Honorable Situmbeko Musokotwane  
Minister of Finance and National Planning  
Ministry of Finance and National Planning  
P.O. Box 50062 Chimanga Road  
Lusaka  
Republic of Zambia  

Re: Republic of Zambia - Institutionalizing Livestock Data Collection and Analysis in Zambia  
Grant Number TF096485  

Dear Sir:  

In response to the request for financial assistance made on behalf of Republic of Zambia (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”), acting as administrator of grant funds provided under the Multi Donor Trust Fund for Statistical Capacity Building-III, proposes to extend to the Recipient a grant in an amount not to exceed two hundred ninety seven thousand nine hundred United States Dollars (U.S.$297,900) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”). This Grant is funded out of the above mentioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.  

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature of this Agreement.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ Peter Nicholas
Peter Nicholas
Acting Country Director
Malawi, Zambia and Zimbabwe

AGREED:
REPUBLIC OF ZAMBIA

By: /s/ Situmbeko Musokotwane
Authorized Representative

Name: Honorable Situmbeko Musokotwane
Title: Minister of Finance and National Planning
Date: August 11, 2010

Enclosures:

(2) Disbursement Letter of even date, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 1, 2008 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following terms have the following meaning:

- “MoLFD” means Ministry of Livestock and Fisheries Development
- “CSO” means Central Statistical Office
- “LSIPT” means Livestock Sector Investment and Policy Toolkit

Article II

Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to build statistical capacity in the MoLFD through: identifying data needs in the livestock sector, creating linkages with the CSO, and building awareness on the need to use data and analysis in the decision making process.

The Project consists of the following parts:

- **Part 1:** Building capacity of MoLFD staff in the use of available livestock data; identifying data gaps and preparing poverty focused livestock sector analyses using the LSIPT, all through:
  (a) organizing cross-disciplinary teams with selected ministries and the private sector to participate in a livestock sector review;
  (b) providing training to the cross-disciplinary teams referred to in Part 1(a) above on module implementation; and
  (iii) undertaking data analysis and validating data and results with the stakeholders.

- **Part 2:** Identifying and collecting key sector development indicators relevant to choices associated with investment and public policy decisions in the livestock sector; reviewing and evaluating the quality of available data required for the calculation of the above indicators.

- **Part 3:** Putting together a national action plan which incorporates a monitoring and evaluation component; drafting components of a national livestock plan; and making recommendation to the CSO on priority data requirements for putting together a diagnostic and an evaluation tool.
2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MoLFD in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) an agreed and functional framework for livestock data collection/analysis and planning for the Recipient;
(ii) trained government/private sector staff, in data review/analytical tools;
(iii) a diagnostic of the livestock sector at the micro and macroeconomic levels, in relation to poverty alleviation and economic growth;
(iv) linkage established between the MoLFD and the CSO;
(v) key data set of critical importance to the livestock sector agreed upon; and
(vi) agreement reached between MoLFD and CSO on periodic data collection.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank in accordance with the provisions of Section 2.06 of this Agreement.

2.04. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
2.05. **Procurement**

(a) **General.** All goods, and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”), in the case of goods; and

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of National Competitive Bidding (NCB) subject to the following additional procedures: (A) bidding will be open to all bidders and without any foreign bidders being obligated to partner with local bidders in order for the foreign bidders to qualify to participate in the bidding process; and (B) no margins of preference of any sort will be applied in the bidding process under NCB.

(ii) The following methods, other than National Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan which the Bank agrees meet the requirements set forth in the Procurement Guidelines for their use: (A) Shopping and (B) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan which the Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Quality-based Selection; (B) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Single-source Selection; (E) Selection of Individual Consultants; and (F) Sole Source Procedures for the Selection of Individual Consultants. subject to the following additional procedures: (1) participation in the selection process will be open to all interested and eligible
consultants without any foreign consultant being obligated to partner with local consultants in order for the foreign consultants to qualify to participate in the selection process; and (2) margins of preference will be applied only on the basis of provisions of the consultants guidelines which based on the provisions set forth in the procurement plan allow for a short list to be comprised of entirely national firms below specified thresholds and the Banks Standard Request for Proposals which allow for evaluation of “participation by nationals among proposed key staff” of the consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>25,000</td>
<td>100</td>
</tr>
<tr>
<td>(2) Consultants’ services</td>
<td>185,000</td>
<td>100</td>
</tr>
<tr>
<td>(3) Training and Workshops</td>
<td>67,900</td>
<td>100</td>
</tr>
<tr>
<td>(4) Operating Costs</td>
<td>20,000</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>297,900</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this Agreement the following terms have the following meanings:

(a) “Training and workshops” means the costs associated with meetings, seminars and training sessions, including travel and subsistence costs for participants, costs associated with securing the services of trainers and seminar speakers, rental of facilities, preparation and reproduction of training and seminar materials, and other costs directly related to meetings, seminars and training preparation and implementation;

(b) “Operating costs” means the incremental expenditures incurred on account of the Project implementation including, inter alia, office supplies, transportation, office administration,
insurance, communication and outreach and salaries of locally contracted employees, but excluding salaries of officials of Recipient’s civil service.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 14, 2012.

### Article IV

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s Minister of Finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance and National Planning  
P.O. Box 50062 Chimanga Road  
Lusaka  
Republic Zambia

<table>
<thead>
<tr>
<th>Cable:</th>
<th>Telex:</th>
<th>Facsimile:</th>
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<tbody>
<tr>
<td>MINFIN</td>
<td>42221</td>
<td>260-211-253494</td>
</tr>
<tr>
<td>Lusaka</td>
<td></td>
<td>260-211-251078</td>
</tr>
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</table>

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

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

<table>
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<td>INDEVAS</td>
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<tr>
<td>Washington, D.C.</td>
<td>64145</td>
<td>(MCI)</td>
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