Dear Mr. Droz:

1. We are pleased to acknowledge on behalf of the International Development Association ("IDA") the intention of Switzerland as represented by the Swiss Agency for Development and Cooperation (SDC) (the "Donor") to make available as a grant the sum of three hundred thousand USD (USD 300,000) (the "Contribution") for the Analytical Multi-Donor Trust Fund. Other donors are also expected to contribute to this Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

2. The Contribution will be used to finance the activities and the categories of expenditure set forth in the "Description of Activities and Expenditures under the Multi-Donor Trust Fund for Zimbabwe" attached hereto as Annex 1 (the "Description of the Activities"). The Description of the Activities constitutes an integral part of this Agreement.

3. The Contribution will be administered by IDA on behalf of the Donor in accordance with the terms of this Agreement and the "Standard Provisions Applicable to the Multi-Donor Trust Fund for Zimbabwe" (the "Standard Provisions") attached hereto as Annex 2. The Standard Provisions constitute an integral part of this Agreement.

4. The Donor shall deposit Contribution into such bank account as shall be designated by the Bank promptly following countersignature of this agreement by the Donor and submission of a payment request by the Bank. When making such deposit, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for the TF No. 071603 (Analytical Multi-donor Trust Fund for Zimbabwe), and the date of the deposit. In addition the Donor shall provide a copy of the deposit instruction to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.
5. The Multi Donor Trust Fund will be maintained in United States Dollars. If a Contribution is made in another currency, IDA will convert the Contribution upon receipt into United States Dollars.

6. 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.

7. The offices responsible for coordination of all matters related to the implementation of this Agreement are:

   For IDA:
   Mr. Nginya Mungai Lenneiye
   Manager
   Zimbabwe Country Office
   The World Bank
   Harare, Zimbabwe

   For the Donor:
   Mr. Francois Droz
   Resident Director
   Swiss Agency for Development and Cooperation (SDC)
   Swiss Cooperation Office
   South Africa

8. This Agreement may be amended only by written agreement between IDA and the Donor; provided, however, that Annex 1 (Description of Activities and Expenditures) and Annex 2 (Standard Provisions) to this Agreement may only be amended with the agreement of all Donors contributing to this trust fund.

9. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by IDA of the copy of this Agreement countersigned by SDC, this Agreement will become effective as of the date of the countersignature.

   Sincerely,

   By /s/ Nginya Mungai Lenneiye
   Country Manager for Zimbabwe
   Africa Region
CONFIRMED AND AGREED:
Swiss Agency for Development and Cooperation (SDC)
By: /s/ Francois Droz
Title: Resident Director
Date: December 2, 2011
ANNEX 1

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.
ANNEX 2

Standard Provisions Applicable to the Multi-Donor Trust Fund for Zimbabwe

The following provisions (hereinafter referred to as the “Standard Provisions”) will be applicable to and form an integral part of all arrangements entered into between the International Development Association (“IDA”) and donor countries and/or organizations (hereinafter referred to as the “Donors”) that provide grants (referred to as the “Contributions”) to be administered by IDA for the Multi-Donor Trust Fund for Zimbabwe (the “Project”).

1. Administration of the Contributions

IDA will be responsible only for performing those functions specifically set forth in this Arrangement and will not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Arrangement will be considered a waiver of any privileges or immunities of IDA under its Articles of Agreement or any applicable law, all of which are expressly reserved.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contribution funds will be accounted for as a single trust fund and will be kept separate and apart from the funds of IDA. The Contribution funds may be commingled with other trust fund assets maintained by IDA.

2.2. The Contribution funds may be freely exchanged by IDA into other currencies as may facilitate their disbursement.

2.3. IDA will invest and reinvest the Contribution funds pending their disbursement in accordance with IDA’s policies and procedures for the investment of trust funds administered by IDA. IDA will credit all income from such investment to the trust fund established under this Arrangement to be used for the same purposes as the Contribution funds.

3. Administrative Cost Recovery

In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may: (a) following deposit of the Original Contribution funds, deduct from such funds and retain for its own account an amount equal to five percent (5%) of each Original Contribution; and (b) deduct and retain for its own account an amount equal to two percent (2%) of each of the Contribution and the Second Supplemental Contribution. In addition, costs for Trust Fund program management and administration up to a maximum of USD 1,762,216 will be charged to the Trust Fund on an actual basis.

4. Grants to Recipients

4.1. IDA will, as administrator on behalf of the Donors, enter into grant agreements (the “Grant Agreements”) with one or more entities (the “Recipients”) for the provision of
Contribution funds for the purposes of this Agreement and on the terms and conditions set forth in the Grant Agreements. IDA will furnish a copy of each Grant Agreement to the Donors.

4.2. IDA will be solely responsible for the supervision of Project activities financed under the Grant Agreements.

4.3. If, in IDA’s opinion, an amount of the Contribution funds allocated to any of the expenditure categories specified in the Grant Agreements will be insufficient to finance the expenditures for such category, the Bank may reallocate to such category an amount of the Contribution funds then allocated to another category which, in IDA’s opinion, will not be necessary to meet other expenditures. IDA will notify the Donors of such a reallocation.

5. Employment of Consultants and Procurement of Goods

5.1 For Bank-Executed Activities, the employment and supervision of consultants and the procurement of goods financed by the Contributions will be the responsibility solely of IDA and will be carried out in accordance with its applicable policies and procedures.

5.2. For Recipient-Executed Activities, the Grant Agreements will provide that the Contributions will be used by the Recipients to finance expenditures for goods, works and services, as the case may be, in accordance with the World Bank’s Guidelines on “Procurement under IBRD Loans and IDA Credits” and the World Bank’s Guidelines on the “Selection and Employment of Consultants by World Bank Borrowers,” as in effect at the date of the Grant Agreements.

6. Accounting and Financial Reporting

6.1. IDA will maintain separate records and ledger accounts in respect of the Contributions deposited in the trust fund account and disbursements made therefrom.

6.2. Within ninety (90) days of each March 31, June 30, September 30 and December 31, IDA will furnish to the Donors an unaudited cash-based statement of receipts, disbursements and fund balance in United States Dollars with respect to the Contributions. After all commitments and liabilities under this trust fund have been satisfied and the trust fund has been closed, IDA will furnish to the Donors a final unaudited cash-based statement of receipts, disbursements and fund balance in United States Dollars with respect to the Contribution funds.

6.3. IDA will also provide the Donors with copies of all financial statements and auditors’ reports received by IDA from the Recipients pursuant to the Grant Agreements.

6.4. IDA will provide to the Donors, within six (6) months following the end of each Association fiscal year, a management assertion together with an attestation from IDA’s external auditors concerning the adequacy of internal control over cash-based financial reporting for trust funds as a whole. The cost of such attestations will be borne by IDA.

6.5. If a Donor wishes to request, on an exceptional basis, a financial statement audit by IDA’s external auditors of the trust fund established under this Arrangement, the Donor and IDA will first consult as to whether such an external audit is necessary. IDA and the Donor will agree on the most appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank will arrange for such external audit. The costs of any such audit, including the internal costs of IDA with respect to such audit, will be paid by the Donor.
7. **Coordination and Project Reporting**

7.1. IDA will provide the Donors with quarterly reports on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.1, IDA will furnish to the Donors a final report on the Project activities.

7.2. IDA will promptly inform the Donors of any significant modification to the terms of the Grant Agreements and of any contractual remedy that is exercised by IDA under the Grant Agreements. To the extent practicable, IDA will afford the Donors the opportunity to exchange views with IDA before effecting any such modification or exercising any such remedy.

8. **Disbursement Deadline; Cancellation; Refund**

8.1. It is expected that the Contribution funds will be fully disbursed by IDA in accordance with the provisions of this Arrangement by June 30, 2013. IDA will only disburse Contribution funds for the purposes of this Arrangement after such date with the written approval of the Donors.

8.2. Any Donor or IDA may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share of any remaining balance of the Contribution funds that is not committed pursuant to any agreements entered into between IDA and any consultants and/or other third parties for the purposes of this Arrangement prior to the receipt of such notice.

8.3. Upon the final disbursement date specified in paragraph 8.1, IDA will return any remaining balance of the Contribution funds to the Donors on a pro rata basis. In the event of a cancellation of an individual Donor’s pro rata share of uncommitted Contribution funds in accordance with paragraph 8.2, IDA will return such cancelled balance to the Donor.

9. **Disclosure**

IDA may disclose this Arrangement and information on this trust fund in accordance with the Bank’s policy on disclosure of information.

10. **Use of Funds**

10.1. Recognizing the obligations of IDA member countries under the various United Nations Security Council Resolution to take measures to prevent financing of terrorists, IDA undertakes to use reasonable efforts, consistent with IDA's Articles of Agreement and policies, including those pertaining to combating financing of terrorists, to ensure that the funds provided under any Administration Agreement are used for their intended purposes and are not diverted to terrorists and their agents.

10.2. IDA will include a provision in each Grant Agreement that the Recipient will: (a) not use the proceeds of the grant for the purposes of any payment to persons or entities, or for the import of goods, if such payment or import, to the Recipient's knowledge or belief, is prohibited by decisions of the United Nations Security Council take under Chapter VII of the Charter of the United Nations; and if applicable, (b) include a corresponding provision in any sub-grant agreements that the Recipient enters into with entities to which the Recipient makes the grant funding available.