

Administration Arrangement between the Government of Canada and the International Bank for Reconstruction and Development and the International Development Association concerning the Multi-Donor Trust Fund for the Zimbabwe Reconstruction Fund

(Trust Fund No TF073043 parallel to original Trust Fund No. TF072201)

1. The International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”) acknowledge that the Government of Canada, as represented by Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development (the “DFATD”) (the “Donor”, and together with the Bank, the “Participants” and each a “Participant”) has decided, subject to legislative appropriations, to provide the sum of one million and two hundred thousand United States Dollars (US\$1,200,000) (the “Contribution”) for the Multi-Donor Trust Fund for the Zimbabwe Reconstruction Fund (Trust Fund No. TF073043) (the “Trust Fund”) in accordance with the provisions of this Administration Arrangement. Other donors are also expected to contribute to the Trust Fund on the basis specified in the Annexes to this Administration Arrangement.
2. The Contribution will be used to finance the activities set forth in the “Multi-Donor Trust Fund for the Zimbabwe Reconstruction Fund Description” attached hereto as Annex 1, and will be administered by the Bank on behalf of the Donor in accordance with the provisions of this Administration Arrangement, including the “Standard Provisions” attached hereto as Annex 2 and the provisions on “Governance” attached hereto as Annex 3.
3. The Donor authorizes the Bank, promptly following countersignature of this Administration Arrangement, to transfer the Contribution in the full amount and currency specified in paragraph 1 above from the Donor Balance Account (TF029048) to this Trust Fund (Trust Fund No. TF073043).
4. The Donor has expressed its preference that the Contribution be used to finance investment in economic and social reconstruction and development. It is understood that the Bank cannot ensure that the Contribution will be used for such preference and that the Bank will not have any obligation to the Donor if such preference cannot be achieved.
5. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Arrangement will be in writing and delivered by mail, fax or e-mail to the respective Participant’s address specified below or at such other address as such Participant notifies in writing to the other Participant from time to time:

For the Bank (the “Bank Contact”):

Ms. Rosemary Mukami Kariuki
Country Manager for Zimbabwe
Zimbabwe Country Office
The World Bank
Harare, Zimbabwe
Tel: 263 4 701233
E-mail: rkariuki@worldbank.org

For the Donor (the “Donor Contact”):

Joe Goodings
Deputy Director
Mozambique Program, Sub-Saharan Africa Branch
Global Affairs Canada
125 Sussex Drive
Ottawa ON K1T 0G5
Tel: 1-343-203-3242
E-mail: joe.goodings@international.gc.ca

6. In the event any amounts are to be returned to the Donor under this Administration Arrangement, the Bank will transfer such amounts to the Donor’s applicable donor balance account with the Bank, unless otherwise mutually decided with the Bank.

7. At the date of Bank’s signature of this Administration Arrangement, the Indirect Rate (as defined in Annex 1 to this Administration Arrangement) is 17%.

8. The Donor: (i) seeks to ensure that no current or former public office holder, member of the Canadian House of Commons, member of the Senate or public servant of the Government of Canada who is not in compliance with the Canadian Conflict of Interest Act, 2006, c. 9, s. 2, the Conflict of Interest Code for Members of the House of Commons, the Conflict of Interest Code for Senators, the Values and Ethics Code for the Public Service and the Values and Ethics Code for the Public Sector will derive a direct benefit from this Administration Arrangement; and (ii) recognizes that it is the obligation of such persons to ensure compliance with their obligations under the above Canadian laws and codes.

9. All annexes hereto constitute an integral part of this Administration Arrangement, whose terms taken together will constitute the entire arrangement between the Donor and the Bank. Unless otherwise specified in an annex hereto, this Administration Arrangement may be amended only by written amendment between the Bank and the Donor; provided, however, that any annexes to this Administration Arrangement may be amended only by written amendment of all donors contributing to the Trust Fund.

10. It is understood that this Administration Arrangement, including any annexes, is not an international treaty and is not eligible for registration as a treaty under Article 102 of the United Nations Charter, nor is it, in the Donor’s understanding, any other form of international agreement. It is an administrative arrangement between the Bank and the Donor.

11. All references made in the Annexes to “shall”, “Administration Agreement” and “Parties” will have the same meaning as the term “will”, “Administration Arrangement” and “Participants” herein. In addition, references in the Annexes to “agreements” or to tenses of the verb “to agree” will be deemed to constitute references to “decisions” or to tenses of the verb “to decide”, and references to “comply”, “non-compliance” and “obligations” will be deemed to constitute references to “adhere”, “non-adherence” and “terms”.

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12. Each of the Participants represents, by confirming its acceptance below, that it is authorized to enter into this Administration Arrangement and act in accordance with its provisions. The Bank and the Donor are each requested to sign and date this Administration Arrangement, and upon possession by the Bank of this fully signed Administration Arrangement, this Administration Arrangement will come into effect as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By:  _____

Name: Rosemary Mukami Kariuki

Title: Country Manager for Zimbabwe

Date: 08-Sep-2020 _____

DEPARTMENT OF FOREIGN AFFAIRS, TRADE AND DEVELOPMENT

By:  _____

Name: René Cremonese

Title: Ambassador (Zimbabwe and Angola), High Commissioner for Canada (Botswana)

Date: 09-Sep-2020 _____

Multi-Donor Trust Fund for the Zimbabwe Reconstruction Fund - Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the “Administration Agreements” and each an “Administration Agreement”) between the Bank and any entities that provide any funds to the Trust Fund (collectively, the “Donors”).

1. Objectives

The objective of the Trust Fund is to contribute to strengthen the Recipient’s systems for reconstruction and development with a focus on stabilization and reform, reconstruction, development and poverty alleviation.

The Zimbabwe Reconstruction Fund (“ZIMREF”) would also foster donor coordination. The objectives of the ZIMREF will be achieved through:

- (i) Support to analytical work on key Zimbabwe development challenges.
- (ii) Support to investments in economic and social reconstruction.
- (iii) Support to national and local efforts to improve the business environment in the Recipient’s territory, with a special focus on employment generation and poverty reduction strategies led by the private sector.
- (iv) Strengthening public sector management systems, institutional reforms and capacities for greater efficiency, relevance effectiveness, and accountability in service delivery; with a special emphasis on demand-side approaches.

2. Activities

The activities (which may be described as “components” of activities) to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

- Analytical and advisory work
- Impact evaluations
- Project supervision
- Program management and administration activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program

2.2 Recipient-executed activities, for which one or more Recipients (as defined in Annex 2) have implementation responsibility:

- Activities leading to private sector development; Activities leading to capacity development
- Activities leading to improved livelihoods and resilience
- Investments in economic and social reconstruction and development
- Activities leading to improved transparency and accountability

3. Eligible Expenditures

3.1. The following eligible expenditures categories may be used to finance Bank-executed activities:

- (a) staff costs (excluding short term consultants and temporaries);
- (b) short-term consultants and temporaries;
- (c) contractual services;
- (d) media, workshops, conferences and meetings;
- (e) travel expenses; and
- (f) equipment and office premises lease cost.

3.1.A For purposes of the above expenditure categories: (i) “staff costs (excluding short term consultants and temporaries)” includes salaries, benefits and Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (ii) “short term consultants and temporaries” includes fees and Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures.

3.1.B The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the Development Partner Center website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

3.2. For Recipient-executed activities, the Trust Fund funds may be used to finance:

- (a) civil works;
- (b) consultants’ services;
- (c) non-consulting services;
- (d) goods;
- (e) operating costs; and
- (f) training.

4. Program Criteria

4.1 Activities are to be financed in accordance with the program and Operational Guidelines manual to be developed in consultation with the Recipient and the Donors.

Standard Provisions

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. Administration of the Contributions

1.1 The Bank will be responsible only for performing those functions specifically set forth in this Administration Agreement 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 Administration Agreement will be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2 Each Donor's Contribution (collectively, the "Contributions") will be administered in accordance with the Bank's applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. Management of the Contributions

2.1 The funds deposited in the Trust Fund will be accounted for as a single trust fund and will be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2 The currency in which the funds in the Trust Fund will be held is United States Dollars (the "Holding Currency").

2.3 Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank will convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor will bear any responsibility for providing any additional financing.

2.4 The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5 The Bank will invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank's applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank will credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

3. Accounting and Financial Reporting

3.1 The Bank will maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2 The Bank will furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the World Bank's Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions will be made available to the Donors via the World Bank's Trust Funds Donor Center secure website.

3.3 The Bank will provide to the Donors via the World Bank's Trust Fund Donor Center secure website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising: (i) a management assertion together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank's external auditor's opinion thereon. The cost of the single audit will be borne by the Bank.

3.4 If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the Trust Fund, the Donor and the Bank will first consult as to whether such an external audit is necessary. The Bank and the Donor will agree on the 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 the Bank with respect to such audit, will be borne by the requesting Donor.

3.5 The Bank will make available to the Donors copies of all financial statements and auditors' reports received by the Bank from Recipients pursuant to any Grant Agreements (as defined below) in accordance with the Bank's Access to Information Policy.

4. Progress Reporting

4.1 The Bank will provide the Donors with annual reports on the progress of activities financed by the Contributions. Within six (6) months of the End Disbursement Date (as defined below), the Bank will furnish to the Donors a final report on the activities financed by the Trust Fund.

4.2 Any Donor may review or evaluate activities financed by the Trust Fund at any time up to six (6) months following the End Disbursement Date. The Donor and the Bank will agree on the scope and conduct of such review or evaluation, and the Bank will provide all relevant information within the limits of the Bank's applicable policies and procedures. All associated costs, including any costs incurred by the Bank, will be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

5. Disbursement; Cancellation; Refund

5.1 It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by December 31, 2021 (the "End Disbursement Date"). The Bank will only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements

of all the Donors. Following the End Disbursement Date, the Bank will return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2 Any Donor may cancel all or part of such Donor's pro rata share, and the Bank may cancel all or any Donors' pro rata shares, upon three (3) months' prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank will return to the relevant Donor or Donors in the Holding Currency in the manner specified by each such Donor in its respective Administration Agreement the pro rata share(s) of any such uncommitted balance of the Trust Fund, in accordance with any additional terms that may be agreed between the Bank and each such Donor.

6. Disclosure; Dispute Resolution

6.1 The Bank will disclose the Administration Agreements and related information on this Trust Fund in accordance with the Bank's Policy on Access to Information. By entering into Administration Agreements, the Donors consent to such disclosure of their respective Administration Agreements and such related information.

6.2 The Donors and the Bank will use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7. Grants to Recipients

7.1 In accordance with the governance structure provided in Annex III of this Administration Agreement, the Bank will, as administrator of the Trust Fund on behalf of the Donors, enter into one or more grant agreements (the "Grant Agreements") with recipients (the "Recipients") consistent with the purposes of this Administration Agreement and on the terms and conditions set forth in the Grant Agreements. Grant Agreements may be entered into up to the maximum amount of the Contributions that all Donors have agreed to make available under the Administration Agreements between the Bank and the Donors.

7.2 The Bank will be responsible for the supervision of the activities financed under any Grant Agreements. Subject to the consent of any relevant Recipients, representatives of the Donors may be invited by the Bank to participate in Bank supervision missions related to the Trust Fund.

7.3 The Bank will promptly inform the Donors of any significant modification to the terms of any Grant Agreements and of any contractual remedies that are exercised by the Bank under any Grant Agreements. To the extent practicable, the Bank will afford the Donors the opportunity to exchange views before effecting any such modification or exercising any such remedy.

8. Trust Fund Fee

8.1 The Bank shall calculate a fee each time funds (the "Grant Amount") from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the "Calculation Date"). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the "Cumulative Grant Total"). The calculated fee shall

depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

- (i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US\$ 50 million or equivalent; plus
- (ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US\$ 50 million or equivalent and below or equal to US\$ 500 million or equivalent; plus
- (iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US\$ 500 million or equivalent and below or equal to US\$ 1 billion or equivalent; plus
- (iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US\$ 1 billion or equivalent.

8.2 Following each Calculation Date, the Bank shall deduct from the trust fund account, Trust Fund No TF073043, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in such account net of the related fee.

Governance

This Annex will be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

A two-tier governance structure is proposed for the Zimbabwe Reconstruction Fund: (a) a policy oversight committee responsible for policy oversight, resource mobilization, and project/grant approvals; and (b) technical working groups responsible for technical and eligibility screening of project/grants. The two structures will be supported by a secretariat based in Harare and project support teams. The effectiveness of the governance structure would be assessed after 6-12 months of Trust Fund operation. In its role as ZIMREF administrator, the Bank would be responsible for, among others: overall management of the Trust Fund; technical oversight and quality control for Trust Fund funded projects in accordance with Bank policies and procedures; and establishment and management of the secretariat.