG	Sustainable Development Goal
SHS	Solar Home Systems
SME	Small and Medium-sized Enterprises
SMG	Solar Mini Grid
WB	World Bank
ZECDP	Zambia Electric Cooperative Development Project
ZamStats	Zambia Statistics Agency

GLOSSARY OF TERMS

TERM	DEFINITION
Afforestation	The process of planting trees in areas previously without forest cover, used here as a mitigation measure for vegetation loss during electrification projects.
Biogas Digester	A system that processes organic waste to produce biogas for cooking and lighting, supporting clean energy and climate goals.
Disbursement-Linked Indicator (DLI)	Specific results that must be achieved for disbursements to be made under results-based financing arrangements.
Disbursement-Linked Result (DLR)	The measurable result or milestone associated with a DLI that must be verified for payment release.
Electric Cooperative	A member-owned non-profit utility providing electricity to rural or underserved areas, typically governed democratically.
Rural Electrification Fund (REF)	The Rural Electrification Fund as established by No. 5 of 2023.
Geospatial Electrification Plan	A plan using spatial data (e.g., population density, infrastructure) to identify cost-effective methods for electricity expansion.
High Tension (HT)	Power lines that operate at high voltage
Low Voltage (LV)	Power lines that operate at low voltage
Mini Grid	A small-scale electricity grid that operates independently or alongside the main grid, usually in rural or remote areas.
Off-Grid Projects	Power generation projects not connected to the national electricity grid, often based on renewable sources like solar.
On-Grid Projects	An on-grid project, also known as a grid-tied project, refers to a renewable energy system that is connected to the national electricity grid.
Output-Based Aid (OBA)	A subsidy mechanism where payments are made after verification of service delivery to incentivize performance.
Pay-As-You-Go (PAYG)	A financing model allowing users to pay for electricity or solar products in small increments via mobile money or other methods.
Presidential Delivery Unit (PDU)	A government entity tasked with monitoring and accelerating implementation of priority projects.
Priority Rural Electrification Projects (PREPs)	Electrification projects identified for urgent implementation, often under the Constituency Development Fund.
Rural Growth Centre (RGC)	A designated area in rural locations where infrastructure, including electricity, is developed to spur economic activity.
Rural Electrification Authority (REA)	A government agency responsible for increasing access to electricity in rural Zambia.
Rural Electrification Fund (REF)	A public investment fund vested in the Authority's Board of Directors and used to finance rural electrification projects.
Solar Home System (SHS)	A stand-alone photovoltaic system designed to provide power for individual households.
Solar Mini Grid (SMG)	A small local power grid powered by solar panels that serves a village or group of households.
Wayleave	A legal right or permission to install infrastructure such as power lines over or through a property.



MR. BRUCE JAANI
Board Chairperson

STATEMENT BY THE BOARD CHAIRPERSON

It is my honour and privilege to present the Board Chairperson's Statement for the 2024 Annual Report of the Rural Electrification Authority (REA). This report comes at a time when Zambia, like many nations in the region, is faced with significant macroeconomic and environmental headwinds that directly affected the energy sector and therefore the implementation of rural electrification programme.

OPERATING ENVIRONMENT

The year 2024 was marked by a severe drought that significantly reduced water levels in major reservoirs, leading to a sharp decline in hydropower generation. This constrained electricity supply and placed additional pressure on national efforts to sustain economic activity and ensure food security. In parallel, the Kwacha experienced a sustained depreciation, which increased the cost of imported materials and technologies essential to rural electrification projects. These cost pressures were compounded by a constrained fiscal environment, which saw Government enforce tight expenditure controls, including the clawing back of unutilized carryover funds from the 2023 fiscal year.

Despite these challenges, the REA remained steadfast in its commitment to expanding access to electricity for underserved rural communities.

STRATEGIC FOCUS

Under the leadership and guidance of the Board, REA continued to deliver on its mandate with resilience, strategic focus, and adaptability in line with the 2022 – 2026 Strategic Plan. To remain on course to achieve Universal Access to affordable, reliable, sustainable and modern energy by all communities, REA aspired to achieve 11.9% rural electricity access by the end of 2024. However, based on the National Energy Access Survey (NEAS) report, electricity access for rural areas as of 31 December 2023 stood at 34.%. This result gave a boost to REA to accomplish the following, among others, in 2024:

- 1. Implementation of 149 Electrification Projects:** REA planned and commenced implementation of 149 rural electrification projects across all provinces. These initiatives are expected to improve energy access for thousands of households, schools, health facilities, and local businesses, contributing to inclusive development and rural empowerment.

- 2. Shift Towards Off-Grid Solutions:** Recognizing the challenges of grid extension in remote areas, REA intensified its focus on off-grid electrification. Solar mini-grids, standalone solar home systems, and productive use of energy schemes were actively promoted. This transition reflects REA's alignment with global trends and underscores the imperative to ensure last-mile access through cost-effective and sustainable technologies.
- 3. Strengthened Partnerships with Cooperating Partners:** The Authority deepened collaboration with bilateral and multilateral partners, including development finance institutions and donor agencies. These partnerships not only enhanced technical and financial support but also facilitated knowledge exchange, innovation, and co-investment in priority rural energy projects.
- 4. Institutional Strengthening and Governance:** Guided by the Board's oversight, REA advanced efforts to improve project management, financial accountability, and transparency. Strategic planning and performance monitoring were enhanced to ensure value for money and better service delivery to rural communities.

LOOKING AHEAD

As we move into 2025, the Rural Electrification Authority will continue to operate in a complex environment, but with renewed commitment to its mission. We will advocate for sustainable financing, embrace innovation, and foster partnerships to accelerate rural energy access and contribute to Zambia's vision for a diversified, green, and inclusive economy.

I wish to express my appreciation to the Government through the Ministry of Energy, our development partners, contractors, REA Management and Staff, and most importantly, the rural communities we serve. On behalf of the Board, I reaffirm our dedication to steering the Authority through these times and delivering meaningful impact to the people of Zambia.



Board Chairperson

STATEMENT BY THE CHIEF EXECUTIVE OFFICER



ENG. ALEX MBUMBA
Acting Chief Executive Officer

It is with great appreciation and responsibility that I present the Chief Executive Officer's Statement for the 2024 Annual Report of the Rural Electrification Authority (REA). The year under review was one of the substantial achievements, though it also presented notable challenges which tested our capacity for resilience, adaptation, and innovation.

In 2024, REA operated under a total budgetary allocation of K733,044,997. Of this, 79% was provided through the Government of the Republic of Zambia's national budget, while 21% was contributed by cooperating and development partners. This balanced mix of domestic and external support enabled the Authority to pursue its mission of extending electricity access to Zambia's rural communities. During the year, the budget was realigned so as to bring into our plans certain activities that would respond to Government's priorities, after the declaration of the drought we experienced as a national disaster by the Republican President.

From this budget, REA planned to implement a total of 114 electrification projects across the country. These projects were expected to connect over 22,000 rural households, more than 200 schools, 89 health centers, and 27 chiefs' palaces to electricity. These investments are crucial not only for improving the quality of life in rural areas, but also for driving socio-economic transformation through education, healthcare, and rural governance support.

REA made significant strides in implementing its work plan, despite operational and environmental challenges. The year was affected by a prolonged drought which impacted power availability and increased pressure on energy infrastructure. In addition, the depreciation of the kwacha drove up the cost of imported materials, and Government's fiscal consolidation measures led to the claw back of certain unutilized funds from 2023, further tightening the implementation space.

Nevertheless, REA remained focused and performance driven. The Authority continued to advance its shift towards off-grid electrification solutions and engaged more proactively with partners to mobilize resources, enhance technical capacities, and scale up rural electrification models.

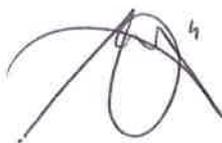
In terms of performance, key highlights of the 2024 Balanced Scorecard include:

- Percentage Rural Electricity Access Rate: 34% cumulative increase against a target of 11.9%
- Percentage of Planned Projects Completed: Achieved 76% against a planned target of 95%
- Budget Absorption Rate: 85%
- Compliance Rate: 100%

These results underscore our commitment to results-based management and continuous improvement, even in the face of constraints. We are particularly proud of the increase in rural electricity access, a testament to the collective effort of our teams, our Board, and our partners.

As we look to 2025 and beyond, REA will remain focused on accelerating access through innovation, strengthened institutional capacity, and robust collaboration with the private sector and development stakeholders. We are committed to ensuring that no rural community is left behind in Zambia's energy transformation agenda.

I extend my deepest gratitude to the Ministry of Energy, our Board of Directors, Cooperating Partners and other Stakeholders.



ACTING CHIEF EXECUTIVE OFFICER

1.0 CORPORATE PROFILE

1.1 Mandate of the Rural Electrification Authority

The overall mandate of the Rural Electrification Authority (REA or “the Authority”) is to increase and sustain the availability of electricity in rural areas and ensure access to electricity to the rural population. The Authority has aligned its strategic focus to the Country’s commitment to Sustainable Development Goal (SDG) 7 which underscores the need to revise the electrification targets from 51% to 100% by 2030. The Authority is further guided by Zambia’s Vision 2030 and National Development Plans.

1.2 Functions of REA

The specific functions of REA, as set out in Section 54(1) of the Rural Electrification Act No.5 of 2023, are to:

- (a) Promote the utilisation of available rural electrification technological options to enhance the contribution of electricity for the development of social and economic activities in rural areas;
- (b) Develop mechanisms for the procurement of grid extension networks, on-grid and off-grid systems, for rural electrification;
- (c) Recommend to the Government, programmes and interventions for the enhancement of access to electricity by rural populations;
- (d) Implement the rural electrification master plan in order to ensure the systematic electrification of rural areas;
- (e) Administer and manage the Rural Electrification Fund;
- (f) Mobilise funds within and outside the Republic in support of rural electrification;
- (g) Procure the construction of rural electrification projects in accordance with the Public Procurement Act, 2020;
- (h) Design and offer developers or operators, on a competitive basis, smart subsidy for capital costs on projects that are designed to supply electricity for development of rural areas;
- (i) Finance project preparation studies for rural electrification projects in accordance with guidelines developed by the Authority;
- (j) Coordinate rural electrification with the private sector, non-governmental organisations and other institutions; and
- (k) Provide technical guidance and consultancy services to a state institution, rural community and any other organisation involved in rural electrification.

2.0 CORPORATE GOVERNANCE

2.1 Board of Directors

The role of the Board of Directors is to perform the functions of the Authority through Management and provide strategic policy direction. Specific roles include:

- i. Administration and management of the Rural Electrification Fund (REF);
- ii. Approve the implementation of Annual Work Plans and Budgets, and approve policies, strategies, and Plans;
- iii. Promotion of effective corporate governance of the Authority;
- iv. Approval of policies, programmes, strategies, annual work plans, action plans, activity reports, annual budget estimates and financial statement of the Authority; and
- v. Advising the Minister on matters relating to rural electrification.

The Board of Directors were appointed by the Honourable Minister of Energy on 10 January 2024 pursuant to Section 7 (1) of the Rural Electrification Act. No 5 of 2023 ("Act No. 5 of 2023"). According to Act No. 5 of 2023, the Board of Directors should comprise the following members:

- i. A representative from each of the ministries responsible for -
 - (a) Energy; and
 - (b) Local government;
- ii. A representative of the Attorney-General
- iii. A representative of the Economics Association of Zambia;
- iv. A representative of the Engineering Institution of Zambia;
- v. A representative of a non-governmental organization engaged in rural development projects; and
- vi. three persons with proven knowledge and experience in matters relating to this Act.

Figure 1 represents the Board of Director for the Authority.

BOARD OF DIRECTORS



MR. BRUCE JAANI
Board Chairperson



Mrs. Mazuba Mwambazi
Vice Board Chairperson



Eng. Bright M. Sepiso
Member



Mr. Paul Kolala
Member



Eng. Clement Chiwele
Member



Mrs. Loveness Mubisi
Member



Mr. Caesar Cheelo
Member



Eng. Kennedy Muteto
Member



Ms. Diana Mwewa
Member



Eng. Linus Chanda
Chief Executive Officer



Mr. Nkomba Mulemba
Board Secretary

Figure 1: Board of Directors

The Gender Equity and Equality Act No. 22 of 2015 places a duty and responsibility on a public body to promote gender equity and equality. In this respect, Authority's Board of Directors is required to reflect the promotion of gender equity and equality. Figure 2 is a representation of the Authority's gender equality on its Board of Directors.

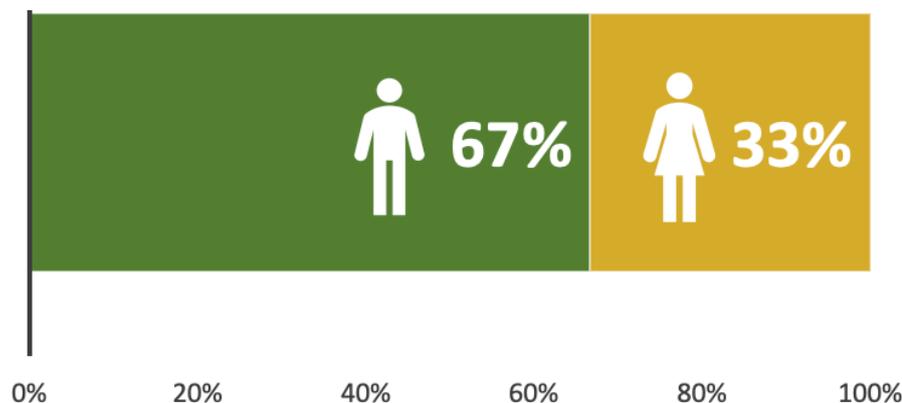


Figure 2: Board of Directors' Gender Diversity

2.2 Board Leadership at a Glance

In 2024, the Board of Directors and its committees convened regular meetings in accordance with section 10(2) of the Rural Electrification Authority Act No. 5 of 2023, to oversee and transact the Authority's business. In addition to scheduled meetings, the Board also held special sessions to address emerging and specific business matters requiring urgent attention. Table 1 below provides a summary of the number of meetings planned and held, as well as individual attendance rates of Board Members during the reporting period.

Table 1 Attendance Rate by Board Members

No.	Members	Institution/Sector	Ordinary Meetings		Special Meeting	
			Attendance	%	Attendance	%
1	Mr. Bruce Jaani (Chairperson)	Banking ¹	3/3	100%	8/8	100%
2	Mrs. Mazuba Mwambazi (Vice-Chairperson)	Representative from Non-Governmental Organization	3/3	100%	7/8	87.50%
3	Mr. Paul Kolala	Accounting ¹	3/3	100%	8/8	100%
4	Mr. Caesar Cheelo	Representative from the Economics Association of Zambia	2/3	66%	7/8	87.50%
5	Ms. Loveness Mubisi	Representative from the Ministry of Local Government and Rural Development	3/3	100%	7/8	87.50%
6	Eng. Kenneth Muteto	Electrical Engineering ¹	2/3	66%	7/8	87.50%
7	Eng. Bright Mwangala Sepiso	Representative from the Engineering Institution of Zambia	2/3	66%	7/8	87.50%
8	Eng. Clement Chiwele	Representative from the Ministry of Energy	3/3	100%	8/8	100%
9	Ms. Diana Mwewa	Representative from the Attorney General	3/3	100%	8/8	100%

¹ Appointed pursuant to section 7(1)(e) of Act No. 5 of 2023 which requires the Member to have proven knowledge and experience in matters relating to the Act.

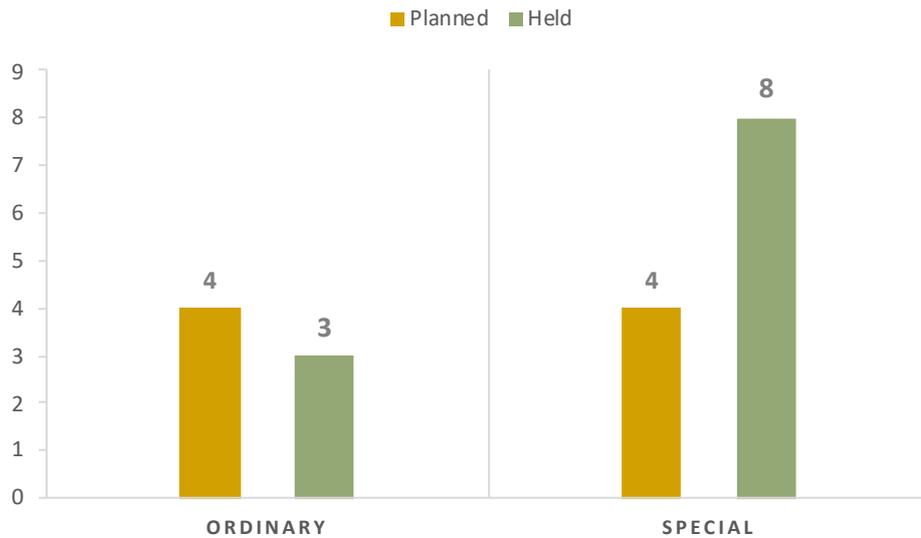


Figure 3: Ordinary and Special Board Meetings Planned and Held

The Chairperson, Chief Executive Officer, and Board Secretary collaboratively set the agenda for the Board meetings in advance. During the year, the Board of Directors considered and approved several key proposals and recommendations including the following:

- i. Review of the Board Charter and the Terms of Reference for the Board Committees;
- ii. Re-alignment of the 2024 Work Plan and Budget to address the declaration of the 2023/2024 drought as a national disaster;
- iii. Revised Salaries and Terms and Conditions of Service for Employees as recommended by the Emoluments Commission;
- iv. Operational Policies and Manuals; and
- v. Tariffs and Business and Operational Models for four (4) Off-Grid Solar Photo Voltaic (PV) sites.

To enhance their understanding and oversight of the Authority's work, the Board of Directors participated in the commissioning of several key projects, including the Kasanjiku Mini Hydro Power Station, Chunga Solar PV Mini Grid, and Mpidi Solar PV Mini Grid. In its endeavour to enhance transparency, accountability and ethical leadership, the Board also participated in the 39th and 41st Africa Corporate Governance Conference and Workshop, held in Cape Town, South Africa. Furthermore, the Board of Directors' migration to using electronic Board and Committee meeting packs reduced the reliance on printed materials, thereby contributing to the reduction of the Authority's carbon footprint.



Figure 4: Newly inaugurated REA Board Members captured in a group photo moments after the official ceremony.



Figure 5: Eng. Kenneth Muteto at the Commissioning of the Mpidi Solar Power Plant.



Figure 6: Board Vice-Chairperson Mrs. Mazuba Mwambazi at the groundbreaking ceremony for the Maheba Refugee Settlement Grid Extension Project in Kalumbila, North-Western Province.



Figure 7: Board Member, Mr. Paul Kolala at the Weekly Energy Briefing held by the Ministry of Energy.



Figure 8 : Board Member Ms. Loveness Mubisi attending the 41st African Corporate Governance Conference held in Cape Town, South Africa.

2.3 Board Evaluation

An internal evaluation of the Board was not conducted during the year under review. However, the Authority intends to undertake a Board evaluation in the subsequent year.

2.4 Board Committees

The Board of Directors was supported in the execution of its oversight functions by various committees. During the reporting period, the Authority had established four (4) Board Committees, each mandated to provide focused guidance and recommendations to the Board. These committees were:

- a) Technical Committee;
- b) Finance Committee;
- c) Audit & Risk Committee; and
- d) Human Resources and Administration Committee.

2.4.1 Technical Committee

The Technical Committee, on behalf of the Board of Directors, ensured that the Authority's projects were aligned with strategic objectives, complied with relevant standards and regulations, technically feasible, financially viable, equitably distributed and environmentally sustainable. As of 31 December 2024, the Committee was comprised of the following members:

- i. Mr. Caesar Cheelo - Chairperson;
- ii. Eng. Kenneth Muteto - Vice-Chairperson;
- iii. Eng. Victor Chisenga - Member; and
- iv. Eng. Mutinta Esther Cholwe - Member.

During the period under review, the Technical Committee held four (4) quarterly meetings and five (5) special meetings. Table 2 below shows the attendance rate of each member.

Table 2 Attendance Rate of Technical Committee Members

No.	Members	Ordinary Meetings		Special Meeting	
		Attended/Held	Attendance Rate	Attended/Held	Attendance Rate
1	Mr. Caesar Cheelo	4/4	100%	5/5	100%
2	Eng. Kenneth Muteto	4/4	100%	5/5	100%
3	Eng. Victor Chisanga	4/4	100%	5/5	100%
4	Eng. Mutinta Esther Cholwe	4/4	100%	5/5	100%

2.4.2 Human Resources and Administration Committee

The Human Resources and Administration Committee advised the Board of Directors on all matters relating to the administration and human resource of the Authority. The Committee ensured that the Authority's organisational structure, policies, and processes, were standardised and aligned with its core values, and that workforce practices supported long-term sustainable success. As of 31 December 2024, the Committee comprised of the following members:

- i. Ms. Loveness Mubisi - Chairperson;
- ii. Eng. Clement Chiwele - Vice Chairperson;
- iii. Mr. Lackson Mukuma - Member; and
- iv. Mrs. Doris Sakupwanya – Member.

During the period under review, the Human Resources and Administration Committee held four (4) ordinary meetings and one (1) special meeting. Table 3 below shows the attendance rate of each member.

Table 3 Attendance Rate of the Human Resource & Administration Committee Members

No.	Members	Ordinary Meetings		Special Meeting	
		Attended/Held	Attendance Rate	Attended/Held	Attendance Rate
1	Ms. Loveness Mubisi	4/4	100%	1/1	100%
2	Eng. Clement Chiwele	4/4	100%	1/1	100%
3	Ms. Doris Sakupwanya	3/4	75%	1/1	100%
4	Mr. Lackson Mukuma	4/4	100%	1/1	100%

2.4.3 Finance Committee

The Finance Committee provided advice to the Board of Directors and Management on all financial related matters. As of 31 December 2024, the Committee comprised of the following members:

- i. Mr. Paul Kolala – Chairperson;
- ii. Eng. Bright Mwangala Sepiso – Vice-Chairperson;
- iii. Mr. Sydney Chifungula – Member; and
- iv. Eng. Glenda Mwandama - Member.

The Finance Committee held four (4) ordinary meetings and four (4) special meetings. Table 4 below shows the attendance rate of each member.

Table 4 Attendance Rate of the Finance Committee Members

No.	Members	Ordinary Meetings		Special Meeting	
		Attended/Held	Attendance Rate	Attended/Held	Attendance Rate
1	Mr. Paul Kolala	4/4	100%	4/4	100%
2	Eng. Bright Mwangala Sepiso	4/4	100%	4/4	100%
3	Mr. Sydney Chifungula	4/4	100%	4/4	100%
4	Eng. Glenda Kasonde Mwandama	3/4	75%	4/4	100%

2.4.4 Audit and Risk Committee

The main role of the Audit and Risk Committee was to provide advice to the Board of Directors and Management on matters related to risk management oversight and audit issues. As of 31 December 2024, the Committee comprised of the following members:

- i. Mrs. Mazuba Mwambazi - Chairperson;
- ii. Ms. Diana Mwewa – Vice-Chairperson;
- iii. Mr. Paul G. Katupisha - Member; and
- iv. Mrs. Cecilia Zimba - Member.

The Audit and Risk Committee held four (4) ordinary meetings and two (2) special meetings. Table 5 below shows the attendance rate of each member.

Table 5 Attendance Rate of the Audit & Risk Committee Members

No.	Members	Ordinary Meetings		Special Meeting	
		Attended/Held	Attendance Rate	Attended/Held	Attendance Rate
1	Mrs. Mazuba Mwambazi	4/4	100%	2/2	100%
2	Ms. Diana Mwewa	4/4	100%	2/2	100%
3	Mrs. Celine Zimba	3/4	75%	2/2	100%
4	Mr. Paul Gladson Katupisha	4/4	100%	2/2	100%

2.5 Management Team

The Authority's Senior Management Team is led by a Chief Executive Officer (CEO), appointed in accordance with Section 14(1) of the Rural Electrification Act No. 5 of 2023. The CEO is responsible for the day-to-day administration and operational oversight of the Authority. Supporting the CEO is a team of Directors and Managers who constitute the Senior Management Team. This team is charged with the implementation of strategic objectives, execution of programmes, and overall operational performance of the Authority. Figure 4 represents the Senior Management Team of the Authority.

SENIOR MANAGEMENT TEAM



Eng. Linus Chanda
Chief Executive Officer



Mrs. Mercedes Mwansa
Director Strategy & Planning



Mr. Joseph Ntanda
Director Finance



Mrs. Adrine Muchimba
Director HR & Administration



Eng. Alex Mbumba
Director Engineering Services



Mr. Lennox Chilwa
Manager Procurement



Mr. Joseph Kenya
Manager Audit & Risk



Mr. Justin Mukosa
Manager Corporate Affairs



Mr. Nkomba Mulemba
Legal Counsel

Figure 9: REA Senior Management Team

3.0 ANALYSIS OF THE AUTHORITY'S PERFORMANCE IN THE YEAR 2024

3.1 Overall Performance

This report presents a comprehensive account of the activities undertaken by the Authority during the period 1 January 2024 to 31 December 2024.

The implementation of activities during the year was guided by the approved 2024 Work Plan and Budget, which was aligned with the six (6) Strategic Objectives (SO) from the Authority's 2022-2026 Strategic Plan. These Strategic Objectives are as follows:

- i. Strategic Objective 1: Improve rural electrification;
- ii. Strategic Objective 2: Improve stakeholder collaboration;
- iii. Strategic Objective 3: Improve financial capacity and management;
- iv. Strategic Objective 4: Improve operation processes and procedures;
- v. Strategic Objective 5: Improve human capacity; and
- vi. Strategic Objective 6: Improve administrative and logistical capacity.

Under each SO, the Authority developed 27 strategies which were further broken down into 97 outputs and thereafter 1,047 corresponding output targets. The successful delivery of these output targets collectively contributed to the Authority's overall institutional performance. In order to monitor its performance in achieving planned output targets for each strategic objective, the Authority conducts quarterly performance review meetings.

During the period under review, the Authority conducted a total of four (4) strategic performance reviews to assess its progress toward the implementation of its Strategic Objectives.

The Authority recorded a strong performance across key strategic indicators. As earlier stated, the findings from the 2023 NEAS highlighted that the rural electrification access rate had increased to 34%. Notably, the Authority contributed towards increasing the rural electricity access further in 2024 with a cumulative total of 5,716 beneficiaries connected. Out of the 85 electrification projects scheduled to be completed by the end of 2024, 56 were completed, representing a 66% completion rate. The Authority achieved an 85% budget absorption rate and maintained 100% compliance in both budget execution and audit opinion. Operationally, 75% of electricity services met the quality benchmarks, while 70% of high-risk issues were effectively resolved. Table 6 shows the performance of the Authority against its Corporate Balanced Scorecard.

Additionally, the Authority had planned to achieve a total of 1,047 output targets for the year. Of these, 678 were achieved, representing an overall institutional performance rate of 65% for 2024. Figure 10 shows a dashboard for the summary performance of the Authority during the year 2024..

Table 6 below shows REA's performance against the Corporate Balanced Scorecard 2024.

Table 6 Performance against the Corporate Balanced Scorecard for 2024

PERSPECTIVE	STRATEGIC OBJECTIVE	MEASURES	TARGETS	ACHIEVEMENTS
Stakeholder	Improve Rural Electrification	Cumulative % of national access rate	11.9% of rural access rate by 31st December 2024	Achieved 34% (2023 NEAS Report)
		Cumulative number of rural households electrified	278,262 rural households connected to electricity by December 2024	Achieved 193,646 (5,797 new connections 2024.) Baseline 2022: 160,197 Cumulative tally 2022-2024: 33,449
Finance/ Stewardship	Improve Stakeholder Collaboration	Project Completion (%)	95% of projects completed by December 2024	Achieved 66% (56/85 Projects)
		Budget absorption (%)	90% budget absorption by December 2024	Achieved 85%
		Budget compliance (%)	100% budget compliance by December 2024	Achieved 100%
Internal Processes	Improve Operational Processes & Procedures	Number of unqualified audit opinion	1 unqualified audit opinion by December 2024	Achieved 1 Unqualified Audit
		Compliance to power quality and reliability service standards (%)	75% service compliance (253/97) by December 2024	Achieved 80%
		High-risk materialised (%)	95% reduction of high-risk materials by December 2024	Achieved 70.4% reduction
Learning & Growth	Improve Human Capacity	100% staff performance against set targets December 2024	100% staff performance against targets by December 2024	Achieved 0%
		Staff performance Institutional Corruption Perception Index (%)	60 out of 100 points attained by December 2026	Achieved 70% Internal assessment with MEA tool
	Improve Administrative & Logistical Capacity	Tools and equipment procured (%)	100% of planned tools and equipment procured	Achieved 78%

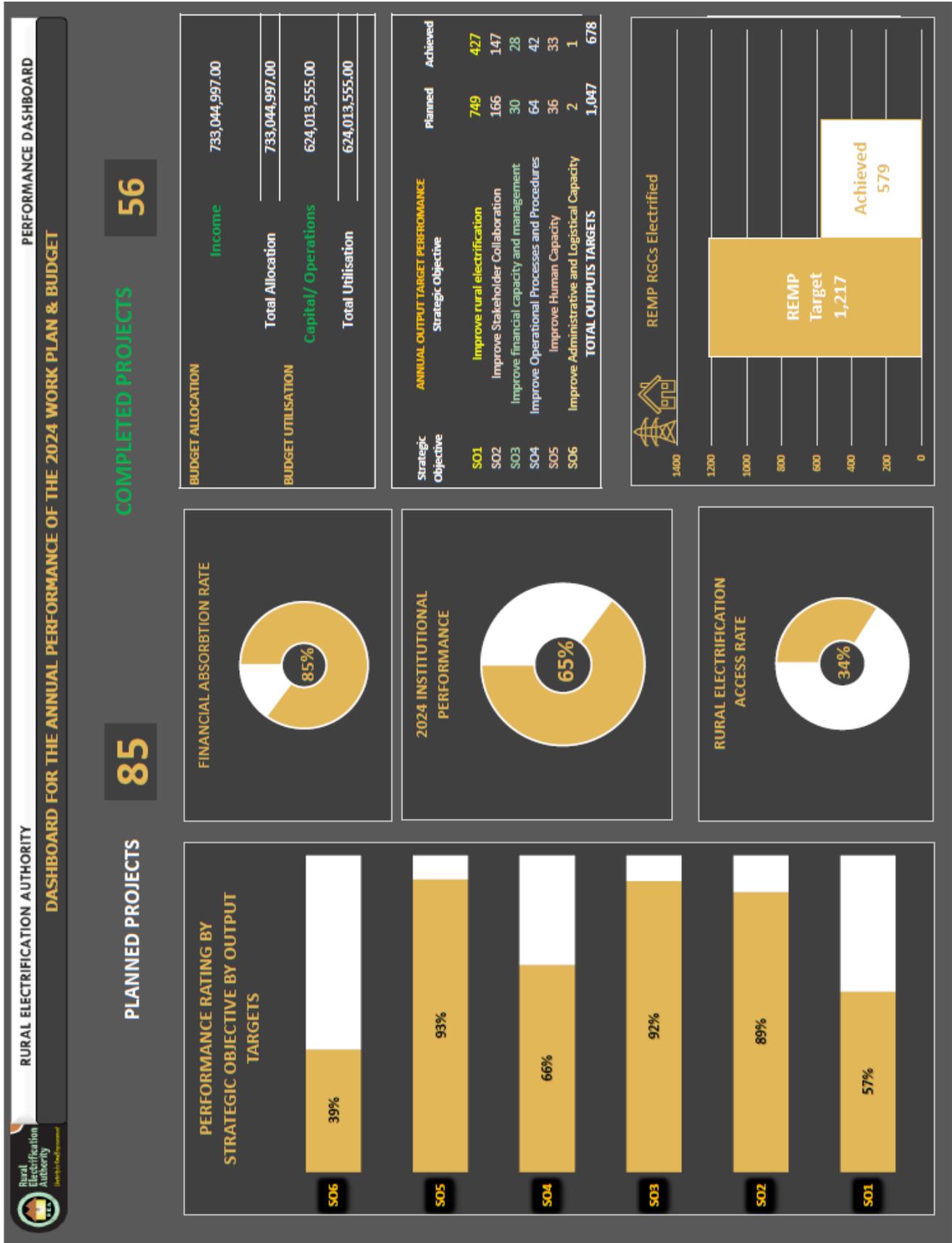


Figure 10: REA Performance Dashboard for 2024A

In terms of the Institutional Financial Performance, the Authority recorded a total income of K712,029,504, under the Rural Electrification Fund (REF). The breakdown of this income is as follows:

- i. K557,085,395 (78%) was received through Government allocation,
- ii. K135,297,478 (19%) was mobilised from the World Bank, and
- iii. K19,646,631 (3%) was sourced from other partners and complementary funding streams.

The Authority had a total expenditure of K624,013,556 out of the budget of K733,044,997, representing a budget absorption rate of 85%. The remaining funds were committed to projects that were still under implementation as at the end of the year and were earmarked for completion in 2025. Table 7 below shows the financial performance for 2024.

Table 7 Summary of the Financial performance for 2024

NO.	PROGRAMME ACTIVITY	BUDGET	ACTUAL	BUDGET VARIANCE	BUDGET PERFORMANCE
1	INCOME:				
1.1	International donor funding	156,232,939	135,297,478	(20,935,461)	87%
1.2	Government grants	368,721,703	368,721,703	-	100%
1.3	Committed Funds	188,363,692	188,363,692	-	100%
1.4	Other Sources	19,726,663	19,646,631	(80,032)	100%
	Total Income	733,044,997	712,029,504	(21,015,493)	97%
2	EXPENDITURE:				
2.1	Employee costs	104,928,311	104,914,939	13,372	100%
2.2	Administration expenses	65,901,642	61,931,732	3,969,910	94%
2.3	Project studies and consultancy	551,280,459	446,238,729	105,041,730	81%
2.4	Rental expense	6,110,900	6,109,482	1,418	100%
2.5	Exhibition and publicity	4,823,685	4,818,674	5,011	100%
	Total Expenses	733,044,997	624,013,556	109,031,441	85%
	Surplus	-	88,015,948	88,015,948	

3.1.1 Notable Achievements

The Authority made significant strides in providing electricity access to remote areas that were previously unserved. In the year 2024, 5,716 new connections were added, bringing the cumulative number of households, public institution, and SME connections achieved to 254,419 against a set target of 557,192 as outlined in the Authority's 2022-2026 Strategic Plan.

Other notable achievements include:

- i) The finalisation of the NEAS, jointly undertaken with Zambia Statistical Agency (ZamStats) and MoE. The results of the NEAS indicated that there was an increase in the rural electricity access rate from 8.1% to 34%²;
- ii) The finalisation of the draft Rural Electrification Master Plan (REMP);
- iii) The successful completion of the Electricity Supply Access Project (ESAP) Project;
- iv) In a direct response to the Presidential call for increased Off-grid interventions resulting from the drought, the Authority accelerated the implementation and completion of eight (8) Solar Mini grids (SMGs) in rural areas. This brought the total number of completed off-grid systems to 13, with a total generation capacity of 1.2MW, serving over 2,200 beneficiaries. Four (4) of the completed SMGs were scheduled to be operational by the first quarter of 2025;
- v) The completion of installation of Biogas Digesters at 13 out of 20 targeted Boarding schools in an effort to champion clean cooking in rural communities, reducing the adverse environment effects caused by traditional cooking methods;
- vi) The Development of the first-ever grid-tied electric cooperative in Petauke District as part of the Authority's plan to implement electric cooperatives;
- vii) The commissioning of 18 Solar Mini Grids under the European Union funded Increased Access to Electricity and Renewable Energy Production (IAEREP) project;
- viii) The Authority was honoured with two awards by the Anti-Corruption Commission at the Chief Executive Officers' Forum held in November 2024. The awards included Second Overall Best Performing Integrity Committee (IC) and Second Prize in the Parastatals and Statutory Bodies category;
- ix) The development of the Rural Electrification Fund (REF) Operating Guidelines; and
- x) In its evaluation of 689 procurement entities for compliance with the Public Procurement Act No. 8 of 2020, the Zambia Public Procurement Authority (ZPPA) ranked the Authority among the top 10 entities recognized for exemplary performance.

Despite these notable achievements, the Authority faced several challenges. These included exchange rate losses that increased project costs, delayed delivery of project materials, and inadequate staffing across various departments. The most critical setback, however, was the 2023–2024 drought, which on 29 February 2024, the Government declared a National Disaster and Emergency. This crisis necessitated a national budget realignment to address urgent needs, significantly disrupting the Authority's planned project implementation for 2024.

² According to the National Energy Access Survey: [NEAS Report.pdf](#) (Page 27)

3.2 Electrification Projects

During the year 2024, the Authority was implementing a total of 142 rural electrification projects. These projects comprised 114 Grid Development Projects (GDPs) and 28 Off-Grid Projects (OGPs) distributed across all the ten (10) provinces of Zambia. Of the 142 projects, 85 were scheduled to be completed by end 2024 while the remaining 57 were to be completed in 2025.

3.2.1 Grid Development Projects

The planned 114 GDPs across the country targeted 22,919 households, 201 schools, 89 Rural Health Centres and 27 Chief's Palaces. 64 out of the 114 GDPs were scheduled to be completed by the end of 2024, while the remaining 50 projects were scheduled to be completed in 2025.

As of 31 December 2024, the Authority had completed a total of 43 GDPs while the remaining projects were in progress. The list of completed GDPs is tabulated in Table 8 below.

Table 8: Completed Grid Development Projects as of 31 December 2024

NO.	PROJECT NAME	DISTRICT	PROVINCE	TARGETED CONNECTIONS
1	Keezwa GEP	Mumbwa	Central	205
2	Nambala GIP	Mumbwa	Central	150
3	Chilumba GIP	Kapiri Mposhi	Central	60
4	Kambilombilo GEP	Lufwanyama	Copperbelt	224
5	Mutaba GEP	Masaiti	Copperbelt	111
6	Kandole GIP	Lufwanyama	Copperbelt	374
7	Mfulabunga GIP	Mpongwe	Copperbelt	77
8	Kamabaya GIP	Mpongwe	Copperbelt	15
9	Nsobe-Chalubemba GIP	Masaiti	Copperbelt	20
10	Mbozi GEP	Vubwi	Eastern	270
11	Matonje GIP	Petauke	Eastern	455
12	Kamulaseni GIP	Chipata	Eastern	80
13	Chikontha GIP	Nyimba	Eastern	150
14	Kampambe GEP	Sinda	Eastern	225
15	Chieftainess Mwasemphangwe GIP	Lumezi	Eastern	55
16	Kamwenge Farm Block GEP	Samfya	Luapula	1
17	Mano/ Chinwenshiba GIP	Samfya	Luapula	150
18	Kasanse GIP	Samfya	Luapula	251
19	Chieftainess Kanyembo GIP	Nchelenge	Luapula	250
20	Kapete GEP	Chongwe	Lusaka	234
21	Chief Bunda Bunda GIP	Rufunsa	Lusaka	10
22	Janeiro GIP	Luangwa	Lusaka	84
23	Mulopa GEP	Shiwangandu	Muchinga	120
24	Mutwe Walupwa GIP	Kanchibiya	Muchinga	172
25	Mutachi village GIP	Nakonde	Muchinga	400
26	Mukungule GIP	Shiwangandu	Muchinga	40

NO.	PROJECT NAME	DISTRICT	PROVINCE	TARGETED CONNECTIONS
27	Masamba Lyanda GEP	Mbala	Northern	514
28	Nsama - Phase I GEP	Nsama	Northern	257
29	Pambashe - Phase I GEP	Kawambwa	Northern	668
30	Chilubula GIP	Kasama	Northern	100
31	Menga GIP	Luwingu	Northern	152
32	Isandulila GIP	Luwingu	Northern	110
33	Samuteba GEP	Mwinilunga	North-Western	150
34	Musaka GIP	Mushindamo	North-Western	130
35	Chiefs in Itezhi Tezhi B GEP	Itezhi-tezhi	Southern	70
36	Chiyobola/Chisuwo GEP	Monze	Southern	70
37	Siakasipa GEP	Kazungula	Southern	180
38	Nyawa RGC GEP	Kazungula	Southern	305
39	Mbanyutu GEP	Luampa	Western	305
40	Kalundwana/Nakato GIP	Mongu	Western	180
41	Shimano GIP	Nkeyema	Western	175
42	Lutende GIP	Mongu	Western	45
43	Tapo GIP	Limulunga	Western	40
	TOTAL			7,634

Shown below is a completed SMG installed under the Grid Development Projects.



Figure 11: Completed Chuunga Solar Mini Grid Project in Kafue National Park, Mumbwa District.

3.2.2 Off-grid Projects

Out of the planned 28 OGPs, 21 were scheduled to be completed by end of 2024, while the remaining seven (7) were scheduled to be completed in 2025. These projects aimed to reach 4,378 households, 49 schools, 120 Rural Health Centres and 38 Chief's Palaces. The 28 OGPs comprised:

- (a) 23 solar energy projects comprising 15 Solar Mini-Grid (SMG) Projects and eight (8) Solar Home System (SHS) Projects.
- (b) Thirty (30) Biogas projects benefiting 30 boarding schools in the ten (10) provinces (three schools per province);
- (c) Two (2) Distribution Network expansions planned for the off-grid network at the Kasanjiku Mini Hydro Power Plant (KMHPP). This was to provide electricity supply to Nkenyauli and reinforce the network within Ntambu and Tomuilunga load centres to capture 600 more connections.
- (d) Construction of the Distribution Network for Ntatumbila SMG under the Zambia Electric Cooperative Development Project (ZECDP) targeting to provide electricity supply to 475 beneficiaries.

As of 31 December 2024, the Authority had completed a total of 13 out of the 21 OGPs that were scheduled for completion. The list of completed OGPs is tabulated in Table 9 below.

Table 9 Completed Off-grid renewable energy projects as of 31 December 2024

NO.	PROJECT NAME	DISTRICT	PROVINCE	TARGETED CONNECTIONS
1	Chief Mwanya Solar Mini Grid	Lundazi	Eastern	220
2	Chief Lundu Solar Mini Grid	Chama	Eastern	250
3	Chiweza SMP Solar Mini Grid	Lumezi	Eastern	60
4	2024 Ntatumbila SMG Distribution Network	Nakonde	Muchinga	475
5	Chilubi Hospital Solar Mini Grid	Chilubi	Northern	30
6	Solar for Agriculture	Kasama/ Mwinilunga	Northern/ North-Western	3
7	Chief Mpidi Solar Mini Grid	Zambezi	North-Western	100
8	Kasanjiku Distribution Network III – Lot 3	Mwinilunga	North-Western	150
9	Nkandazovu Solar Mini Grid	Kalomo	Southern	80
10	Natukoma Solar Mini Grid	Shangombo	Western	250
11	Solar for Chiefs (Supply)	Various	Various	79
12	Solar for Households (Supply)	Various	Various	200
13	Solar for Health	Various	Various	100
	TOTAL			1,997

3.2.3 Partner Funded Electrification Projects

During the period under review, the Authority continued to collaborate with various cooperating and development partners to implement electrification projects. The projects implemented under partnerships are detailed below.

a) Electricity Service Access Project (ESAP)

The World Bank (WB) funded Electricity Service Access Project which commenced in 2018, was aimed at increasing electricity access in targeted rural areas. It also aided in creating an enabling environment for accelerated national electricity access in Zambia. The overall performance at the close of ESAP on 30 June 2024 is as summarized in Table 10.

Table 10: ESAP Overall Performance as of 30 June 2024

NO.	KEY RESULT	TARGET	STATUS
1	People provided with new or improved electricity service	114,400	316,826
2	Number of Household Connections	22,000	60,928
3	Number of MSEs	1,000	9,626
4	No. Female Headed Households	4,400	18,415
5	No. of Female Owned MSEs	150	1,986
6	Distribution lines constructed or rehabilitated under the project	550km	374.8km
7	Percentage of grievances registered related to delivery of Project benefits that are addressed	100%	100%
8	Loan Facility operationalized (Y/N)	Loan Facility Operationalized	Y
9	Subsidy Program (OGRESS) piloted (Y/N)	Subsidy Program (OGRESS) piloted	Y
10	National Electrification Strategy Developed (NES) (Y/N)	National Electrification Strategy developed and publicly consulted	Y
11	Number of people trained in sector policy and technical aspects	25	129
12	Least cost Geospatial Electrification Plan (Y/N)	Least cost Geospatial Electrification Plan developed, and key stakeholders consulted	Y

The figure below shows one of the grass thatched households that benefited from during the ESAP subsidy project.



Figure 12: One of the households in Luangeni village that benefited from the ESAP subsidy project Chipata District, Eastern province.

The detailed achievements under the three (3) major components, namely, On-grid electricity access expansion, Off-grid Rural Electrification Smart Subsidy and Credit line facility. These are outlined in detail below:

i) On-Grid Electricity Access Expansion

This component was an Output-Based Aid (OBA) subsidy programme targeting rural communities. The project scope included last mile connections and the extension of the distribution network.

Upon completion of the project, all ten (10) grid extension and reinforcement projects were successfully executed. A cumulative total of 70,554 last mile connections was achieved under the programme, including 4,347 connections made during the year under review. Table 11 shows the summary of the last mile connections achieved under ESAP.

Table 11 Distribution of subsidy connections across provinces under ESAP

NO.	PROVINCE	TARGETED CONNECTIONS	ACHIEVED CONNECTIONS
1	Central	5,259	7,636
2	Copperbelt	1,016	2,312
3	Eastern	8,265	13,461
4	Luapula	3,663	10,066
5	Lusaka	632	3,090
6	Muchinga	5,941	9,557
7	Northern	4,180	4,115
8	North-Western	4,489	3,293
9	Southern	3,529	12,548
10	Western	1,322	4,476
	TOTAL	38,296	70,554

ii) Off-grid Rural Electrification Smart Subsidy

The Off-grid Rural Electrification Smart Subsidy (OG-RESS) Project was a pilot project which incentivised private operators to provide electricity to households, public facilities, and MSMEs in the selected rural localities. The target was to develop SMGs or deploy SHS at an agreed electricity service level. The subsidy was aimed at covering the viability gap which was the difference between the cost of providing a connection and what consumers were willing to pay. During the year under review:

- i. Three (3) SMGs were completed with one (1) under implementation; and
- ii. 546 SHS were distributed, bringing the cumulative total number to 746

An overview of the OG-RESS Project status as at 31 December 2024 is presented in Table 12.

Table 12 Status of the OG-RESS Project as of 31 December 2024

NO.	NAME OF THE PROJECT	TECHNOLOGY	STATUS AS OF 31 DECEMBER 2024
1	Chalilo, Chipundu Kafinda, Mpelembe Chipwa, Chisanza A & B, Chitili, Kapufi Ntatumbila, Luumbo, Chaanga, Sianyoolo, Namafulo, Mapatizya, Nakanzonzo	Solar Mini Grids/Solar Home Systems	<ul style="list-style-type: none"> • Procurements of complete containerized solar plants of 20-24kWp were in progress. • Areas for initial deployment was targeting 1,069 connections.
2	Lyombe, Kaswenda, Mukatamwene, & Waya	Solar Mini Grids	<ul style="list-style-type: none"> • Three (3) out of the four (4) sites completed and commissioned. Targeting 2,600 connections. • A total of 266 SHS were distributed against the target of 2,252.
3	Chisale/Kampamba, Ndasa, Mumba, Kalulu, Kabinga, Katyete, Chibale, Mulekatembo, Chigwe, Kamponi, Chipopela, Kwenje Chikalaba,	Solar Mini Grid	<ul style="list-style-type: none"> • ZEMA Environmental Clearance permit was acquired. • Procurement of materials was in progress. Targeting 10,000 connections
4	Chibombo, Luano, Chamuka, Rufunsa, Nalusanga, Kaoma, Kanakantapa, Katoba, Mpango, Sefula, Nkeyema, Luampa, Lukulu, Petauke, Katete, Chipata, Lundazi, Chadiza, Monze, Gwembe, Choma, Namwala, Kalomo, Zimba, Bwalya Mponda & Nsamba Islands	Solar Home Systems	<ul style="list-style-type: none"> • A total of 480 SHS were distributed against the target of 3,280.

The figure below shows one of the rural health centres that benefited under the Off-grid Rural Electrification Smart Subsidy.



Figure 13: Solar for Health installed at Singwamba Rural Health Centre in Kazungula District of Southern Province

iii) Credit Line Facility

This component aimed to establish a dedicated loan facility for companies importing and selling solar equipment, developers of mini grids and end-users of solar equipment such as agri-businesses. The objective was to address access to finance constraints in Zambia in order to accelerate growth of the off-grid electrification market. Through a subsidiary grant agreement signed with REA in 2022, the Development Bank of Zambia (DBZ) was designated as the principal Financial Intermediary (FI) for the credit line. Following the possession of DBZ by the Bank of Zambia (BOZ), REA is in discussion with BOZ on the future management of the facility.

As of December 2024, a total of US\$2.5 million was disbursed to DBZ, and the loans were performing in accordance with the loan agreement.

iv) Project Implementation Support

This component financed Technical Assistance (TA) for GRZ to:

- (a) Ensure that the project reached its objective of enhancing and improving the enabling environment needed for a substantially scaled-up electrification effort; and
- (b) Support effective project implementation.

The major activities implemented in 2024 included:

- i. Adoption of the Least Cost Geospatial Electrification Plan (LCGEP); and
- ii. Capacity building of key implementing institutions.

b) Increased Access to Electricity and Renewable Energy Production Project (IAEREP)

The IAEREP Project was initiated by Government through a Financing Agreement with the European Union in the year 2018. The project was designed to support Zambia's energy sector through increased access to clean, reliable, and affordable energy and promotion of renewable energy production and energy efficiency.

The project comprises two (2) Technical Assistance components focusing on:

- i. Enhancement of policy, legal and regulatory environment as well as capacity building for renewable energy and energy efficiency;
- ii. Capacity building for renewable energy and energy efficiency-feasibility studies and demonstration projects.

The EU grant funds are utilised as catalytic or seed capital and be coupled with other financing to leverage public and/ or private investments. The co-financing ratio is 1:1.

During the year under review, the Authority continued monitoring implementation of projects by the three (3) grant beneficiaries and commissioned 18 Solar Mini Grids (i.e., 15 in Eastern Province under Engie Power Corner and three (3) in Central Province under Solar23).

Table 13 below highlights the implementation status for the three (3) grant beneficiaries.

Table 13 Status for the Grant Beneficiaries as of 31 December 2024

NO.	DEVELOPER	DISTRIBUTION OF SITES	STATUS AS AT 31 DECEMBER 2024
1	Developer 1 (132 Sites)	3 in Central Province, 5 in Copperbelt Province, 26 in Eastern Province, 45 in Luapula Province, 4 in Lusaka Province, 6 in Muchinga Province, 27 in Northern Province, 8 in North-Western Province, 5 in Southern Province & 3 in Western Province	The developer had since withdrawn from the project. Prior to the withdrawal, the developer implemented 4 mini grids. Considering that the 4 mini grids were issued as guarantees on the project, the National Authorizing Office instructed REA to manage the said mini grids.
2	Developer 2 (60 Sites)	40 in Eastern Province, 3 in Luapula Province, 5 in Muchinga Province, 2 in Northern Province & 10 in North-Western Province	The developer commissioned 15 solar mini grid sites in Eastern province.
3	Developer 3 (4 Sites)	All 4 sites in Central Province	Three (3) out of the four (4) mini grids had been commissioned.

Following the award of grants for the projects in Table 13 above, funds amounting to EUR 8,807,130.00 remained unutilised. Therefore, the Authority issued a 2nd Call for Proposal to utilise these funds. During the period under review, evaluation was undertaken, and the following grant beneficiaries were being considered for grant award: National Rural Electric Cooperative Association (NRECA) International, One Power, World Vision and Turbulent NV.

c) National Energy Advancement and Transformation (NEAT) Programme

In 2024, the Authority signed a Program Agreement with the International Development Association (IDA) and a Subsidiary Agreement with GRZ to receive US\$10 million for the first phase of the National Energy Advancement and Transformation (NEAT) Programme.

The NEAT programme is a 3-year Program for Results (PforR) under four (4) Disbursement-Linked Indicators (DLIs) with clear and verifiable DLRs. It is part of a 10-year Multi-Phase Programmatic Approach (MPA) designed to implement the government's strategic vision of increasing reliable electricity supply and expanding access to energy to spur inclusive economic growth supported by the World Bank and other Cooperating Partners.

REA is specifically tasked with implementing DLI 2: Operationalization of the REF, pursuant to the Rural Electrification Act. The DLRs follow the process of strengthening implementation of the REF, with adoption of the operating guidelines and their implementation documented through an annual report.

Table 14 below highlights the overview performance in the implementation of the DLIs.

Table 14 Performance in the implementation of the DLIs.

Disbursement Linked Indicators (DLIs)	Status
DLI 2: Operationalization of the Rural Electrification Fund, pursuant to the Rural Electrification Act	
DLR 2.1: REA Board adopts Operating Guidelines for Rural Electrification Fund	In Progress
DLR 2.2: Rural Electrification Fund (REF) Year 1 Annual Report submitted, as per the REF Operating Guidelines	Not yet Started

Among the key highlights in 2024 was the development of the REF Operating Guidelines under the NEAT Programme. As of 31 December 2024, the REF Operating Guidelines were yet to be considered by the stakeholders and approved by the Board.

The funds disbursed under the NEAT programme were to be utilised to implement electrification projects under the following two (2) components:

i) On-Grid Electricity Access Expansion

Under this component, REA worked with ZESCO for 23,695 on-grid connections through Output-Based Aid subsidy program in targeted rural areas. It also involves strengthening the grid network and extension of the distribution network to handle new last mile connections by implementing 44 GDPs.

As of 31 December 2024, the Co-execution agreement for implementation of the last mile subsidy connection fee with ZESCO had been developed pending clearance by Attorney General’s office. Further, the Authority was undertaking line route surveys as well as environmental and social screening for the 44 GDPs scheduled to be tendered out in Q1 of 2025.

ii) Off-Grid Electricity Access Expansion

Following the closure of ESAP on 30 June 2024, the implementation of the OGRESS program was moved to the NEAT programme.

d) United Nations High Commissioner for Refugees Co-Financed Project

In the year 2024, the Government of Zambia through a Memorandum of Understanding (MoU) between REA and United Nations High Commissioner for Refugees (UNHCR) commenced implementation of the Maheba I 33kV Grid Extension Project in Kalumbila District of North-Western Province. The project was to provide electricity supply to five (5) schools, four (4) rural health centres, a police post, a mission and surrounding communities as listed below.

1. Maheba A Primary and Secondary Schools;
2. Maheba B Primary and Secondary Schools;
3. Kananga Primary School;
4. Kananga RHC;
5. Maheba A RHC;
6. Maheba B RHC;
7. Jagaimo RHC;
8. Maheba A Police Post; and
9. St. Mary's Mission.

The project involved the construction of 28.268km of 33kV medium voltage overhead lines and 10.909km of 400V low voltage distribution network at a cost of K16.2 million.

As of 31 December 2024, the project stood at 98% complete and was awaiting commissioning. It is worth noting that the first portion of the project up to Maheba A was successfully energized and commissioned on 20 June 2024. Therefore, as at end of year only the line towards Maheba B and Jangaimo RHC were yet to be energised.



Figure 14: Her Honour the Vice President commissioned the Mpidi Solar Mini Grid Project on 2nd December 2025 in Zambezi District North-Western Province



Figure 15: Vice President Mutale Nalumango with REA and United Nations High Commission for Refugees UNHCR team during commissioning of the Meheba project.

e) **National Rural Electric Cooperative Association International**

The Authority continued its collaboration with NRECA International of the United States of America, to jointly implement the Zambia Electric Cooperative Development Program (ZECDP). The scope of the collaboration was to provide electricity to a minimum of five (5) selected areas using “Electric Cooperative” business model to expand electricity access in rural Zambia.

In 2024, the Authority and NRECA commissioned the 121kWp Ntatumbila SMG that is managed by the Ntatumbila Power Electric Cooperative (NPEC) Ltd. This commissioning marked a significant milestone in the implementation of the ZECDP, completing the development of the first ever generation and supply Electric Cooperative in Zambia.

Additionally, REA and NRECA successfully developed the second electric cooperative in Petauke District. The Petauke Electric Cooperative (PEC) is a grid-tied electric cooperative, expected to electrify nearly 5,000 beneficiaries in seven communities.

f) **Cities and Infrastructure for Growth Zambia**

The Authority continued collaborating with the Cities and Infrastructure for Growth Zambia (CiG Zambia) in reviewing and updating of the REMP. This collaboration facilitated a national stakeholder consultation workshop on the updated REMP report on 9 December 2024, which assisted in gathering valuable feedback from a diverse group of stakeholders.

g) **Collaboration with Local Authorities**

The Authority continued its collaboration with Local Authorities for the implementation of Priority Rural Electrification Projects (PREPs). PREPs comprise of identified public institutions of critical social and economic importance in both rural and peri-urban areas, earmarked for electrification using the K1 million allocation per constituency under the Constituency Development Fund (CDF).

As of 31 December 2024, REA signed a total of 142 MoUs out of a target of 156 constituencies, involving 109 Local Authorities out of a planned 116, representing 91 percent of the targeted constituencies.

During the period under review, 87 Local Authorities submitted a total of 155 priority sites to REA. Of these, the Authority conducted scoping for 108 sites and developed 65 project packages, which were subsequently submitted to the respective Local Authorities to initiate the procurement processes. As of 31 December 2024, only one (1) project, located in Solwezi West Constituency, had been successfully completed and commissioned.

The implementation of electrification projects through CDF financing encountered several challenges, as evidenced by the very low number of completed projects. Key challenges include:

- i. The cost of electrification in some constituencies exceeded K1 million. Due to competing priorities, these constituencies were unable to allocate additional resources, resulting in the non-implementation of the projects; and
- ii. Some local authorities lacked a clear understanding of the CDF electrification implementation process, despite REA having conducted orientation workshops.

h) Zambia Statistics Agency

The Authority continued its collaboration with the Zambia Statistical Agency (ZamStats) to finalise the 2023 National Energy Access Survey (NEAS). The first quarter of the year primarily focused on data cleaning and finalising the report, whereas the third and fourth quarters activities facilitated for the stakeholder launch of the 2023 NEAS report on 27 December 2024.

4.0 UPDATING OF THE 2008 RURAL ELECTRIFICATION MASTER PLAN

The Authority continued updating the Rural Electrification Master Plan (REMP) to ensure its alignment with several geographical and social changes that have occurred within the country. These include policy reforms, territorial redefinitions, and the imperative to align with the United Nations Sustainable Development Goals (SDGs), notably SDG 7's aspiration for universal access to electricity by 2030.

In support of this process, NRECA provided Technical Assistance, specifically in the development of a Geographic Information System (GIS) database to enhance rural electrification planning and analysis.

4.1 ZESCO Medium Voltage Network Ground Proofing and Truthing

The Authority conducted a survey on the ZESCO Medium Voltage (MV) network and its associated electricity infrastructure from 8 April 2024 to 31 May 2024. At the completion of the survey, a total of 283 substations and 12,112 km of the MV network were surveyed across the country. The captured information formed input into the development of the updated REMP Geospatial Database for rural electrification.

4.2 Development of the Zero Draft Updated REMP

The Authority developed a draft of the updated REMP, outlining the proposed electrification methods and their associated costs. The draft REMP classified areas to be electrified using grid expansion, mini-grids, and solar homes systems, to achieve universal access to electricity in rural areas by 2030.

4.3 Stakeholder Consultations

On 9 December 2024, the Authority conducted a stakeholder consultation workshop aimed at soliciting input and feedback from key stakeholders on the draft updated REMP report. This engagement was crucial in collecting valuable insights. Participants included representatives from Government Ministries, Cooperating Partners, Academic Institutions, Parastatals, and the Private Sector.

The figure below shows one of the pictures taken during a stakeholder consultation on the REMP.



Figure 16: Participants pose for a group photo during the REMP consultation workshop in Lusaka.

4.4 Current Status of the REMP Update

The draft updated REMP was concluded in December 2024, however, the Authority intends to undertake ground-truthing of selected 11kV network and its associated electricity infrastructure in the rural areas. Upon completion, the data will be used to update the Geospatial model and launch of the visualisation platform. The updated REMP is expected to be completed in 2025.

5.0 PERFORMANCE OF OPERATING MINI-GRIDS

The Authority continued to operate 13 off-grid networks comprising one (1) mini hydro and 12 Solar Mini Grids (SMG) with a combined generation capacity of 1.158MW servicing 2,255 active customers. The performances of these networks are highlighted in the following sections.

5.1 Kasanjiku Mini Hydro Power Station

The 640kW Kasanjiku Mini Hydro Power Plant (KMHPP) operated satisfactorily during the year. Average power generation was 83,912kWh/month at an average availability of 99% with 1,055 active customers.

The annual units generated were 1,009.9MWh with a maximum demand of 213kW on 11 August 2024 at 19:00hrs. This represents a 32.6% increase from the 2023 annual generation of 761.6MWh. The monthly energy generation (kWh) is shown in Figure 17.

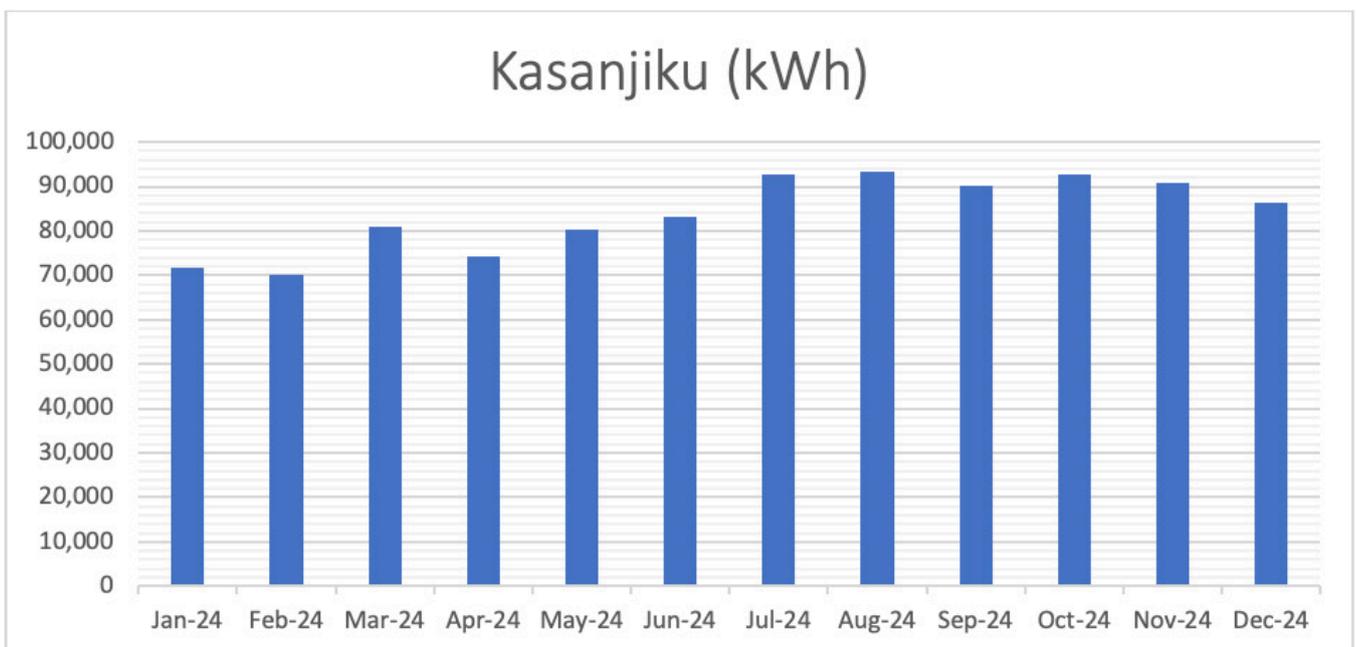


Figure 17: KMHPP Generation Statistics (January to December 2024)

5.2 Solar Mini Grids

REA continued to oversee the operation of 12 SMGs with a combined capacity of 518kWp and over 1,200 active connections. The details of these SMGs are as indicated in Table 15.

Table 15 Operational Solar Mini Grids

NO.	MINI GRID	DISTRICT	PROVINCE	CAPACITY (kWp)	TARGETED CONNECTIONS
1	Kabamba	Serenje	Central	45.0	43
2	Chunga	Mumbwa	Central	111.0	87
3	Ngabwe District Council	Ngabwe	Central	32.2	50
4	Mukatamwene	Ngabwe	Central	9.95	50
5	Mumeno	Ngabwe	Central	19.85	60
6	Chieftainess Mwanya	Lumezi	Eastern	70.0	10
7	Kampekete (SMP)	Chongwe	Lusaka	5.0	70
8	Chaba	Chilubi	Northern	49.5	290
9	Chibwika	Mwinilunga	North-Western	32.0	180
10	Chief Mpidi	Zambezi	North-Western	60.0	230
11	Moyo Mini Hospital	Pemba	Southern	49.5	50
12	Nkandazovu	Kalomo	Southern	34.0	80
	TOTAL			518	1,200

6.0 ENVIRONMENTAL STEWARDSHIP, MONITORING AND EVALUATION

6.1 Environmental and Social Impact Management

The Authority recognizes that its electrification projects may have both positive and negative impacts on the environment and local communities. To understand and manage these effects, the Authority conducts Environmental Impact Assessments (EIAs) in line with the provisions of the Environmental Management Act No. 8 of 2023 and the EIA Regulations (Statutory Instrument No. 28 of 1997). These assessments helped ensure the sustainability of projects by minimizing negative impacts and enhancing positive ones. Table 16 indicates some of the identified notable impacts and the mitigation measures that were implemented..

Table 16 Notable Environmental and Social Impacts and Associated Mitigation Measures

IMPACT	MITIGATION MEASURES
Vegetation Loss and Deforestation	<ul style="list-style-type: none"> i. Restriction of bush clearing to the approved wayleave corridor and implementation of a monitoring plan to prevent unnecessary vegetation clearance and protect the local ecosystem. ii. Setting up of community woodlots in areas affected by electrification projects.
Land Use and Habitat Disturbance from wayleave creation, biodigester construction and installation of solar plants.	<ul style="list-style-type: none"> i. Planning and choosing sites that take into account environmental and ecological considerations, which may include avoiding critical habitats, waterlogged and dambo areas or migratory routes. i. Implementing projects with dual-use land in mind by placing powerlines in areas where agriculture or grazing activities can continue alongside electrification project.
Air and Water Pollution	<ul style="list-style-type: none"> ii. Implementation of strict environmental regulations on electrification projects so as to avoid pollution of water bodies and boreholes on site. iii. Dust suppression and hauling of excavated material out of site to minimize raising of dust. iv. Implementation of decentralized renewable systems such as high-powered solar home system which are localized and reduce environmental footprint of energy transmission and distribution networks.

Out of the 142 projects under implementation during the period under review, the Authority conducted 48 EIAs across ten (10) provinces. The remaining 94 projects had already completed their EIAs and received the corresponding Environmental Clearances in previous years.

The Authority also undertook two (2) environmental and social compliance monitoring activities to ensure effective implementation of mitigation and enhancement measures across all its projects.

6.1.1 Afforestation for environmental sustainability

During project implementation, specifically wayleave clearance, the Authority cuts down several trees to create Wayleave for the distribution network in line with the Wayleave Code of Practice of 2011.

In 2024, REA allocated a budget for afforestation activities however, an assessment of the existing woodlots revealed that communities faced challenges in maintaining them. As a result, the Authority decided to take on the responsibility of sustaining the planted trees by using a portion of the budget originally allocated for 2024 afforestation activities. As part of this initiative, the Authority utilized the remaining portion of the 2024 afforestation budget to partner with various institutions, through which it donated tree seedlings to support and promote broader afforestation activities.

6.2 Project Monitoring & Evaluation

6.2.1 Project Monitoring

The Authority continued to monitor all projects under implementation. Field visits were routinely conducted to track progress and document challenges encountered during the implementation of rural electrification projects. This was done to generate evidence for informed decision-making. In 2024, out of the 142 projects under implementation, 57 projects were completed leaving a balance of 85 projects still under implementation. Out of the 85 projects under implementation, only 26 sites were monitored due to budgetary constraints, with a balance of 59 projects remaining to be monitored in subsequent years.

6.2.2 End of Project Evaluation

The Authority conducted an End of Project Evaluation exercise on 50 out of the 56 completed projects. The results indicated that households connected to electricity had begun purchasing electrical appliances such as televisions, radios, irons, stoves, and refrigerators demonstrating a steady improvement in the living standards of the beneficiaries. Connected households were also gradually shifting away from traditional energy sources such as candles, dry cells, firewood, and charcoal, previously used for lighting, entertainment, and cooking.

Furthermore, business owners who gained access to electricity reported that the provision of power had significantly boosted their operations. Some expanded their businesses from small grocery stores to include services such as selling cold drinks and relish, welding, and hair cutting and styling. Electricity also extended their operating hours, allowing them to work as late as 22:00 hours, compared to the pre-electrification period when they closed by 19:00 hours.

7.0 PUBLICITY AND STAKEHOLDER ENGAGEMENT

As part of its mandate, the Authority implements a comprehensive public awareness campaign using strategic communication processes to foster mutually beneficial relationships with both internal and external stakeholders. These efforts enhance the Authority's visibility and engagement while supporting the successful implementation of community development activities in project areas. Some of the key programmes that the Authority undertook included:

7.1 Project Commissioning

During the period under review, the Authority commissioned several rural electrification projects in various parts of the country. These included:

- (1) 1 Mini-Hydro Power Station;
- (2) 8 Solar Mini Grid Project; and
- (3) 2 Grid Extension Projects.

The figure below represents a picture of one of the commissioning ceremonies held during the year under review.



Figure 18: President of the Republic of Zambia, His Excellency (H.E) Mr. Hakainde Hichilema, officially commissioned the Kasanjiku Mini Hydro Power station

7.2 Community Sensitisation and Awareness Programme

Community mobilization is essential for the effective implementation and sustainability of rural electrification projects. It promotes local ownership, project acceptance, and alignment with community-specific cultural and social contexts, ensuring meaningful outcomes for both the Government and beneficiaries.

In 2024, sensitization campaigns were conducted in all project areas to increase awareness of electrification benefits such as improved living standards, economic growth, and better access to healthcare and education. These activities addressed community concerns and facilitated smoother project implementation. Additionally, re-sensitization and monitoring of community sensitisation activities were undertaken in 20 ongoing projects to maintain community engagement from previous phases, reinforcing support and addressing any gaps. Figure 19 presents a community sensitisation campaign at Ntatumbila, Nakonde District.



Figure 19: REA during the sensitization awareness campaign in Ntatumbila Solar Mini-Grid project area of Nakonde District in Muchinga Province.

8.0 INFORMATION COMMUNICATION TECHNOLOGY

The Authority leverages on Information Communication Technology (ICT) to deliver on its mandate. In the year under review, the following digital transformation initiatives were embarked on:

8.1 Business Information System

The Authority commenced the implementation of a Business Information System (BIS). This activity aimed to improve the internal processes and attain seamless interfaces among systems such as Project Management, Financial Management, Stores and Human Resources Management. In 2024, the Authority engaged a consultant to undertake the BIS implementation. Further, the Authority developed the project charter and received an inception report from the Consultant. The following benefits shall accrue to the Authority once the BIS is fully implemented;

- i. Improved employee productivity and reduced errors;
- ii. Improved collaboration across the institution; and
- iii. increased efficiency in rural electrification.

8.2 Primary Open-Source Platform for Energy and Climate Tracking

The Authority, with Technical Assistance from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), continued with the operationalization of the Primary Open-Source Platform for Energy and Climate Tracking (PROSPECT) System. The platform has enhanced remote monitoring of the operations of Mini-Grids under the Authority's auspices. As of 31st December 2024, the Authority was actively monitoring and collecting data from 13 operational mini grids.

9.0 HUMAN CAPITAL MANAGEMENT

9.1 REA Staff Establishment

To execute its mandate, the Authority had an approved staff establishment of 287. As of 31 December 2024, actual staff complement was at 133 as outlined in Table 17.

Table 17 Staff Establishment

S/N	Institutional approved	Actual	Variance
2024	287	133	154

9.2 Employee Demographics

REA has continued to endeavour being an equal-opportunity employer committed to gender equality and promoting an inclusive work environment. Table 18 presents the gender analysis for the Authority.

Table 18 Gender Analysis

S/N	Gender	December 2024
1	Male	99
2	Female	34
3	Total	133

Figure 20 Presents the gender analysis for the Authority by Percentage

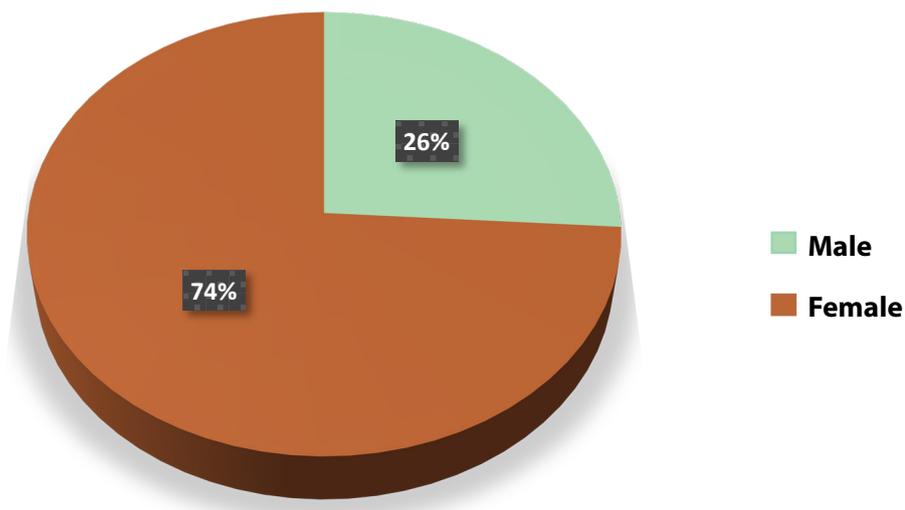


Figure 20: Employee Gender Analysis by Percentage

9.3 Recruitment

The Authority has maintained its efforts in meeting recruitment requirements in a timely and efficient manner, identifying and attracting potential candidates from within and outside the Organisation for current and future employment needs. The Authority recruited 33 new employees in its quest to implement the rural electrification programme.

9.4 Rationalisation and Harmonisation of Salaries and Terms and Conditions of Service

During the year under review, the Salaries and Conditions of Service for REA were harmonised and rationalised as recommended by the Emoluments Commission. This exercise was undertaken by the Emoluments Commission.

9.5 Staff Training and Development

To ensure that the Authority continued to implement activities efficiently and effectively towards achieving its mandate, the Authority undertook training and developmental activities. The key capacity building activities undertaken during the year under review are presented in Table 19.

Table 19 Staff capacity building activities undertaken as at 31 December 2024

NO.	TITLE OF TRAINING
1	Grid Planning and Designing
2	Results Based Monitoring and Evaluation of Development Projects
3	Advanced Project Monitoring and Evaluation for Development Projects
4	Energy Management Systems in the 21st Century Course
5	Project Management
6	Financial Management
7	Financial Modelling and Valuation
8	Business Ethics and Integrity
9	Workforce Metrics: Introduction to Measurement in HR and Benchmarking
10	Gender Analysis and Mainstreaming
11	Training Needs Analysis and Staff Development
12	Leadership Innovation and Change Management
13	Information Communications Technology and Cybersecurity
14	Corporate Governance Training

9.6 Staff Wellness

In the year under review, the Authority continued with its promotion of healthy living among members of staff. Some indoor activities included health talks on various illnesses, Optical screening, and full body checks for communicable and non-communicable diseases.

Outdoor activities that staff members actively participated in included soccer, netball, basketball, and marathons. These were part of many team building activities which also included celebration of birthdays and other milestones aimed at promoting physical and mental wellbeing as well as teamwork amongst staff to enhance bonds. Figure 19 shows REA members of staff Celebrating Valentines Day on 14th February 2025. Figure 20 also represents REA participating in the ABSA marathon.



Figure 21: REA members of staff celebrating Valentines Day at the office.



Figure 22: REA's members of Staff participating in the 2024 ABSA Marathon

9.7 Employee Satisfaction Survey Report 2024

REA conducted an Employee Satisfaction Survey in 2024 to assess workplace satisfaction, identify key challenges, and enhance employee engagement. The survey revealed moderate to high satisfaction across various areas, with key improvement areas being:

- i. Improve HR communication and information accessibility.
- ii. Increase training and development opportunities.
- iii. Strengthen records management systems.
- iv. enhance security at regional offices and warehouses.
- v. Increase the physical fitness and team-building activities.

Implementing these recommendations will continue to enhance employee experience and overall organizational effectiveness.

9.8 Integrity Committee

In 2024, the Authority continued implementing the integrity programme aimed at reducing the footprint of corruption and related malpractices in its operations. The notable achievements scored were:

- i. Improved Monitoring, Evaluation, and Accountability (MEA) tool ratings, reflecting progress in corruption prevention, education, and enforcement;
- ii. Development of the Institutional Code of Ethics and review of the Gifts and Benefits, Conflict of Interest and Whistleblower policies;
- iii. Management of gifts through the Gifts and Benefits Policy, Gifts Register and Interim Gifts Disposal Committee;
- iv. Undertaking of a Corruption Perception Index survey on behalf of the Authority by Transparency International Zambia ; and
- v. Recognition of integrity efforts during the Chief Executive Officers' Forum held in November 2024. The REA IC was awarded two prizes namely, 2nd Overall Best Performing IC for 2024 and 2nd prize in the Parastatals/Statutory Bodies category International Anti-Corruption Day on 9 December 2024.

Figure 23 represents REA receiving two (2) Integrity Awards during the CEO's forum held in November 2024



Figure 23: Secretary to the Cabinet, Mr. Patrick Kangwa, presented an integrity award to REA, during the CEO's Forum in Lusaka

9.9 Organizational Culture Assessment and Alignment

As part of its 2022–2026 Strategic Plan, the Rural Electrification Authority (REA) prioritized alignment of the organizational culture to its values. A cultural diagnostic exercise using the Organizational Culture Assessment Instrument (OCAI) was undertaken.

The assessment results revealed that REA's systems and structures were sound with room for improvements in human behavior, interpersonal relationships, and teamwork.

To support this cultural transition, REA engaged a consultant, who conducted surveys and interviews with staff and management to gather deeper insights, which resulted in the development of a Culture Alignment Strategy tailored to the Authority's environment. Key Achievements included:

- i. The successful completion of the OCAI diagnostic;
- ii. Staff engagement and constructive feedback; and
- iii. The development of the Culture Alignment Strategy.

Figure 24 shows the OCAI results.

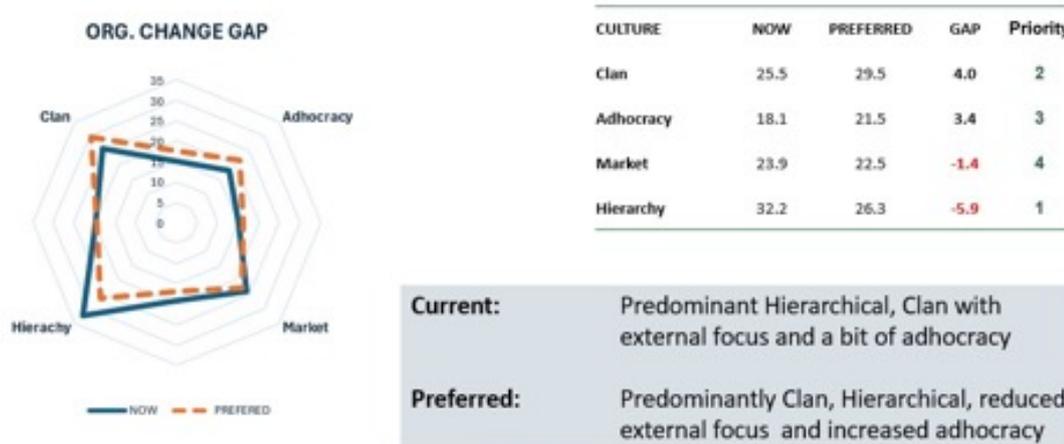


Figure 24: Organizational Culture Assessment Instrument Results

9.10 Kaizen

In 2024, the Kaizen Committee continued the spearheading of the Authority's drive for continuous improvement. Kaizen, a concept of continuous improvement in the workplace, is observed throughout the year on the 27th of every month across all REA offices. Some activities include enhancing the filing and archive management systems in order to improve efficiency and ensure proper and secure storage of records.

9.11 Gender Social Inclusion

REA continued its gender mainstreaming efforts through various partnerships. In 2024, the Authority, in partnership with United States Agency for International Development (USAID) Empower Southern Africa (ESA) programme, held a gender capacity-building workshop to empower women-led businesses in the energy sector, aligning with national and global development goals. The event, held from 11–12 September at Twangale Hotel, brought together key stakeholders that included the Gender Division, Ministry of Energy, Non-Governmental Gender Organizations' Coordinating Council (NGOCC), and NRECA International. Topics covered included financial literacy, procurement, labour laws, and climate change opportunities, aimed at addressing barriers to women's participation in the sector. The workshop emphasized the Government's commitment to gender mainstreaming and inspired women to take a greater role in the energy industry. Additionally, the Authority undertook the following activities:

- (a) **Awareness on use of energy efficient methods:** REA distributed electric pressure cookers to women's groups in various districts, including:
 - i. Chipata and Mambwe districts in Eastern Province
 - ii. Choma and Mazabuka women cooperatives
 - iii. Luampa women cooperatives
- (b) **Contracts for Women-Led Companies:** REA set aside projects for women led and owned companies to promote gender mainstreaming in its projects.
- (c) **Bicycle Distribution:** REA distributed bicycles to support women's cooperatives in its project areas, for outreach and mobility purposes.

Figure 25 represents a gender capacity building workshop to empower women led business.



Figure 25: In partnership with USAID, the Authority trained 60 women in the nergy sector, providing them with entrepreneurship and financial management skills.

10.0 INTERNAL AUDIT AND RISK MANAGEMENT

10.1 Internal Audit

In 2024, the Authority through its Internal Audit function, continued to provide an independent assurance and advisory services to the Board and Management. The efforts were aimed at assessing and enhancing the effectiveness of internal controls, risk management practices, and governance frameworks within the Authority.

In line with the Board-approved 2024 annual work plan and budget for Internal Audit function, the following key audit assignments were undertaken:

- i. Audits of Financial and Management Accounts;
- ii. Project Management Audits;
- iii. Project Material Reconciliation Audits;
- iv. Systems and Performance Audits; and
- v. Targeted Consultancy Engagements.

The audits were conducted to evaluate the adequacy of systems designed to ensure compliance with applicable laws, policies and procedures and internal operational frameworks. Various audit reports were issued and tabled before the Audit and Risk Committee during quarterly meetings. The Committee in turn submitted their recommendations to the REA Board who considered and approved the resolutions which were adopted during the committee deliberations.

As a result, REA Management undertook corrective action throughout the year, and outstanding audit findings were resolved through effective implementation of the agreed action plan. The interventions contributed to strengthening of the Authority's internal control environment, promoted accountability, and ensured the prudent financial management and safeguarding of public assets under the Authority's stewardship.

10.2 Risk Management

The Authority maintained a low to medium risk exposure for its core mandate of expanding rural electrification, reflecting its commitment to ensuring that risks associated with project implementation, service delivery, and regulatory compliance were minimised to the lowest practicable level. Conversely, REA accepted a slightly higher risk tolerance in areas such as financial capacity enhancement and research, recognizing that innovation and growth may involve a degree of calculated risk.

Throughout the year, REA's risk profile remained consistent with its defined risk appetite of operating within the intended moderate risk band. Notably, there was a decline in the number of high rated risks, demonstrating improved risk management and awareness within the Authority. The positive trend resulted from the following targeted interventions:

- i. Risk assessments were conducted across Mini Grid installations, enabling timely updates to project risk registers and enhancing insurability;
- ii. Department-specific risk awareness sessions were held to strengthen understanding of key risk areas and responsibilities;
- iii. Monthly updates of departmental and corporate risk registers with focused discussions aimed at identifying root causes and implementing practical mitigation strategies;
- iv. A culture of risk incident reporting was fostered to ensure that all materialised risks were promptly addressed through appropriate remedial actions;
- v. Regular tracking of mitigation measures was conducted through structured monthly engagements between Risk Officers and Departmental Heads to ensure risks were actively managed and the likelihood of recurrence and impact significantly reduced; and
- vi. Targeted stakeholder engagement and community sensitisation activities were undertaken, resulting in a notable reduction in vandalism of electrification infrastructure across key project sites.

10.3 Strategic Risks faced by the Authority

In 2024, the Authority encountered a range of strategic risks that had the potential to impact the achievement of its mandate and strategic objectives. The key strategic risks included:

- i. The depreciation of the Zambian Kwacha, coupled with inflationary pressures, led to increased costs of project implementation, further straining limited financial resources for rural electrification.
- ii. There was a continued risk of failing to achieve the Annual Electrification Connection Targets as outlined in the 2022–2026 Strategic Plan, primarily due to resource constraints and project delays.
- iii. Inadequate staffing levels across key departments and units limited the Authority's capacity to effectively execute core functions and support activities.
- iv. Low electricity uptake by beneficiaries on completed rural electrification projects could result in poor project economic returns which may affect the sustainability of the infrastructure.
- v. Insufficient operational and capital budget posed a risk to the Authority's ability to meet recurrent operational costs and capital costs required to achieve the annual targets outlined in the 2022–2026 Strategic Plan.
- vi. Vandalism resulting in damage to equipment at the Solar Mini Grids Plants and Grid Electrification Projects which further delay completion of projects.

11.0 REA'S CHALLENGES

Despite the various successes recorded in the year under review, the Authority faced a number of challenges. Table 20 highlights these challenges, their impact on operations and service delivery as well as suggested solutions.

Table 20 : Challenges and Mitigations

NO.	CHALLENGE	ROOT CAUSE	MITIGATION
	Failure to undertake and achieve planned Departmental activities under the 2024 Work plan.	Inadequate Human Capital-	There is a need to fully operationalize the approved organizational structure to ensure adequate human capital for implementing REA's mandate.
	Delayed handover of project sites to contractors and delayed project commissioning	Costs related to activities were under the Capital Budget instead of the Operations budget.	The Ministry of Finance and National Planning was engaged and the operational budget was increased for subsequent years.
	Increased project costs	Exchange Rate fluctuations.	Explore the use of forward contracts or hedging mechanisms to minimize forex risks. Reduce procurement period to allow for timely signing of contract.
	Low uptake levels of electricity in rural areas	i. Low-income levels in rural areas; and ii. High connection fees and tariffs	Implementation of connection subsidy programmes, differentiated tariffs and improve Productive of Use of Electricity
	Low Private sector participation in Off-grid projects	Low return on investment	Provide smart capital subsidies to private sector developers
	Delayed supply and delivery of wooden poles by supplier engaged by Contractors implementing the Authority's turnkey projects.	Failure by the supplier to meet demand.	Encourage contractors to find alternative suppliers who are able to meet demand such as ZAFFICO.
	Loss and damage to electrical infrastructure.	Vandalism and Theft of electrical Infrastructure	i. Insurance of assets There is need to strengthen community watch programs through community engagements.
	The Authority's planned project implementation targets for 2024 were significantly disrupted.	Declaration of the Drought as a National Disaster and Emergency	Realign the Institutional Workplan and Budget to the realigned National Budget.

12.0 FINANCE

12.1 Institutional Budget

The Rural Electrification Act No.5 of 2023 specifies the sources of funding for the REF. The sources include an appropriation by Parliament, 3% electricity levy, loans, grants and donations from Cooperating Partners (CP). In the year 2024, the main contributor to the REF was the Government of the Republic of Zambia. The 2024 institutional total budget was K733,044,997. The budget had two components namely, Capital Budget amounting to K688,174,303 and Operational Budget amounting to K44,870,694.

The budget was financed by the GRZ and sources such as CPs amongst others. The funds from GRZ represented 79% of the budget while the remaining 21% were funds from other sources such as Cooperating Partners.

The appropriation by Parliament was classified as appropriation by Parliament- REF and appropriation by Parliament-REA towards Capital and Operation expenditure, respectively.

12.1.1 Income

A total sum of K581,024,665 against a total budget of K733,044,997 was allocated towards capital expenditure during the year 2024. This entailed that 79% which is equivalent to K581,024,665 of the total budget was allocated towards Capital expenditure while the remaining 21% which is equivalent to K152,020,332 was allocated towards Operational costs.

The Authority received full funding for the operations budget amounting to K25,144,031 while the Capital funding received from GRZ was K343,607,672 equivalent to 84% of the allocated 2024 capital funding.

12.1.2 Budget Allocation

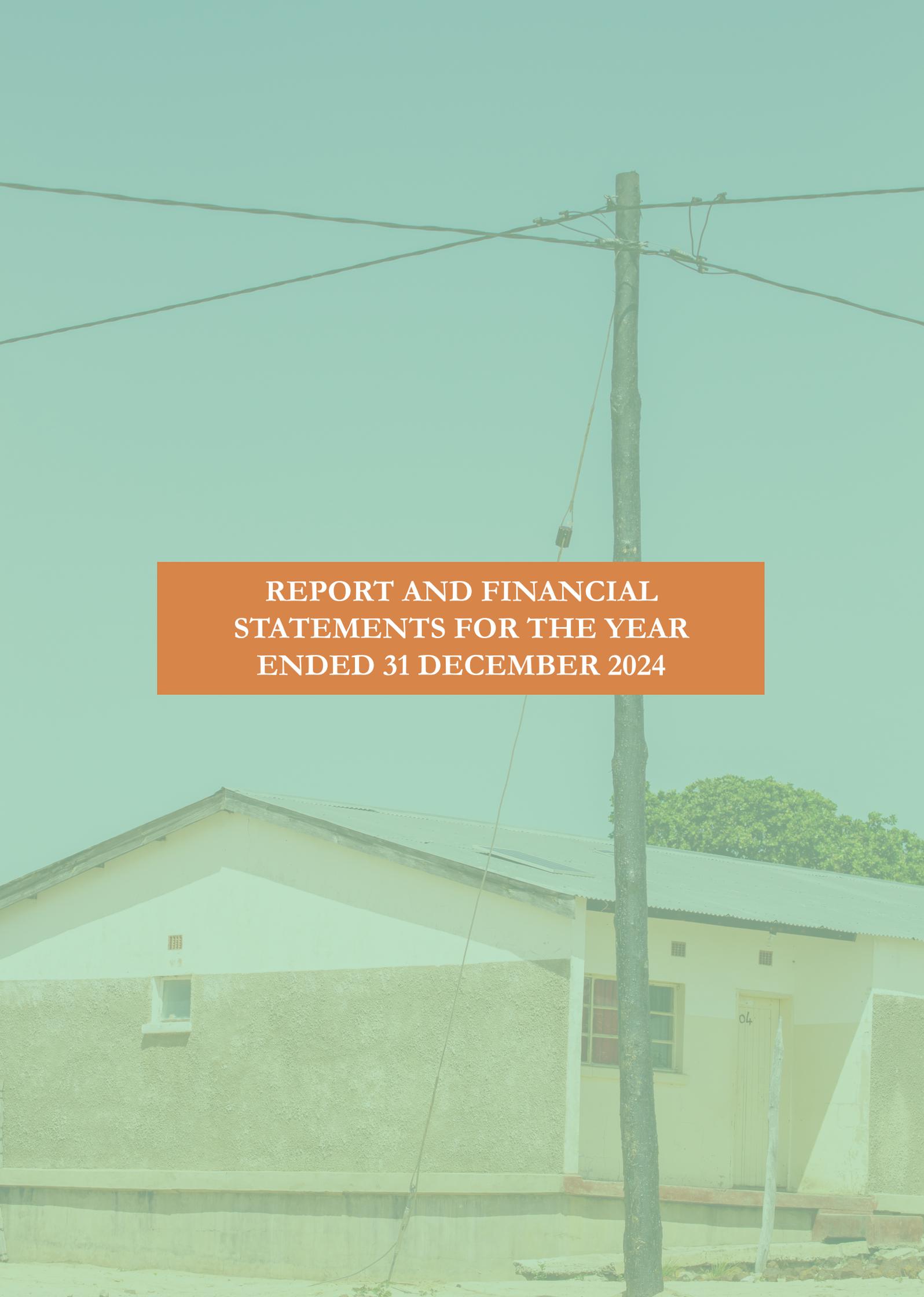
During the year under review, The Authority allocated K581 million towards capital expenditure (Projects) from the total Budget of K733 million as follows:

- i. Grid Extension development accounted for 40.00%;
- ii. World Bank-ESAP project accounted for 12.30%;
- iii. Mini hydro development accounted for 1.12%;
- iv. Solar projects development accounted for 24.39%;
- v. Property, Plant & Equipment for 0.19%;
- vi. Collaboration & Counter funding projects for 1.27%; and
- vii. Other project management related activities accounted for 20.74%.

The overall budget absorption rate for the Authority was 85% percent as presented in Table 22.

Table 21 Summary of Budget Allocations for 2024

Summary of Budget Allocations and Expenditure for 2024				
No.	Details	Budget Allocation (ZMW)	Actual (ZMW)	Budget Absorption
1	Grid Extension Development	293,242,351	238,021,565	81%
2	Solar Projects	178,766,048	134,737,371	75%
3	World Bank-ESAP Project	90,148,629	89,936,258	100%
4	Mini Hydro Projects	8,192,029	4,626,339	56%
5	Collaboration and Counter Funding Projects	9,276,441	4,040,263	44%
6	Property Plant and Equipment	1,399,167	1,399,167	100%
7	Other Project Management Activities	152,020,332	151,252,591	99%
Total		733,044,997	624,013,555	85%



**REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2024**

RURAL ELECTRIFICATION AUTHORITY**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024****TABLE OF CONTENTS**

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RURAL ELECTRIFICATION AUTHORITY

BOARD MEMBERS, MANAGEMENT AND ADVISORS

Board Members

Mr. Bruce Jaani	-	Chairperson
Mrs. Mazuba Mwambazi	-	Vice Chairperson
Mrs. Loveness Mubisi	-	Member
Mr. Paul Kolala	-	Member
Mr. Caesar Cheelo	-	Member
Eng. Kenneth Muteto	-	Member
Eng. Bright Sepiso	-	Member
Eng. Clement Chiwele	-	Member
Ms. Diana Mwewa	-	Member

Management

Mr. Linus Chanda	-	Chief Executive Officer
Mr. Alex Mbumba	-	Director - Engineering Services
Mr. Joseph Ntanda	-	Director - Finance
Ms. Adrine Muchimba	-	Director - Human Resources and Administration
Mrs. Jacqueline Musonda	-	Director - Strategy & Planning
Mr. Nkomba Mulemba	-	Legal Counsel Board Secretary
Mr. Sylvester Mphande	-	Manager - Procurement
Mr. Justin Mukosa	-	Manager - Corporate Affairs
Mr. Joseph Kenya	-	Manager - Audit & Risk

RURAL ELECTRIFICATION AUTHORITY

BOARD MEMBERS, MANAGEMENT AND ADVISORS (CONTINUED)

Legal Advisors

Mosha and Company

Bankers

Zambia National Commercial Bank Plc

Bank of Zambia

Citi Bank Zambia Limited

ABSA Bank Zambia PLC

Auditors

The Auditor General

Office of the Auditor General

Stand No. 7951

Haile Selassie Avenue, Longacres

P.O. Box 50071

Lusaka, Zambia

Registered Office and Principal Place of Business

Plot No. LN15087/2

Great North Road

Lusaka, Zambia

RURAL ELECTRIFICATION AUTHORITY

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 31 December 2024.

Principal activities

The Rural Electrification Authority (REA) was established by an Act of Parliament No. 20 of 2003, now repealed Act No. 5 of 2023. Its primary aim is to provide electricity infrastructure to the whole nation targeting rural communities as mandated by Government. The principal activity of Rural Electrification Authority (“the Authority”) is to increase the availability of electricity in the rural areas and access to electricity by the rural population.

Under the Act, REA is mandated with the tasks of administering and managing the Rural Electrification Fund. The Authority shall apply the moneys of the Fund to increasing the availability of electricity in rural areas and access to electricity by rural populations.

According to the Rural Electrification Act No. 5 of 2023, the functions of the Authority shall be to:

- Administer and manage the Rural Electrification Fund;
- Develop, implement and update rural electrification master plans for the systematic electrification of rural areas;
- Promote the utilization of available rural electrification technological options to enhance the contribution of energy to the development of agriculture, industry, mining and other economic activities in rural areas;
- Mobilise funds from within and outside Zambia in support of rural electrification;
- Offer on a competitive basis, the construction of rural electrification projects and periodically publish information on programmes being carried out;
- Design and offer, on a competitive basis, to developers or operators, smart subsidies for capital costs on projects that are designed to supply energy for development of rural areas;
- In conjunction with stakeholders, develop mechanisms for the operation of grid extension networks for rural electrification and other rural energy supply systems;
- Finance project preparation studies for rural electrification projects in accordance with guidelines developed and approved by the Authority;
- Recommend to Government policies for enhancement of access to electricity by the rural populations; and
- Undertake such other activities as are conducive or incidental to the performance of its functions under the Act.

Financial results

The Rural Electrification Authority recorded a deficit of income over expenditure of K19,237,720 for the year ended 31 December 2024 (2023: surplus of income over expenditure of K4,184,797).

The Rural Electrification Fund recorded a surplus of income over expenditure of K333,492,796 for the year ended 31 December 2024 (2023: surplus of income over expenditure of K672,989,986).

RURAL ELECTRIFICATION AUTHORITY

REPORT OF THE DIRECTORS (CONTINUED)

Directors

The Directors who held office during the year were:

Mr. Bruce Jaani	-	Chairperson
Mrs. Mazuba Mwambazi	-	Vice Chairperson
Mrs. Loveness Mubisi	-	Member
Mr. Paul Kolala	-	Member
Mr. Caesar Cheelo	-	Member
Eng. Kenneth Muteto	-	Member
Eng. Clement Chiwele	-	Member
Ms. Diana Mwewa	-	Member
Mr. Linus K. Chanda	-	Chief Executive Officer
Mr. Nkombamba Mulemba	-	Board Secretary

Directors' expenses

The Directors' expenses for the year were K3,455,223 (2023: K1,598,867).

Property and equipment

The following are the additions to property and equipment during the year:

	Rural Electrification Fund	Rural Electrification Authority
	K	K
Capital work in progress (CWIP)	414,602,818	-
Motor vehicles	16,001,199	-
Office equipment	2,730,011	-
Furniture and fittings	299,310	-
Land & buildings	-	-
	433,633,338	-

During the period, the Authority implemented capital project works amounting to K414,602,818 (2023 K261,150,648)

Health and safety of employees

The Directors are aware of their responsibilities regarding the health and safety of employees and have put appropriate measures in place to safeguard the health and safety of employees. There were no fatalities during the year and the Directors have put in place health and safety measures as directed by the Ministry of Health to avoid the spread of any disease outbreak.

Donations

There were no donations made during the year. (2023: Nil)

Employees

The average number of employees during the year was 131 (2023: less than 131). The total remuneration paid to the employees during the year was K104,914,939 (2023: K83,439,797).

RURAL ELECTRIFICATION AUTHORITY

REPORT OF THE DIRECTORS (CONTINUED)

Authorisation of financial statements

The financial statements for the year ended 31 December 2024 have been approved by the Board of Directors.

Auditors

The Auditor General is our auditor as stipulated under Section 20(1) of Act No. 5 of 2023 which authorizes the Auditor General to audit and certify the Financial Statement for the Authority.

By order of the Board



SECRETARY

Lusaka, Zambia

Date:

12/06/2025

RURAL ELECTRIFICATION AUTHORITY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 24 of the Rural Electrification Act No. 5 of 2023 requires the Authority to submit a report to the Minister concerning its activities during the financial year which shall include information on the financial affairs of the Authority. This report must give a true and fair view of the financial position of Rural Electrification Authority and of its financial performance and its cash flows for the year then ended, including such other information as the Minister may require. In preparing such financial statements, the Directors are required to be responsible for

- ▶ designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error;
- ▶ selecting appropriate accounting policies and applying them consistently;
- ▶ making judgements and accounting estimates that are reasonable in the circumstances; and
- ▶ preparing the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS), and on the going concern basis unless it is inappropriate to presume that the Authority will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with the IPSAS and the Rural Electrification Act No. 5 of 2023. They are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that in their opinion

- (a) the financial statements give a true and fair view of the financial position of the Rural Electrification Authority as of 31 December 2024, and of its financial performance and its cash flows for the year then ended;
- (b) at the date of this statement there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due; and
- (c) the financial statements are drawn up in accordance with IPSAS and the Rural Electrification Act No. 5 of 2023.

This statement is made in accordance with a resolution of the Directors.

Signed on behalf of the Board at Lusaka on 12/06/2025


Board Chairperson


Chief Executive Officer

**HAILE SELASSIE AVENUE, LONGACRES
P.O BOX 50071
LUSAKA, ZAMBIA**

**E-mail: auditorg@ago.gov.zm
Website: www.ago.gov.zm
Telephone: +260252611/252771**

To the Board - Rural Electrification Authority

Report on the Audit of the Financial Statements

Opinion on Financial Statements

I have audited the financial statements of the Rural Electrification Authority, which comprise the Statement of Financial Position as at 31st December 2024, and the Statement of Financial Performance, Statement of Changes in Accumulated Funds and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 16 to 36.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Rural Electrification Authority, as at 31st December 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Rural Electrification Authority in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters of the audit are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSASs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Rural Electrification Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

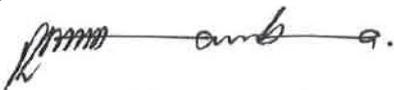
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Electrification Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Rural Electrification Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide those charged with governance a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Dr. Ron M. Mwambwa – FCMA, FZICA, CGMA, CFE

ACTING AUDITOR GENERAL

DATE: 18/06/2025

RURAL ELECTRIFICATION AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024			2023		
		Consolidated K	Rural Electrification Authority K	Rural Electrification Fund K	Consolidated K	Rural Electrification Authority K	Rural Electrification Fund K
Revenue from non-exchange transactions							
International donor funding	5	135,297,478	-	135,297,478	79,366,041	-	79,366,041
Government grants	6	368,721,703	25,114,031	343,607,672	758,692,660	15,114,031	743,578,629
		<u>504,019,181</u>	<u>25,114,031</u>	<u>478,905,150</u>	<u>838,058,701</u>	<u>15,114,031</u>	<u>822,944,670</u>
Revenue from exchange transactions							
Finance income	7	9,664,626	9,338,213	326,413	11,956,166	11,525,944	430,222
Other income	8	9,982,005	3,704,562	6,277,443	11,089,710	2,719,717	8,369,993
		<u>19,646,631</u>	<u>13,042,775</u>	<u>6,603,856</u>	<u>23,045,876</u>	<u>14,245,661</u>	<u>8,800,215</u>
Total revenue		<u>523,665,812</u>	<u>38,156,806</u>	<u>485,509,006</u>	<u>861,104,577</u>	<u>29,359,692</u>	<u>831,744,885</u>
Expenses							
Employee costs	9	104,914,939	28,648,292	76,266,647	83,439,797	12,142,512	71,297,285
Administration expenses	10	27,758,533	9,380,562	18,377,971	30,361,667	3,990,941	26,370,726
Project studies and consultancy	11	52,388,521	5,876,651	46,511,870	50,710,274	100,995	50,609,279
Depreciation expense	13	13,420,587	13,129,371	291,216	9,525,515	8,936,052	589,463
Rental expense	21	6,109,482	-	6,109,482	7,088,787	-	7,088,787
Exhibition and publicity		4,818,674	359,650	4,459,024	2,799,359	-	2,799,359
Local Transport (Taxi)		-	-	4,395	4,395	-	-
Total expenses		<u>209,410,736</u>	<u>57,394,526</u>	<u>152,016,210</u>	<u>183,929,794</u>	<u>25,174,895</u>	<u>158,754,899</u>
Surplus/(deficit) for the year		<u>314,255,076</u>	<u>(19,237,720)</u>	<u>333,492,796</u>	<u>677,174,783</u>	<u>4,184,797</u>	<u>672,989,986</u>

RURAL ELECTRIFICATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	2024			2023		
		Consolidated K	Rural Electrification Authority K	Rural Electrification Fund K	Consolidated K	Rural Authority K	Rural Fund K
Assets							
Non-current assets							
Property and equipment	13	40,899,106	2,530,941	38,368,165	35,289,173	2,183,783	33,105,390
Capital work in progress	14	1,835,021,746	-	1,835,021,746	1,420,418,928	-	1,420,418,928
Investments	15	-	-	-	18,901,585	2,085,958	16,815,627
Total non-current assets		<u>1,875,920,852</u>	<u>2,530,941</u>	<u>1,873,389,911</u>	<u>1,474,609,686</u>	<u>4,269,741</u>	<u>1,470,339,945</u>
Current assets							
Receivables	16	461,918,244	13,638,594	448,279,650	387,533,274	13,383,275	374,149,999
Inventory	17	89,286,635	-	89,286,635	105,353,732	-	105,353,732
Cash and cash equivalents	18	<u>233,222,483</u>	<u>14,820,632</u>	<u>218,401,851</u>	<u>361,836,826</u>	<u>17,086,054</u>	<u>344,750,772</u>
Total current assets		<u>784,427,362</u>	<u>28,459,226</u>	<u>755,968,136</u>	<u>854,723,834</u>	<u>30,469,329</u>	<u>824,254,505</u>
Total assets		<u><u>2,660,348,214</u></u>	<u><u>30,990,167</u></u>	<u><u>2,629,358,047</u></u>	<u><u>2,329,333,518</u></u>	<u><u>34,739,070</u></u>	<u><u>2,294,594,448</u></u>

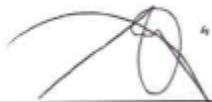
RURAL ELECTRIFICATION AUTHORITY

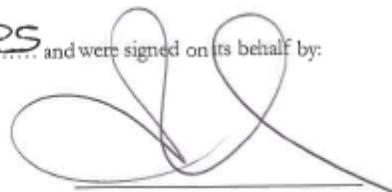
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	2024			2023		
		Consolidated K	Rural Electrification Authority K	Rural Electrification Fund K	Consolidated K	Rural Electrification Authority K	Rural Electrification Fund K
Funds and liabilities							
Funds and reserves							
General fund		(29,413,196)	(29,413,196)	-	(10,175,476)	(10,175,476)	-
Rural electrification fund		2,610,413,139	-	2,610,413,139	2,276,920,343	-	2,276,920,343
Total funds		<u>2,580,999,942</u>	<u>(29,413,196)</u>	<u>2,610,413,139</u>	<u>2,266,744,867</u>	<u>(10,175,476)</u>	<u>2,276,920,343</u>
Non-current liabilities							
Capital grants	19	<u>85,242</u>	<u>85,242</u>	<u>-</u>	<u>85,243</u>	<u>85,243</u>	<u>-</u>
Total non-current liabilities		<u>85,242</u>	<u>85,242</u>	<u>-</u>	<u>85,243</u>	<u>85,243</u>	<u>-</u>
Current liabilities							
Payables	20	<u>79,263,029</u>	<u>60,318,121</u>	<u>18,944,908</u>	<u>62,503,409</u>	<u>44,829,304</u>	<u>17,674,105</u>
Total current liabilities		<u>79,263,029</u>	<u>60,318,121</u>	<u>18,944,908</u>	<u>62,503,409</u>	<u>44,829,304</u>	<u>17,674,105</u>
Total liabilities		<u>79,348,272</u>	<u>60,403,363</u>	<u>18,944,908</u>	<u>62,588,652</u>	<u>44,914,547</u>	<u>17,674,105</u>
Total funds and liabilities		<u>2,660,348,214</u>	<u>30,990,167</u>	<u>2,629,358,047</u>	<u>2,329,333,518</u>	<u>34,739,070</u>	<u>2,294,594,448</u>

The financial statements on pages 10 to 38 were approved by the Board of Directors on 12/06/2025 and were signed on its behalf by:


Board Chairperson


Chief Executive Officer


Director Finance

RURAL ELECTRIFICATION AUTHORITY

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEAR ENDED 31 DECEMBER 2024

	Rural Electrification Authority K	Rural Electrification Fund K	Total K
Balance at 1 January 2023	(14,360,273)	1,603,930,357	1,589,570,084
Surplus for the year	4,184,797	672,989,986	677,174,783
Balance at 31 December 2023	(10,175,476)	2,276,920,343	2,266,744,867
Surplus/Deficit for the year	(19,237,720)	333,492,796	314,255,076
Balance at 31 December 2024	<u>(29,413,196)</u>	<u>2,610,413,139</u>	<u>2,580,999,943</u>

RURAL ELECTRIFICATION AUTHORITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 K	2023 K
Cash flows from operating activities			
Surplus/(deficit) for the year			
- Rural Electrification Authority		(19,237,720)	4,184,797
Surplus for the year			
- Rural Electrification Fund		333,492,796	672,989,986
Adjusted for:			
Amortisation of capital grants	19	-	(2,162,015)
Depreciation expense	13	13,420,587	9,525,515
Finance income	7	(9,664,626)	(11,956,166)
Operating cash flows before working capital movements		318,011,037	672,582,117
Movement in operating funds			
Increase in receivables		(74,384,970)	(348,647,870)
(Increase)/decrease in inventory		16,067,097	(63,125,454)
(Decrease)/increase in payables		16,759,620	19,678,045
Net cash generated from operating activities		276,452,784	280,486,838
Cash flows from investing activities			
Investments purchased/Redeemed	15	18,901,585	-
Interest received	7	9,664,626	11,956,166
Acquisition of plant and equipment	13	(19,030,520)	(16,950,334)
Additions to capital work in progress	14	(414,602,818)	(261,150,648)
Net cash used in investing activities		(405,067,127)	(266,144,816)
Cash flow from financing activities			
Capital grants received	19	-	-
Net cash generated from financing activities		-	-
Net increase in cash and cash equivalents		(128,614,343)	14,342,022
Cash and cash equivalents at beginning of year		361,836,826	347,494,804
Cash and cash equivalents at end of year	18	<u>233,222,483</u>	<u>361,836,826</u>

RURAL ELECTRIFICATION AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Budget K	Actual K	Performance Difference K
Revenue			
International donor funding	156,232,939	135,297,478	(20,935,461)
Government grants	368,721,703	368,721,703	-
Committed Funds	188,363,692	188,363,692	-
Finance income	9,744,658	9,664,626	(80,032)
Other income	9,982,005	9,982,005	-
Total income	<u>733,044,997</u>	<u>712,029,505</u>	<u>(21,015,493)</u>
Expenses			
Employee costs	104,928,311	104,914,939	13,372
Administration expenses	65,871,642	61,929,582	3,942,060
Project studies and consultancy	551,280,459	446,238,729	105,041,730
Rental expense	6,110,900	6,109,482	1,418
Exhibition and publicity	4,823,685	4,818,674	5,011
Travel, transport and subsistence	30,000	2,150	27,850
Total expenses	<u>733,044,997</u>	<u>624,013,556</u>	<u>109,031,441</u>
Surplus for the year	<u>-</u>	<u>88,015,949</u>	<u>88,015,949</u>

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

1. General Information

Establishment

The Rural Electrification Authority (“the Authority”) was established by the Rural Electrification Act No. 20 of 2003, now repealed Act No. 5 of 2023 of the Laws of Zambia (the “Act”). The principal activity of Rural Electrification Authority is to increase the availability of electricity in the rural areas and access to electricity by the rural population.

The Authority is mandated with the tasks of administering and managing the Rural Electrification Fund (REF); developing and implementing the Rural Electrification Master Plan (REMP), mobilizing funds to support rural electrification, encouraging private sector participation in rural electrification through provision of smart subsidies, competitive bidding and community mobilisation, financing project preparation studies for rural electrification and recommending to government suitable policies.

The address of its registered office and principal place of business is disclosed on page 2.

2. Statement of compliance and basis of preparation

a. Statement of Compliance

The financial statements of the Authority have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Zambian Kwacha (K), which is the functional and reporting currency of the Authority. The accounting policies have been consistently applied to all the years presented.

b. Basis of Preparation

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The statement of cash flows is prepared using the indirect method. The financial statements are prepared on an accrual basis.

3. Summary of significant accounting policies

a. Revenue recognition

- Revenue from non-exchange transactions

Electricity levies

The Authority recognizes the revenues from electricity levy when the event occurs and the asset recognition criteria are met to the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from Government and Donors

Revenues from non-exchange transactions with Government and donors are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably.

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024 (CONTINUED)

- **Revenue from exchange transactions**

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

• Office equipment	25%
• Furniture and fittings	20%
• Computer equipment	33%
• Office furniture	25%
• Motor vehicles	25%
• Capital work in progress	Nil

The assets residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

The Authority derecognizes items of property and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

c. Impairment of non-financial assets

At each reporting date, the Authority assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

d. Inventory

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for at purchase cost using the weighted average cost method.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

f. Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

g. Contingent liabilities

The Authority does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

h. Contingent assets

The Authority does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not

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wholly within the control of the Authority in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

i. Employee benefits

All employees are on contract, provision is made for end of contract gratuity on an accruals basis for the period in employment at the rate of 35% of basic salary.

Membership of the statutory National Pension Scheme ('NAPSA') is compulsory and monthly contributions by both employer and employees are made. The employer's contribution is accounted for in the statement of financial performance as it arises.

j. Leasing

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

k. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Creditors or debtors denominated in foreign currency are reported at the reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l. Related parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. The Rural Electrification Authority is a statutory body which was created by an Act of Parliament and is controlled by the Government of the Republic of Zambia (GRZ). There are other entities that are related to the Authority through common control.

m. Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on items.

n. Capital grants

Capital grants are not recognized until there is reasonable assurance that the Authority will comply with the conditions attached to them and that the grants will be received.

3. Summary of significant accounting policies (continued)

o. Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 “Financial Instruments: Recognition and Measurement” are classified as loans and receivables or held-to-maturity investments, as appropriate. The Authority determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketable (regular way trades) are recognized on the trade date, i.e., the date that the Authority commits to purchase or sell the asset. The Authority’s financial assets include: cash and short-term deposits; and loans and receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Derecognition

- i. The Authority derecognizes a financial asset or where applicable, a part of a financial asset or part of a group of similar financial assets when:
 - i. The rights to receive cash flows from the asset have expired or waived.
 - ii. The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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3. Summary of significant accounting policies (continued)

(o) Financial instruments (continued)

Impairment of financial assets

The Authority assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i. The debtors or a group of debtors are experiencing significant financial difficulty;
- ii. Default or delinquency in interest or principal payments;
- iii. The probability that debtors will enter bankruptcy or other financial reorganization; and
- iv. Observable data indicates a measureable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Authority first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Authority determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present values of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the Authority. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Authority determines the classification of its financial liabilities at initial recognition.

3. Summary of significant accounting policies(continued)

(o) Financial instruments (continued)

All financial liabilities include trade and other payables, bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts in surplus or deficit.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is currently an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions), without any deduction for transaction costs.

4. Significant judgements and sources of estimation uncertainty

The preparation of the Authority's financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Authority based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The Directors reviewed the estimated useful lives of property, plant and equipment at the end of each annual reporting period to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Directors judged a residual value of zero as a result of the fact that plant and equipment are not held for trading and are normally scrapped.

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

5. International donor funding	2024	2023
	K	K
Rural Electrification Fund		
Received from the World Bank (ESAP)	135,297,478	79,366,041

International donor funding represents those funds received for specific projects undertaken by the Authority to enhance infrastructure. These funds were received on the basis of the project budgets submitted. Accordingly, the Authority is contractually bound to spend funds only in connection with the projects.

Furthermore, the contracts stipulate that funds received for the project may only be applied to the costs incurred for the project, as and when the phases of the project are certified as complete by an independent engineer. The conditions remaining therefore represent phases of the projects that are yet to be certified as complete by an independent engineer. Furthermore, the contract stipulates that where funds are not spent as specified within the contract, they must be returned to the donor.

6. Government Grants	2024	2023
	K	K
Rural Electrification Fund		
Rural Electrification Authority	343,607,672	743,578,629
	<u>25,114,031</u>	<u>15,114,031</u>
	<u>368,721,703</u>	<u>758,692,660</u>
Unconditional grants		
Rural Electrification Authority	<u>25,114,031</u>	<u>15,114,031</u>
Conditional grants		
Rural Electrification Fund	<u>343,607,672</u>	<u>743,578,629</u>
Consolidated	<u>368,721,703</u>	<u>758,692,660</u>

The Rural Electrification Fund was used in the Authority's quest to provide electricity to the rural populace. The unspent portion of the grant relates to projects in progress at year-end for which the funds are already committed.

7. Finance income	2024	2023
	K	K
Rural Electrification Authority		
Interest on short term investments	9,221,055	11,458,049
Interest on staff loans	117,158	67,895
	9,338,213	11,525,944
Rural Electrification Fund		
Interest on staff loans	326,413	430,222
	326,413	<u>430,222</u>
Consolidated	<u>9,664,626</u>	<u>11,956,166</u>

RURAL ELECTRIFICATION AUTHORITY

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8. Other income

Rural Electrification Authority	2024	2023
	K	K
Capital grant-amortised (note 19)	-	2,162,015
Exchange gains	3,591,302	
Other income received	91,260	-
Income from sale of tender documents	22,000	557,702
	<u>3,704,562</u>	<u>2,719,717</u>
Rural Electrification Fund		
Exchange gains	-	7,926,105
Capital grant-amortized (note 19)	-	-
Other income received	2,383,103	370,832
Liquidated Damages	3,894,340	73,056
	<u>6,277,443</u>	<u>8,369,993</u>
Consolidated	<u>9,982,005</u>	<u>11,089,710</u>

Other income received refers to income that does not fall under any prescribed account. Liquidated damages are recoveries from contractors due to non-performance.

9. Employee costs

	2024	2023
	K	K
Rural Electrification Authority		
Salaries and wages	21,172,105	8,146,956
Gratuity	3,084,941	1,779,590
Accrued leave pay	1,392,663	671,883
Medical scheme expenses	76,210	95,779
Staff welfare and benefits	2,922,373	1,448,304
	<u>28,648,292</u>	<u>12,142,512</u>
Rural Electrification Fund		
Salaries and wages	51,301,845	48,113,558
Gratuity	12,920,910	12,320,149
Accrued leave pay	5,229,480	3,984,141
Medical Scheme expenses	2,309,300	610,798
Staff welfare and benefits	4,505,112	6,268,639
	<u>76,266,647</u>	<u>71,297,285</u>
Consolidated	<u>104,914,939</u>	<u>83,439,797</u>

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

	2024 K	2023 K
10. Administration expenses		
Rural Electrification Authority		
Fuel, lubricants, and oils	2,173,525	1,851,978
Net exchange loss	-	67,905
Communication	72,207	105,720
Training, workshops, and seminars	452,434	-
Cleaning and materials	755,475	679,695
Security charges	284,880	20,865
Board of Directors allowances	-	2,000
Bank charges	47,387	20,575
Office refreshments	770,153	368,521
Legal fee expenses	-	1,745
Board meeting expenses	-	720
Staff subscriptions	735,023	423,365
Electricity and water	274,561	137,441
Stationery, printing and publications	404,151	54,079
Maintenance of equipment and buildings	292,268	106,618
Computer software and consumables	50,123	16,747
Rental expense	182,729	12,932
Motor vehicle repairs	483,488	4,781
Software and licences	659,176	-
Local Travel expense	2,150	-
Other admin costs	1,740,832	115,254
	<u>9,380,562</u>	<u>3,990,941</u>

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

10. Administration expenses (continued)	2024 K	2023 K
Rural Electrification Fund		
Audit expenses	1,649,509	1,679,096
Motor vehicle repairs	2,970,847	2,982,633
Legal fees	-	2,801,037
Communication	1,284,120	1,353,364
Motor vehicle insurance	275,760	1,636,827
Training, workshops, and seminars	752,675	726,651
Fuel, lubricants, and oils	220,928	448,711
Procurement management	1,359,250	3,920,733
Other administrative costs	1,527,657	1,002,660
Computer software and consumables	55,668	1,299,940
Board of Directors allowances	1,229,928	1,198,192
Stationery, printing, and publications	739,378	1,163,734
Software and licenses	2,021,847	1,372,348
Bank charges	130,115	157,817
Maintenance of equipment and buildings	159,803	1,602,641
Staff subscriptions	4,720	459,632
Security charges	796,017	1,171,295
Cleaning materials	83,666	443,112
General insurance	854,549	181,228
Board meeting expenses	1,167,039	397,955
Board Training Expenses	1,058,255	-
Office refreshments	35,040	329,341
Electricity and Water	1,200	41,779
Subtotal	<u>18,377,971</u>	<u>26,370,726</u>
Consolidated	<u><u>27,756,383</u></u>	<u><u>30,361,667</u></u>
Below is the detailed breakdown for the audit expenses:	2024	2023
	K	K
External audit fees	551,841	523,383
Risk Management	286,591	590,675
Audit of REA projects	811,077	565,038
Consolidated	<u><u>1,649,509</u></u>	<u><u>1,679,096</u></u>

11. Project studies and consultancy

Rural Electrification Fund	46,511,870	50,609,279
Rural Electrification Authority	5,876,651	100,995
Consolidated	<u><u>52,388,521</u></u>	<u><u>50,710,274</u></u>

Project expenses are expenses that are directly associated with project implementation and monitoring. Activities that give rise to project expenses include monitoring and evaluation, project commissioning, compensation to displaced people, environmental clearing fees and rental of project offices.

12. Income tax

The Authority is exempt from income tax under Section 15 of the Zambia Income Tax Act.

13. Property and equipment

	Land & Buildings K	Motor Vehicles K	Office Equipment K	Furniture & Fittings K	Office Machinery K	Total K
Cost						
At 1 January 2023	5,659,198	49,795,427	12,548,360	2,231,159	408,622	70,642,766
Additions	158,070	8,735,638	7,294,331	920,365	-	17,108,404
Disposals	-	-	-	-	-	-
At 31 December 2023	5,817,268	58,531,065	19,842,691	3,151,524	408,622	87,751,170
Additions	-	16,001,199	2,730,011	299,310	-	19,030,520
Disposals	-	-	-	-	-	-
At 31 December 2024	5,817,268	74,532,264	22,572,702	3,450,834	408,622	106,781,690
Depreciation						
At 1 January 2023	-	32,202,081	8,637,544	1,694,899	401,958	42,936,482
Charge for the year	-	6,628,288	2,684,695	205,868	6,664	9,525,515
Disposals	-	-	-	-	-	-
At 31 December 2023	-	38,830,369	11,322,239	1,900,767	408,622	52,461,997
Charge for the year	-	9,266,295	3,794,161	360,131	-	13,420,587
Disposals	-	-	-	-	-	-
At 31 December 2024	-	48,096,664	15,116,401	2,260,898	408,622	65,882,584
Carrying amount						
At 31 December 2023	5,817,268	26,435,600	7,456,301	1,189,936	-	40,899,106
At 31 December 2024	5,817,268	19,700,696	8,520,452	1,250,757	-	35,289,173

The Directors reviewed the estimated useful lives of property and equipment at the end of the reporting period to determine the appropriate level of depreciation and whether there is any indication that those assets have suffered an impairment loss. The Directors believe a residual value of zero is appropriate as a result of the fact that property and equipment is not held for trading and is normally scrapped. The Directors consider that the fair value of property and equipment is at least equal to their carrying values as reflected in the statement of financial position.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

14. Capital work in progress

Rural Electrification Fund

Capital work in progress represents projects being undertaken by the Rural Electrification Authority in its quest to provide electricity to the rural populace. At the end of the project circles, the completed projects are transferred to ZESCO, for operations and maintenance at no consideration. This is because ZESCO and REA are agencies of the Government of the Republic of Zambia.

	2024 K	2023 K
Work in progress		
At beginning of year	1,420,418,928	1,159,268,280
Additions during the year	414,602,818	261,150,648
	-	-
Total capital work in progress	<u>1,835,021,746</u>	<u>1,420,418,928</u>

15. Investments

	2024 K	2023 K
Rural Electrification Authority	-	2,085,958
Gratuity Investment Fund	-	<u>16,815,627</u>
Redeemed in January 2024	<u>-</u>	<u>18,901,585</u>

Rural Electrification Authority redeemed the entire Gratuity Fund Investment of K18,901,585 in January 2024 and the new Fund Manager will be procured in 2025.

16. Receivables

	2024 K	2023 K
Rural Electrification Authority		
Staff loans and advances	13,140,532	12,541,234
Due from the Government (note 23 (c))	-	-
Other receivables	117,852	117,851
Staff imprest account	380,210	724,190
	<u>13,638,594</u>	<u>13,383,275</u>

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16. Receivables (continued)

	2024	2023
	K	K
Rural Electrification Fund		
Due from the Government (note 23 (c))	0	293,948,951
Contractor receivables	448,279,650	80,201,048
	<u>448,279,650</u>	<u>374,149,999</u>
Consolidated	<u>461,918,244</u>	<u>387,533,274</u>

Staff receivables bear interest at 5% over the period of the loan.

Contractor receivables refer to advance payments made to contractors before the commencement of the rural electrification projects. These amounts are recoverable in full from the contractor.

17. Inventory

	2024	2023
	K	K
Rural Electrification Fund		
Grid extension and solar energy equipment and spares	89,286,635	105,353,732

There were no write-downs of inventories recognised as an expense during the year 2024 (2023: K nil).

	2024	2023
	K	K
18. Cash and cash equivalents		
Rural Electrification Authority		
Bank and cash balances	14,820,632	17,086,054
	<u>14,820,632</u>	<u>17,086,054</u>
Rural Electrification Fund		
Bank and cash balances	142,401,851	268,750,772
	<u>142,401,851</u>	<u>268,750,772</u>
<i>Short-term investments classified as cash equivalents:</i>		
Atlas Mara (Finance Bank Zambia Plc)	48,000,000	48,000,000
Access Bank Zambia Limited	28,000,000	28,000,000
	<u>76,000,000</u>	<u>76,000,000</u>
Total cash and cash equivalents	218,401,851	344,750,772
Consolidated	<u>233,222,483</u>	<u>361,836,826</u>

Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Authority and earn interest at the respective short-term deposit rate. The fixed deposit accounts are for 28 days and renewable accordingly. These investments were done after due approval was obtained from the Secretary to the Treasury in line with the Public Finance Regulations.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

	2024 K	2023 K
19. Capital grants		
At beginning of the year	2,247,258	2,247,258
Additions during the year	-	-
Grant amortisation for the year	(2,162,016)	(2,162,015)
At end of the year	<u>85,242</u>	<u>85,243</u>
Maturity analysis:		
Current	-	-
Non-current	<u>85,242</u>	<u>85,243</u>
	<u>85,242</u>	<u>85,243</u>
20. Payables		
Rural Electrification Authority		
Other payables	775,268	502,095
Gratuity provisions (note (a))	15,959,387	14,921,812
Leave pay provisions (note (b))	3,795,279	1,945,180
Ministry of Higher Education payable	-	90,404
Amount payable to the government (Note 23 (d))	(43,746)	-
	<u>20,486,188</u>	<u>17,459,491</u>
Supplier/Contractor payables	<u>39,831,933</u>	<u>27,369,813</u>
Consolidated	<u>60,318,121</u>	<u>44,829,304</u>
Rural Electrification Fund		
Contractor payables	<u>18,944,908</u>	<u>17,674,105</u>
Consolidated	<u>79,263,029</u>	<u>62,503,409</u>
a) Gratuity provision		
At beginning of the year	14,921,812	10,376,744
Charge during the year	16,005,851	14,099,739
Payment during the year	(14,968,276)	(9,554,671)
Balance at the year end	<u>15,959,387</u>	<u>14,921,812</u>
b) Leave pay provision		
At beginning of the year	1,945,180	1,963,787
Charge during the year	6,622,143	4,656,025
Payments during the year	(4,772,044)	(4,674,632)
Balance at the year end	<u>3,795,279</u>	<u>1,945,180</u>

Provision for gratuity is made in full at all times, for the purposes of prudence, for the gratuities payable to employees from the date of commencement of employee's contract through the expiry of the contracts.

The Authority controls liquidity risk through monitoring of rolling forecasts of cash and cash equivalents on the basis of expected cash flow. In addition, the Authority's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet liabilities.

The Directors consider that the carrying amount of payables approximates their fair value.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

21. Operating lease arrangements

Rural Electrification Authority had an operating lease with Paul M. Investments Limited involving the occupancy of plot 5033 on Longolongo road Lusaka which ended in July 2023. Thereafter the Authority relocated to new office premises at Plot No. Lusak/In15087/2, Great North Road after entering into an operating lease with Lusaka North Trade and Investment Center. The operating lease relates to all those premises erected upon the said plot with lease term of 1 year and the rented warehouse, with an option to renew the lease agreement. The operating lease contract contains market review clauses in the event that the Authority exercises its option to renew. The Authority does not have an option to purchase the leased property at the expiry of the lease period.

Rural Electrification Authority incurred rent during the year ended 31 December 2024 amounting to K6,109,482 (2023: K7,088,787).

22. Financial Instruments

Categories of financial instruments	2024 K	2023 K
Financial assets		
Cash and cash equivalents	233,222,483	353,660,025
Receivables	461,918,244	387,533,274
	<u>695,140,727</u>	<u>741,193,299</u>
Financial liabilities		
Payables	<u>79,263,029</u>	<u>62,503,409</u>

Financial risk management objectives

The ultimate responsibility for managing risks rests with the Board of Directors. The key financial risks for the Authority are liquidity risk and foreign exchange rate risk. The Board has in place a risk management framework for the Authority's short term, medium term and long-term funding requirements. The Authority manages the risk by continuously monitoring forecasts and actual cash flows and matching maturity profiles of financial assets and liabilities.

Market risk

The Authority's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see below) and interest rates (see below). The Authority does not enter into contracts to manage its exposure to interest rate and foreign currency risk to hedge the exchange rate risk arising on the borrowings from foreign entities.

There has been no change to the Authority's exposure to market risks or the manner in which it manages and measures the risk.

Liquidity risk profile

Loans, advances and other receivables, cash and cash equivalents are classified as loans and receivables whilst all liabilities are classified as other liabilities in line with International Public Service Accounting Standards (IPSAS) N0. 30.

The Authority's Board of Directors reviews the capital structure of the Authority regularly. As part of the review, it considers the cost of capital and the risks associated with each class of capital.

The Authority manages capital to ensure that it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and net asset balances. The capital structure of the Authority consists of the

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

22. Financial Instruments (continued)

Fair value measurements

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

The Authority uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- ▶ Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, Lusaka Securities Exchange).
- ▶ Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- ▶ Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Authority considers relevant and observable market prices in its valuations where possible.

Fair value of the Authority's financial assets and financial liabilities that are measured at fair value on a recurring basis

- ▶ There were no financial assets and liabilities that are measured at fair value on a recurring basis during the period.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair value.

	2024		2023	
	Carrying Amount K	Fair value K	Carrying Amount K	Fair value K
Financial assets				
Loans and receivables:				
Receivables	<u>461,918,244</u>	<u>461,918,244</u>	<u>387,533,274</u>	<u>387,533,274</u>
Financial liabilities				
Financial liabilities held at Amortised cost:				
Payables	<u>79,263,029</u>	<u>79,263,029</u>	<u>62,503,409</u>	<u>62,503,409</u>

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

22. Financial Instruments (continued)

Categories of financial instruments (continued)

<u>Fair value hierarchy as at 31 December 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>K</u>	<u>K</u>	<u>K</u>	<u>K</u>
Financial assets				
Loans and receivables:				
receivables	-	461,918,244	-	461,918,244
Financial liabilities				
Financial liabilities held at amortised cost:				
payables	-	79,263,029	-	79,263,029

<u>Fair value hierarchy as at 31 December 2023</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>K</u>	<u>K</u>	<u>K</u>	<u>K</u>
Financial assets				
Loans and receivables:				
receivables	-	387,533,274	-	387,533,274
Financial liabilities				
Financial liabilities held at artised cost:				
payables	-	62,503,409	-	62,503,409

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. Due to the short-term maturity dates these amounts have not been discounted as the Directors are of the view that carrying or fare value approximates the fair value.

Credit risk

Credit risk is the risk of financial loss to the Authority if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Authority's investments, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December 2021 was:

	2024	2023
	K	K
Cash and cash equivalents	233,222,483	361,836,826
Receivables	461,918,244	387,533,274
Maximum exposure to credit risk	<u>695,140,727</u>	<u>749,370,100</u>

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

22. Financial Instruments (Continued)

Liquidity risk

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation.

The Authority ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts.

At 31 December 2024

	1 - 3 Months K	3 months to 1 year K	1 – 5 years K	Total K
Liabilities				
Payables	750,838	19,724,661	58,787,530	79,263,029
Assets				
Bank and cash equivalents	233,222,483	-	-	233,222,483
Receivables	583,882	13,154,272	448,180,090	461,918,244
Total	233,806,365	13,154,272	448,180,090	695,140,727

At 31 December 2023

	1 - 3 Months K	3 months to 1 year K	1 – 5 years K	Total K
Liabilities				
Payables	446,838	17,512,633	44,543,938	62,503,409
Assets				
Bank and cash equivalents	361,836,826	-	-	361,836,826
Receivables	2,907,215	384,626,059	-	387,533,274
Total	364,744,041	384,626,059	-	749,370,100

RURAL ELECTRIFICATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

22. Financial Instruments (Continued)

Capital management

The primary objective of managing the Authority's capital is to ensure that there is sufficient cash available to support the Authority's funding requirements, including capital expenditure, to ensure that the Authority remains financially sound.

Currency risk

The Authority is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the Dollar denominated contractor receivables and payables balances.

At 31 December 2024, if the Kwacha had strengthened/weakened by 5% against the US dollar with all other variables held constant, increase in net assets for the year would have been K68,089 higher/lower (2023: K392,910).

At 31 December 2023, if the Kwacha had strengthened/weakened by 5% against the dollar with all other variables held constant, increase in the Authority's financial instruments denominated in foreign currency for the year would have been as follows:

Financial assets	2024 K	2023 K
United States Dollar (USD)	-	2,497,345
Financial liabilities		
United States Dollar (USD)	-	68,903

23. Related party transactions

The Rural Electrification Authority is a statutory body which was created by an Act of Parliament and is controlled by the Government. There are other entities that are related to the Authority through common directorships.

The Authority has balances with and had transacted with the following related parties during the year:

(a) Grants from the Government	2024 K	2023 K
Rural Electrification Fund	343,607,672	743,578,629
Rural Electrification Authority	25,114,031	15,114,031
	368,721,703	758,692,660
(b) Directors expenses		
Board allowances	1,229,929	1,200,192
Board Training Expenses	1,058,255	-
Board Meeting Expenses	1,167,039	398,675
	3,455,223	1,598,867
(c) Amounts due from related parties		
Grants receivable from the Government		
Rural Electrification Fund	-	293,948,951
Rural Electrification Authority	-	-
	-	293,948,951

Grants receivable from the Government represent grant income allocated to the Authority but had not yet been received as at year end.

RURAL ELECTRIFICATION AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024****23. Related party transactions (continued)**

	2024	2023
	K	K
(d) Amounts due to related parties		
Amounts payable to the Government	(43,746)	-
	<u> </u>	<u> </u>

Funds payable to the Government represent other income that is to be remitted to the Government by the Authority. This is income that is generated by the Authority that is not included as a revenue stream as per Rural Electrification Act No. 20 of 2003.

24. Contingent liabilities

There were legal cases involving the Authority versus Chamb Investment Limited and a former employee under the World Bank funded project (ESAP) which were running at the end of the financial year under review. The outcome of these cases is not likely to affect these financial statements as there is no possibility for any potential contingent liability.

25. Events after the reporting date

There has not arisen since the end of the financial period, any item, transaction or event of a material and unusual nature likely in the opinion of the directors of the entity to affect substantially the operations of the entity, the results of those operations or the state of affairs of the entity.

RURAL ELECTRIFICATION AUTHORITY

APPENDIX I – DETAILED OPERATING STATEMENT

	Rural Electrification Authority		Rural Electrification Fund	
	2024 K	2023 K	2024 K	2023 K
Grant income				
Government appropriations	25,114,031	15,114,031	343,607,672	743,578,629
International donor funding	-	-	135,297,478	79,366,041
	25,114,031	15,114,031	478,905,150	822,944,670
Other income				
Finance income	9,338,213	11,525,944	326,413	430,222
Foreign exchange gains	3,591,302	9,888	-	8,166,913
Other income	113,260	2,719,717	6,277,443	443,889
	13,042,775	14,255,549	6,603,856	9,041,024
Gross income	38,156,806	29,369,580	485,509,006	831,985,694
Staff and related costs				
Salaries and wages	21,172,105	8,146,956	51,301,845	48,113,558
Gratuity	3,084,941	1,779,590	12,920,910	12,320,149
Accrued leave pay	1,392,663	671,883	5,229,480	3,984,141
Medical scheme expenses	76,210	95,779	2,309,300	610,798
Staff welfare and benefits	2,922,373	1,448,304	4,505,112	6,268,639
Total staff costs	28,648,292	12,142,512	76,266,647	71,297,285

RURAL ELECTRIFICATION AUTHORITY

APPENDIX I – DETAILED OPERATING STATEMENT (CONTINUED)

	Rural Electrification Authority		Rural Electrification Fund	
	2024 K	2023 K	2024 K	2023 K
Administrative and other expenses				
Rental expenses	182,729	12,932	6,109,482	7,088,787
Fuel, lubricants and oils	2,173,525	1,851,978	220,928	448,711
Audit expenses	-	-	1,649,509	1,679,096
Communications	72,207	105,720	1,284,120	1,353,364
Training, workshops and seminars	452,434	-	752,675	726,651
Board of Directors Allowances	-	2,000	1,229,928	1,198,192
Other administrative costs	1,740,832	115,254	1,527,657	2,820,715
Maintenance of equipment and buildings	292,268	106,618	159,803	1,602,641
Stationery, printing and publications	404,151	54,079	739,378	1,163,734
Travel, transport and subsistence	2,150	4,395	-	-
Carried forward	5,320,296	2,252,976	13,673,480	18,081,891

RURAL ELECTRIFICATION AUTHORITY

APPENDIX I – DETAILED OPERATING STATEMENT (CONTINUED)

	Rural Electrification Authority		Rural Electrification Fund	
	2024	2023	2024	2023
	K	K	K	K
Administrative expenses brought forward				
Cleaning and materials	5,320,296	2,252,976	13,673,480	18,081,891
Security charges	755,475	679,695	83,666	443,112
General insurance	284,880	20,865	796,017	1,171,295
Bank charges	-	-	854,549	-
Motor vehicle repairs	47,387	20,575	130,115	157,817
Office refreshments	483,488	4,781	2,970,847	2,982,633
Board meeting expenses	770,153	368,521	35,040	329,341
Board training expenses	-	720	1,167,039	397,955
Legal fees expense	-	-	1,058,255	-
Staff Subscriptions	-	1,745	-	2,801,037
Exhibition and publicity	735,023	423,365	4,720	459,632
Electricity and water	359,650	-	4,459,024	2,799,359
Computer software and consumables	274,561	137,441	1,200	41,779
Motor vehicle insurance	50,123	16,747	55,668	1,299,940
Software and licenses	-	-	275,760	1,636,827
Procurement management	659,176	-	2,021,847	1,372,348
Foreign exchange losses	-	-	1,359,250	3,920,733
Total administrative and other expenses	9,740,212	4,005,224	28,946,477	36,499,680
Project expenses	5,876,651	100,995	46,511,870	50,609,279
Depreciation	13,129,372	8,936,052	291,216	589,463
Surplus/(deficit) for the year	(19,237,721)	4,184,797	333,492,796	672,989,987

RURAL ELECTRIFICATION AUTHORITY

APPENDIX I I- ANALYSIS OF RURAL ELECTRIFICATION PROJECTS

PROJECT NAME	DISTRICT	PROVINCE	TECHNOLOGY	COST	STATUS
Kasanjiku Phase - Lot 2	Mwinilunga	North Western	Grid	ZMW6,282,425.70	Completed
Kasanjiku Phase - Lot 3	Mwinilunga	North Western	Grid	ZMW6,285,482.23	Completed
Salamano	Kitwe/Mufuilra	Copperbelt	Grid	ZMW736,740.00	Completed
Muchinshi/Mutenda	Chingola	Copperbelt	Grid	ZMW6,285,482.23	Completed
Mufubushi	Mpika	Muchinga	Grid	ZMW1,144,422.71	Completed
Ming'omba	Chililabombwe	Copperbelt	Grid	ZMW1,013,120.78	Completed
SUBTOTAL GRID				ZMW21,747,673.60	

APPENDIX I I – ANALYSIS OF RURAL ELECTRIFICATION PROJECTS

PROJECT NAME	DISTRICT	PROVINCE	TECHNOLOGY	COST	STATUS
Mwenzo Nawaitwika	Nakonde	Muchinga	Grid	ZMW 871,731.30	Completed
Shemu	Nakonde	Muchinga	Grid	ZMW 1,841,106.59	Completed
Musanya	Chinsali	Muchinga	Grid	ZMW 2,708,542.23	Completed
Nangveshi	Sioma	Western	Grid	ZMW 3,570,920.82	Completed
Sandwe	Petauke	Eastern	Grid	ZMW 5,563,465.91	Completed
Jembo	Pemba	Southern	Grid	ZMW 3,350,474.29	Completed
Miponda-Shikamushile	Samfya	Luapula	Grid	ZMW 3,523,448.59	Completed
Lambwe Chomba	Chiengi	Luapula	Grid	ZMW 4,500,815.30	Completed
Luembe	Nyimba	Eastern	Grid	ZMW 4,272,151.99	Completed
Mutono Chiseta Mbaso	Nchelenge & Mwense & Mansa	Luapula	Grid	ZMW 6,956,895.88	Completed
Kalungu Sansamwenjece	Isoka	Muchinga	Grid	ZMW 7,253,434.12	Completed
Lupososhi	Luwingu & Lupososhi	Northern	Grid	ZMW 7,390,774.62	Completed
Luano Phase I	Luano	Central	Grid	ZMW 5,496,175.15	Completed
Luswishi Farm Block	Lufwanyama	Copperbelt	Grid	ZMW 9,019,854.61	Completed
Lwela-Milambo	Milengi & Chembe	Luapula	Grid	ZMW 7,229,971.67	Completed
Makunka	Livingstone	Southern	Grid	ZMW 1,864,035.67	Completed
Nangwenya	Rufunsa	Lusaka	Grid	ZMW 2,624,447.78	Completed
Dundumwezi	Kalomo	Southern	Grid	ZMW 7,213,840.48	Completed
Hanjaalika	Mazabuka	Southern	Grid	ZMW 1,327,777.53	Completed
Manyana	Mazabuka	Southern	Grid	ZMW 690,172.07	Completed
Sakania	Ndola	Copperbelt	Grid	ZMW 876,376.58	Completed
Fiwila Mission	Mkushi	Central	Grid	ZMW 922,897.62	Completed
Ukwimi	Petauke	Eastern	Grid	ZMW 1,492,920.00	Completed
Kaingu-Iyanda	Itezhi Tezhi	Central	Grid	ZMW 4,769,473.64	Completed
Chitambo	Chitambo	Central	Grid	ZMW 1,397,116.64	Completed
SUBTOTAL (GEP) GRID				ZMW96,728,851.08	

RURAL ELECTRIFICATION AUTHORITY

APPENDIX I I – ANALYSIS OF RURAL ELECTRIFICATION PROJECTS

PROJECT NAME	DISTRICT	PROVINCE	TECHNOLOGY	COST	STATUS
Nkeyema Zonal Hospital	Nkeyema	Western	Grid	ZMW 598,798.54	Completed
Lupani	Chibombo	Southern	Grid	ZMW 187,303.87	Completed
Chisuta	Mazabuka	Southern	Grid	ZMW 705,563.11	Completed
Shakcamba	Shibuyunji	Central	Grid	ZMW 562,426.91	Completed
Lufubu	Lupososhi	Northern	Grid	ZMW 1,749,933.56	Completed
Shamilimo Munyati	Shibuyunji	Central	Grid	ZMW 2,326,394.45	Completed
SUBTOTAL (GEP) GRID				ZMW6,130,420.44	

RURAL ELECTRIFICATION AUTHORITY

APPENDIX I I– ANALYSIS OF RURAL ELECTRIFICATION PROJECTS

PROJECT NAME	DISTRICT	PROVINCE	TECHNOLOGY	COST	STATUS
Kasanjiku Mini Hydro Project (0.64MW)	Mwinilunga	North-Western	Mini Hydro	USD\$ 8,698,932.85	Completed
Moyo Solar Mini Grid	Pemba	Southern	Solar Mini Grid	USD\$ 244,182.73	Completed
Ngabwe Solar Mini Grid	Ngabwe	Central	Solar Mini Grid	USD\$ 288,942.08	Completed
Chilubi Mainland Solar Mini Grid	Chilubi	Northern	Solar Mini Grid	USD\$ 242,193.79	Completed
SUBTOTAL (PROJECTS)				USD\$ 9,474,251.45	
Lunga Solar Mini Grid 300kWp	Lunga	Luapula	Solar	ZMW5,011,756.42	In progress
PROJECT NAME	DISTRICT	PROVINCE	TECHNOLOGY	COST	STATUS
Kaputi	Chisamba	Central	Grid	ZMW4,346,866.08	Completed
Keembe	Chibombo	Central	Grid	ZMW1,971,342.97	Completed
Mpanta	Samfya	Luapula	Grid	ZMW5,772,492.11	Completed
Salamano	Mufulira	Copperbelt	Grid	ZMW 775,516.05	Completed
Muchinshi/Mutenda	Chingola	Copperbelt		ZMW 6,695,416.09	Completed
Shinengene - Northern Resettlement	Kalumbila	North-Western	Grid	ZMW 10,142,375.45	In progress
Matunga	Katete	Eastern	Grid	ZMW 1,041,323.69	Completed
Ndewe-Simambumbu	Petauke	Eastern	Grid	ZMW 2,070,810.82	Completed
Kopa	Kanchibiya	Muchinga	Grid	ZMW 1,822,191.80	Completed
Mufubushi	Mpika	Muchinga	Grid	ZMW 1,144,422.71	Completed
Kanongesha	Mwinilunga	North-Western	Grid	ZMW 2,105,082.02	Completed
Kanyama	Mwinilunga	North-Western	Grid	ZMW 8,686,315.51	In Progress
Ming'omba	Kasumbalesa	Copperbelt	Grid	ZMW 872,077.35	Completed
Katongo-Chilolwa	Nakonde	Muchinga	Grid	ZMW 1,782,753.80	Completed
Bulaimu	Nakonde	Muchinga	Grid	ZMW 1,696,230.18	Completed
Chipepo	Gweembe	Southern	Grid	ZMW 7,518,736.53	Completed
Kantengwa	Namwala	Southern	Grid	ZMW 5,580,201.41	Completed
James	Nyimba	Eastern	Grid	ZMW 1,026,304.98	Completed
Zuze	Petauke	Eastern	Grid	ZMW 7,851,093.66	Completed
Kampekete	Chongwe	Lusaka	Grid	ZMW 1,878,845.61	Completed
SUBTOTAL (GEP) GRID				ZMW74,780,398.82	



Stand No. LN15087/2, Great North Road
Post Net Box 349, Private Bag E891 Lusaka
Tel: +260 211 241296/8,
E-mail: info@rea.org.zm, www.rea.org.zm



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