March 1, 2013

Honorable Tendai L. Biti, M. P.
Minister of Finance
Ministry of Finance
6th Floor, Block B, New Government Complex
Corner Samora Machel Avenue/4th Street
Harare

Dear Honorable Minister,

Re: Republic of Zimbabwe: Multi-Donor Trust Fund for Health Results Innovation TFO1974 - Re-allocation of Funds

We refer to the Grant Agreement ("Agreement"), dated September 27, 2011 between the International Development Association and the International Bank for Reconstruction and Development both acting as Administrator of the Multi-donor Trust Fund for Health Innovation, and the Republic of Zimbabwe (the Recipient) for the above-referenced project.

We also refer to your letter of December 19, 2012 requesting to reallocate funds from Category 1 of Section IV (A) (2) to Category 2 of the approved Results-Based Financing (RBF) costed work plan for Year 2.

We are pleased to inform you that the World Bank agrees to your request and reallocates the proceeds of the Grant of the approved Health Sector Development Support Project cost work plan for Year 2 as shown in the Annex attached to this letter.

We look forward to our continued collaboration.

Sincerely,

Kundhavi Kadiresan
Country Director
Zimbabwe, Zambia and Malawi
Africa Region
Revised Table in SCHEDULE 2

A. General

2. The table below sets forth the categories of items to be financed out of the proceeds of the Grant, the allocation of the amounts of the Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD) (Revised)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Payments under Results-based Contracts under Part A of the Project</td>
<td>7,101,497.00</td>
<td>100% of amounts paid by the Project Implementing Entity</td>
</tr>
<tr>
<td>(2) Goods, services, Training and Workshops, and Operating Costs under Parts B and C of the Project</td>
<td>7,898,503.00</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td><strong>15,000,000.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
cc: Mr. Hassan A. Taha
Executive Director
World Bank

Mr. W. L. Manungo
Permanent Secretary
Ministry of Finance

Brigadier General Dr. G. Gwinji
Permanent Secretary
Ministry of Health and Child Welfare

Dr. D. G. Dhlakama
Principal Director (Policy, Planning, Monitoring and Evaluation)
Ministry of Health and Child Welfare

Dr. G. Mhlanga
Principal Director, Preventive Services
Ministry of Health and Child Welfare

Mr. G. Gwati
Donor Planning and Coordination Officer
Ministry of Health and Child Welfare

Ms. J. Madzorera
Accountant General
Ministry of Finance

Mr. P. Kunaka
Principal Director, Budgets
Ministry of Finance

Ms. M. Makuwaza
Director, Department of Forests and International Finance
Ministry of Finance

Mr. S. Zharare
Deputy Director, External Loans
Ministry of Finance

Mr. B. Raisi
Desk Officer for the World Bank
Ministry of Finance

Ms. R. Mudzi
Chief Accountant
Ministry of Finance

Ms. A. Rietsema
Head of Mission
Cordaid Zimbabwe
Cw: Niewuoudt, Finance Analyst, C:\RLA
Olusoji Adeyi, Sector Manager, AFTHE

bcc: Messrs./Mmes: Fillai, Soke, Mukamana (AFCZM); Sosopi, Mukuka (AFCS3); Mutasa, Sobuthana-Ndlovu, Yazheck, Makumba, Atkins, Lakshminarayan, Adeyi (AFTHE); Nguyen (ECSH1); Friedman (D\CPI); Das (DECRG); Schwarz, Kuwaza, Niewuoudt (CTRLA); Lenejye, Kamwend, ACS-Zimbabwe (AFMZW); Kolouvo, Soubbotin, Augustin, Ahmad (LEGAM); WBDocs