Mr. Aldo Dell’Ariceia,
EU Head of Delegation
European Union
Arundel Office Park
Mount Pleasant
Harare Zimbabwe

Amendment to Administration Agreement between
the European Community, represented by the Commission of the European
Communities ("Commission") (Donor) and International Development
Association (IDA) concerning the Multi-Donor Trust Fund for Zimbabwe
(TF No. 070941)

Dear Sir,

I refer to the Administration Agreement between the European Community, represented by the Commission of the European Communities ("Commission") (Donor) and the International Development Association (World Bank) dated March 19, 2008 (EU Ref 9ACP ZIM 13), as amended to the date of this letter agreement ("Agreement"), concerning the above captioned Multi-donor Trust Fund (MDTF) for Zimbabwe (TF070941), and to the recent discussions of the Policy Committee for the MDTF regarding restructuring of the MDTF.

In view of the above, the World Bank hereby proposes to amend Annex I and 2 of the Agreement as follows (all Sections, Articles and Annexes refer to Sections and Articles of, and Annexes to the Agreement):

1. Annex 1 is replaced by the revised text as set forth in the Annex to this amending letter.
2. Article 3 is amended to read as follows:

"Article 3

Completion date

It is expected that an amount of the trust fund equal to the Grant funds will be fully utilized in accordance with the provisions of this Administration Agreement by June 30, 2013 (the Completion Date), and the closing date of TF will be December 31, 2012. IDA will only disburse the Grant funds (i.e., the European Community's pro rata share of the funds remaining in the trust fund, including any investment income added thereto), for the purposes of this Administration Agreement after the completion date upon the prior written approval of the Commission."
Section 8.1 of Annex 2 is amended to read as follows:

"8.1. It is expected that the Contributions will be fully disbursed by the IDA by June 30, 2013. The IDA shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.

In all other respects, the Agreement will remain in full force and effect.

The World Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on this Trust Fund.

Please confirm your agreement to these proposed amendments by countersigning and dating a copy of this letter in the space provided and returning the countersigned copy to the World Bank.

Pursuant to the provisions of the Agreement, which require agreement by all the donors contributing to the MDTF (Donors) of any amendment to Annex 1 to the Agreement, a similar letter to this one is being sent to all Donors. These amendments will take effect upon receipt by the World Bank of a countersigned copy of such letter from each of the Donors. The World Bank will promptly inform you when it has received all such countersigned copies and the above amendments have entered into effect.

Sincerely,

/s/ Nqinya Mungai Lenneiye
Country Manager for Zimbabwe
Africa Region

AGREED:

FOR THE EUROPEAN COMMUNITY

By: /s/ Aldo Delf Adocia
Title: Ambassador - Head of Delegation
Date: 16.12.2010
Annex 1 (Amended)

Description of Activities and Expenditures under the
Multi-Donor Trust Fund for Zimbabwe

Section 1. Objectives

The objectives of the MDTF are to lay the groundwork for re-engagement by donors and the World Bank in Zimbabwe through: (i) analytical work on the key development challenges facing Zimbabwe; (ii) development of suitable instruments enabling the Government of Zimbabwe and donors to respond quickly to changing country conditions; and (iii) facilitating donor coordination.

Section 2. Governance Structure

(a) Policy Committee

A policy committee (Policy Committee) comprised of a representative of each of the donors contributing to this Trust Fund (Donors) and by a representative of the World Bank, will provide strategic guidance on the activities to be financed under the MDTF and review progress on resource utilization.

The Policy Committee will be co-chaired by the representative of the World Bank, and by the representative of one of the Donors, who will serve on a rotating basis for a period of six months. The Policy Committee will be supported by the Secretariat.

The Policy Committee will determine its procedures, including the timing and venue of its meetings. Participants in the Policy Committee meetings will be expected to pay their own transportation, lodging and other expenses to and during the meetings.

(b) Technical Review Groups

To facilitate the implementation of the MDTF, the Policy Committee may establish one or more technical review groups (Technical Review Group) comprised of experts in areas of priority focus of the MDTF. Initially, there will be three Technical Review Groups, with expertise, respectively, in (i) economic analysis, including private sector development, public sector management, public finance management and governance; (ii) infrastructure; and (iii) agrarian issues.

Each Technical Review Group will be chaired by an expert in the area of focus of such group, designated by one of the Donors, and will comprise technical experts appointed by the Donors. The chair of each Technical Review Group will serve for a period of six months. Each Technical Review Group will be supported by the Secretariat.
Each Technical Review Group will determine its own procedures, including the timing and venue of its meetings. Participants in the Technical Review Group meetings will be expected to pay their own transportation, lodging and other expenses to and during the meetings.

Each Technical Review Group will be responsible for: (i) sharing knowledge in the area of its expertise and identifying priorities in such area for MDTF financing; (ii) developing terms of reference and concept notes for studies and technical assistance interventions in its area of expertise proposed to be carried out by experts recruited by the Secretariat and to be financed under the MDTF; (iii) monitoring progress in the carrying out of such studies and TA interventions which are so financed; (iv) providing quality assurance and reviewing the outputs of such studies and TA interventions before their review by the Secretariat for approval and finalization; (v) liaising with the Government Sector Working Group, with Government officials as appropriate and other donor groups in Zimbabwe dealing with matters covered by the Technical Review Group and promoting synergies among individual donor initiatives in Zimbabwe.

(c) Secretariat

The Policy Committee and Technical Review Groups will be supported by a secretariat comprised of World Bank staff and located in the World Bank’s office in Harare, Zimbabwe.

The Secretariat will be responsible for: (i) organizing meetings of the Policy Committee and Technical Review Groups, and preparing minutes of such meetings; (ii) preparing and implementing annual work programs for the MDTF; (iii) managing the MDTF resources, budgets and programs; (iv) reviewing proposals furnished by the Technical Review Groups for financing under the MDTF to ensure their suitability for such financing and consistency with the objectives and priorities of the MDTF, and approving such proposals; (v) monitoring the activities so financed; (vi) maintaining a procurement planning and monitoring system for such activities; and (vii) handling communications and logistics regarding the MDTF, and together with the TRGs keeping the Zimbabwe Ministry of Finance and other Government agencies informed of the activities of the MDTF.

The Secretariat's costs will be funded out of the MDTF, as described in Section 4 below.

Section 3. Activities

The activities to be financed under the MDTF consist of demand-driven activities of the following nature, carried out in furtherance of the objectives and themes of the Interim Strategy Note of enhanced country knowledge, economic regulation, and development of mechanisms for quick re-engagement:
Bank executed activities consisting of: (i) stand-alone analytical studies designed to enhance country knowledge and prepare a framework for future development assistance; (ii) development of data and information management systems designed to further such knowledge; (iii) knowledge exchanges (e.g., workshops, conferences and field visits) designed to facilitate the coordination and contributions of development partners to address priority development issues in Zimbabwe; (iv) technical assistance and experts placement; (v) support to the Policy Committee and Technical Review Groups; and (v) operation of the Secretariat.

Section 4. Categories of Expenditures

Bank-executed Activities: The Contribution funds may be used to finance the following categories of expenditures for Bank-executed activities: World Bank staff working for the Secretariat, including direct, indirect and sustaining costs, as well as field benefits, of such staff related to such work, consultants' fees, extended term consultants, temporary staff costs, contractual services, associated overheads, travel expenses, leasing of equipment, and media and workshops.