

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF 035568

Global Environment Facility Trust Fund Grant Agreement

(Park Rehabilitation and Conservation Project)

between

REPUBLIC OF ZIMBABWE

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated June 25, 1998

GEF TRUST FUND GRANT NUMBER TF 035568

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT, dated June 25, 1998, between REPUBLIC OF ZIMBABWE (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as an implementing agency of the Global Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by certain members of the Bank as participants of the GEF.

WHEREAS (A) the Bank, pursuant to Resolution No. 91 5 of March 14, 1991, of the Executive Directors of the Bank, established the GEF to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) following the restructuring of the GEF, such arrangements are continued in place on the basis set forth in Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank establishing the GEF Trust Fund;

(C) the Recipient, having satisfied itself as the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the resources of the GEF Trust Fund in the financing of the Project, and the Bank has determined that such assistance would be in accordance with the provisions of Resolution No. 94-2 referred to above;

(D) the Recipient has also requested International Development Association (the Association) to provide additional financing towards the financing of the Project and, by an agreement of even date herewith between the Recipient and the Association (the Development Credit Agreement), the Association has agreed to provide such assistance in an aggregate principal amount equivalent to forty six million three hundred thousand Special Drawing Rights (SDR 46,300,000) (the Development Credit); and

(E) the Bank has received a letter, dated April 21, 1998, from the Recipient describing a program of actions, objectives and policies designed to strengthen its capacity to maintain and develop its national parks, and protect wildlife populations and their habitats (the Program), and declaring the Recipient's commitment to the execution of the Program; and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the GEF Trust Fund Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01 (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, as amended through December 2, 1997, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
  - (ii) Sections 2.01 (2), (3), (4), (6), (8), (9), (10), (15), (16), (17), (19) and (20), 2.02 and 2.03;
  - (iii) Section 3.01;
  - (iv) Section 4.01 and the first sentence of Section 4.09;
  - (v) Article V;
  - (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (g), (h), (i) and (p), 6.03, 6.04 and 6.06;
  - (vii) Section 8.01 (b);
  - (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
  - (ix) Sections 10.01, 10.03 and 10.04;
  - (x) Article XI; and
  - (xi) Sections 12.01 (c), 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:
- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: "the term "Special Drawing Rights" and the symbol "SDR" mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement";
  - (ii) the term "Bank", wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Bank acting as an implementing agency of the GEF, except that in Section 6.02, the term "Bank" shall also include the Bank acting in its own capacity;
  - (iii) the term "Borrower", wherever used in the General Conditions, means the Recipient;
  - (iv) the term "Loan Agreement", wherever used in the General Conditions, means this Agreement;

(v) the term "Loan" and "loan", wherever used in the General Conditions, means the GEF Trust Fund Grant;

(vi) the term "Loan Account", wherever used in the General Conditions, means the GEF Trust Fund Grant Account;

(vii) a new subparagraph (q) is added after subparagraph (p) in Section 6.02 of the General Conditions, as follows: "an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund Grant would exceed the resources available for disbursement from the GEF."

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth, and the following additional terms have the following meanings:

(a) "Beneficiary" means a group of two or more local community participants, which is determined to be eligible for a Subgrant, as hereinafter defined, in terms of the eligibility criteria specified in the Procedures Manual, as hereinafter defined, and for whose benefit a Subgrant is provided, or proposed to be provided;

(b) "Beneficiary Contract" means a contract between the Recipient and a Beneficiary, and referred to in paragraph 6 (f) of Schedule 4 to this Agreement;

(c) "DNPWLM" means the Department of National Parks and Wild Life Management of MMET, as hereinafter defined;

(d) "Environmental Management Plan" means the environmental management plan, dated January 29, 1998, giving details of measures needed to address, prevent or mitigate any adverse environmental impact of investments under Part C of the Project;

(e) "Fund" means the Parks and Wild Life Conservation Fund, a fund established by the Borrower in January 1996, and existing and operating according to the Fund Constitution, as hereinafter defined;

(f) "Fund Constitution" means the constitution of the Parks and Wild Life Conservation Fund, adopted by the Borrower's Ministry of Finance, pursuant to Section 30 of the Audit and Exchequer Act (Chapter 168), as amended pursuant to Section 6.01 (b) of this Agreement;

(g) "Subgrant" means a grant made or proposed to be made out of the proceeds of the GEF Trust Fund Grant for the benefit of a Beneficiary to finance a Subproject, as hereinafter defined;

(h) "MLGNH" means the Borrower's Ministry of Local Government and National Housing;

(i) "MMET" means the Borrower's Ministry of Mines, Environment and Tourism;

(j) "MRRWD" means the Borrower's Ministry of Rural Resources and Water Development;

(k) "Planning Unit" means the Planning Unit of DNPWLM;

(l) "Project Implementation Plan" means the Project Implementation Plan adopted by the Recipient pursuant to Section 6.01 (a) of this Agreement, and referred to in paragraph 2 (a) (i) of Schedule 4 hereto, as same may be amended from time to time, and such term includes any schedules to the Project Implementation Plan;

(m) "National Parks" means the Borrower's designated national parks; namely, Chimanimani, Chizarira, Gonarezhou, Hwange, Kazuma Pan, Mana Pools, Matobo, Matusadona, Nyanga, Zambezi and Victoria Falls;

(n) "Procedures Manual" means the Procedures Manual adopted by the Recipient pursuant to paragraph 3 (b) (i) of Schedule 1 to this Agreement, and referred to in paragraph 2 (a) (ii) of Schedule 4 hereto, as same may be amended from time to time, and such term includes any schedules to the Procedures Manual;

(o) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement;

(p) "Subproject" means a community-based activity referred to under Part C (c) of the Project, and in respect of which a Subgrant is provided, or proposed to be provided, for the benefit of a Beneficiary;

(q) "Zimbabwe Dollar" or "Z\$" means the currency of the Borrower.

## ARTICLE II

### The GEF Trust Fund Grant

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Trust Fund Grant in an amount in various currencies equivalent to three million seven hundred thousand Special Drawing Rights (SDR 3,700,000).

Section 2.02. (a) The amount of the GEF Trust Fund Grant may be withdrawn from the GEF Trust Fund Grant Account in accordance with the provisions of Schedule 1 to this Agreement for: (i) expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for carrying out the Project and to be financed out of the proceeds of the GEF Trust Fund Grant; and (ii) amounts paid (or, if the Bank shall so agree, to be paid) on account of withdrawals made for the benefit of a Beneficiary under a Subgrant to meet the reasonable cost of eligible expenditures relating to a Subproject, and in respect of which the withdrawal from the GEF Trust Fund Grant Account is requested.

(b) The Recipient may, for the purposes of Part C of the Project, open and maintain in Dollars a special deposit account in a commercial bank on terms and conditions satisfactory to the Bank, including appropriate protection against set off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be September 30, 2005, or such later date as the Bank shall establish. The Bank shall promptly notify the Recipient of such later date.

## ARTICLE III

### Execution of the Project

Section 3.01 (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through MMET with due diligence and efficiency, and in conformity with appropriate administrative, financial, engineering and technical practices, and with due regard to ecological and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section, and except as the Recipient and the Bank shall otherwise agree, the Recipient shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement and the Environmental Management Plan.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for Part C of the Project and to be financed out of the proceeds of the GEF Trust Fund Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. For the purposes of Section 9.08 of the General Conditions and without limitation thereto, the Recipient shall:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Bank, a plan for the future operation of the Project; and

(b) afford the Bank a reasonable opportunity to exchange views with the Recipient on said plan.

Section 3.04. For the purposes of Part C (c) of the Project, the Recipient shall allocate an amount of the GEF Trust Fund Grant not exceeding such amount as may be allocated from time to time to Category (3) of the table in paragraph 1 of Schedule 1 to this Agreement, to provide Subgrants to finance Subprojects designed to contribute to conservation and sustainable use of the protected area adjacent to the Gonarezhou National Park and its biological resources, on the terms and conditions specified in paragraph 6 of Schedule 4 to this Agreement, and on such other terms and conditions as shall be acceptable to the Bank.

#### ARTICLE IV

##### Financial Conditions

Section 4.01. (a) The Recipient shall establish and maintain a financial management system, including records and accounts, and prepare financial statements in a format acceptable to the Bank, adequate to reflect the operations, resources and expenditures for and in connection with the carrying out of Part C of the Project.

(b) The Recipient shall:

(i) have the records, accounts and financial statements referred to in paragraph (a) of this Section, and the records and accounts for the Special Account for each fiscal year audited, in accordance with auditing standards acceptable to the Bank consistently applied, by independent auditors acceptable to the Bank,

(ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year, (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year as so audited, and (B) an opinion on such financial statements, records and accounts and a report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

(iii) furnish to the Bank such other information concerning such records and accounts and the audit thereof, and concerning said auditors, as the Bank may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Trust Fund Grant Account were made on the basis of statements of expenditure, the Recipient shall:

(i) maintain, or cause to be maintained, in accordance with paragraph (a) of this Section, records and separate accounts reflecting such expenditures;

(ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the GEF Trust Fund Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Bank's representatives to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section, and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during each fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

## Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (p) of the General Conditions, the following additional events are specified:

(a) a situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out;

(b) the Fund Constitution shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations arising under this Agreement;

(c) (i) subject to subparagraph (ii) of this paragraph (A) the right of the Recipient to withdraw the proceeds of the Development Credit made to the Recipient for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Development Credit Agreement, or (B) such Development Credit shall have become due and payable prior to the agreed maturity thereof, and

(ii) subparagraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Bank that (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Recipient to perform any of its obligations under such Development Credit Agreement, and (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

## ARTICLE VI

### Effectiveness; Termination

Section 6.01. The following events are specified as conditions to the effectiveness of the GEF Trust Fund Grant within the meaning of Section 12.01 (c) of the General Conditions:

(a) the Project Implementation Plan has been duly approved by the Bank, and adopted by the Recipient;

(b) a revised Fund Constitution, acceptable to the Bank, and providing for a clear, coherent and authoritative governance and oversight structure in respect of the Fund, shall have been adopted;

(c) the Recipient has taken appropriate steps to transfer control to DNPWLM over water supply assets of the Water Department of MRRWD, and housing and building assets of MLGNH, located in the National Parks, and owned and operated by the Water Department of MRRWD and MLGNH, respectively; and

(d) the procurement plans referred to in Part D.1 of Section I, and Part D.1 of Section II, of Schedule 3 to this Agreement have been furnished to, and approved by, the Bank.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.03. This Agreement shall continue in effect until the GEF Trust Fund Grant has been fully disbursed and the parties to this Agreement have fulfilled their obligations hereunder.

## ARTICLE VII

### Representative of the Recipient; Addresses

Section 7.01. The Minister of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02 The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

The Senior Secretary  
Ministry of Finance  
Private Bag 7705  
Causeway, Harare  
Zimbabwe

Cable address:

MINFIN  
Harare

Telex:

22141 ZW  
Zimbabwe

For the Bank:

International Bank for  
Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

INTBAFRAD  
Washington, D.C.

Telex:

248423 (MCI) or  
64145 (MCI)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF ZIMBABWE

By /s/ Amos Midzi

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT as an  
implementing agency of the Global Environment

Facility

By /s/ Callisto Madavo

Regional Vice President  
Africa

#### SCHEDULE 1

Withdrawal of the Proceeds of the GEF Trust Fund Grant

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

Amount of the GEF Trust Fund Grant Allocated (Expressed in	% of Expenditures
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	Category	SDR Equivalent)	to be Financed
(1)	Civil works	2,080,000	100% of foreign expenditures and 80% of local expenditures
(2)	Consultants' services and training	300,000	100%
(3)	Subgrants	960,000	100% of amounts disbursed
(4)	Operating costs	70,000	90%
(5)	Unallocated	290,000	
	TOTAL	3,700,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient;

(b) the term "local expenditures" means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient; provided, however, that if the currency of the Recipient is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "operating costs" means the incremental operating costs incurred under the Project on account of (i) travel costs and allowances associated with workshops and other community participation meetings, (ii) hiring of vehicles and equipment, (iii) operation and maintenance of vehicles and equipment, (iv) office rent, supplies, utilities and communications, and (v) banking charges.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made:

(a) in respect of payments made for expenditures prior to the date of this Agreement; and

(b) in respect of payments under Category (3) of the table in paragraph 1 of this Schedule, unless (i) the Procedures Manual has been duly approved by the Bank, and adopted by the Recipient, and (ii) in the case of each individual Subproject, the corresponding Subgrant has been provided in accordance with the procedures, and on the terms and conditions set forth or referred to, in this Agreement and the Procedures Manual.

4. The Bank may require withdrawals from the GEF Trust Fund Grant Account to be made on the basis of statements of expenditure for expenditures for works under contracts not exceeding \$500,000 equivalent, goods and consultants' services (firms) under contracts not exceeding \$100,000 equivalent, consultants' services (individuals) under contracts not exceeding \$50,000 equivalent, and training, under such terms and conditions as the Bank shall specify by notice to the Recipient.

5. If the Bank shall have determined at any time that any payment made from the GEF Trust Fund Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Bank, refund to the Bank for deposit into the GEF Trust Fund Grant Account, an amount equal to the amount so used or the portion thereof as specified by the Bank.

#### SCHEDULE 2

Description of the Project



The objective of the Project is to enhance the Recipient's ability to protect wildlife populations and their habitats, and develop the parks and wildlife sector, by rehabilitating or improving essential elements of infrastructure, and strengthening the institutional capacity of agencies responsible for ensuring the sustainability of investments, formulating policy and implementing wildlife programs.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Bank may agree upon from time to time to achieve such objectives:

Part A: Institutional Strengthening

1. Provision of technical advisory services, and acquisition of materials and equipment, to assist in the review, formulation and communication of policies linked to the proposed transition of DNPWLM from its current status as a line agency to that of a body operating along commercial lines.
2. Provision of technical advisory services, and acquisition of materials and equipment, to assist in organizational development of DNPWLM, including strengthening of the decision-making process, and management and oversight functions, support for the development of a modern, service-oriented, professional and technically-proficient organization operating along sound commercial lines, review of decentralization options, assessment of skills and training needs, and establishment of a performance and evaluation system.
3. Provision of technical advisory services, and acquisition of materials and equipment, to assist in the development and implementation of financial management and management information systems for the Fund, including computerization of accounting functions, decentralization of accounting and computerization to the provincial and station levels, development of internal control systems, determination of accounting policies, production of a procedures manual, determination of the cost and revenue structure of parks and stations, and the pricing structure of the parks estate, valuation of assets and business planning linked to the park planning process.
4. Provision of technical advisory services, and acquisition of materials and equipment, to assist in the preparation of an overall strategic plan for the parks and wildlife estate, including a proposed strategy on issues pertaining to the entire system of protected areas, and a guide for management planning in individual parks.
5. Provision of technical advisory services, and acquisition of materials and equipment, to assist in strengthening of park planning processes within DNPWLM, preparation of management plans for National Parks, and preparation of a practical planning manual.
6. Provision of technical advisory services, and acquisition of materials and equipment, to support development of park planning capacity.
7. Provision of technical advisory services, and acquisition of materials and equipment, to support monitoring programs and applied research pertaining to protected area management and biodiversity conservation.
8. Provision of technical advisory services, and acquisition of materials and equipment, to support strengthening of interpretation programs for the benefit of visitors to the National Parks, and education and awareness programs for the benefit of the local public.
9. Implementation of a comprehensive training program, including carrying out of a training needs assessment, regular in-service training in core substantive and skills areas, and training in park planning for the benefit of the Planning Unit of DNPWLM and National Parks staff.

Part B: Infrastructure

Rehabilitation or improvement of elements of the infrastructure of National Parks, which are essential to the efficient management of the National Parks for wildlife and habitat conservation and for sustainable commercial development, including:

(a) rehabilitation and construction of roads, water and electricity supply systems, communications, and other elements of National Parks infrastructure critical for National Parks functioning and tourism access;

(b) acquisition of tractor-based plant and equipment for road maintenance;

(c) improvement of existing housing facilities and provision of additional housing facilities for staff to replace existing sub-standard accommodation;

(d) provision of improved National Parks administrative facilities, including office space, and acquisition of equipment; and

(e) acquisition of vehicles and other equipment needed for improved National Parks management and anti-poaching operations.

Part C: Gonarezhou National Park

Strengthening of biodiversity conservation in Gonarezhou National Park and the nearby South East Lowveld, through interventions in the parks and in areas adjacent to the parks, including:

(a) rehabilitation and improvement of essential infrastructure in the park, and implementation of the park management plan;

(b) establishment of a consultative process to involve local communities and other relevant stakeholders in park planning and management and in promoting conservation opportunities outside park boundaries;

(c) provision of grants to support community-based activities outside the park to promote or develop sustainable wildlife utilization and other forms of land use that are compatible with biodiversity conservation; and

(d) provision of technical advisory services, and acquisition of materials and equipment, to support monitoring and applied research programs, as well as interpretation, and education and awareness programs.

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The Project is expected to be completed by March 31, 2005.

### SCHEDULE 3

#### Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995, and revised in January and August 1996, and September 1997 (the Guidelines), and the following provisions of this Section.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B. Grouping of contracts To the extent practicable, contracts for works shall be grouped in bid packages estimated to cost \$500,000 equivalent or more each.

Part C: Other Procurement Procedures

1. National Competitive Bidding

Works estimated to cost less than \$1,000,000 equivalent per contract, up to an aggregate amount not to exceed \$1,500,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. International Shopping

Goods estimated to cost less than \$50,000 equivalent per contract may be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. National Shopping

Goods estimated to cost less than \$10,000 equivalent per contract may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

4. Community Participation Goods and works required for Subprojects under Part C of the Project shall be procured in accordance with procedures acceptable to the Bank.

Part D: Review by the Association of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

2. Prior Review

With respect to each contract for works estimated to cost the equivalent of \$500,000 or more, or goods estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The shortlist of consultants for services, estimated to cost less than \$100,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

Community Participation Services required to assist beneficiaries in carrying out Subprojects, estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$500,000 equivalent, may be procured in accordance with procedures acceptable to the Association and specified in the Procedures Manual.

Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$200,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, but less than the equivalent of \$200,000, the procedures set forth in paragraphs 1, 2 (other than the second subparagraph of paragraph 2 (a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(c) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 1 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. (a) The Recipient shall appoint the members of the project implementation team (PIT) located in the Planning Unit, and comprising a project coordinator, an engineer, a planner and an accountant, to be responsible for day-to-day management of the activities of the Project.

(b) Subject to the oversight functions and policy guidance of MMET, PIT shall be responsible for: (i) coordination of procurement and disbursement activities, and audits under Article IV of this Agreement, and preparation of annual and quarterly progress reports, and work plans and training programs, under the Project; and (ii) monitoring of the achievement of objectives of the Project, and evaluation of the impact of the activities thereof.

(c) The Recipient shall ensure that the higher level positions of PIT, which are referred to in subparagraph (a) of this paragraph, shall be kept filled at all times by appropriate officials, having qualifications, experience and terms of reference which shall have been communicated to, and deemed acceptable by, the Bank.

2. The Recipient shall:

(a) prepare and transmit to the Bank

(i) a Project Implementation Plan, acceptable to the Bank, giving details of all procurement and disbursement arrangements, performance indicators and other administrative, financial and organizational arrangements, as shall have been agreed with the Bank for purposes of the Project, and

(ii) a Procedures Manual, acceptable to the Bank, giving details of procedural arrangements for the identification, preparation, approval and implementation of Subprojects, and submission of requests for financing, including criteria for the determination of eligible Beneficiaries and approval of Subgrants, monitoring and evaluation processes, applicable procurement, disbursement and other implementation guidelines, and model forms of Beneficiary Contracts; and

(b) carry out the Project in accordance with procedures set out in the Project Implementation Plan and Procedures Manual and, except as the Bank shall otherwise agree, shall not amend or waive any provision thereof, if such amendment or waiver may, in the opinion of the Bank, materially or adversely affect the implementation of the Project. 3. For purposes of Part A.3 of the Project, the Recipient shall take steps to ensure that DNPWLM shall, not later than June 30, 2000, have in place adequate financial management systems and decentralized commercial accounting systems.

4. The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with performance indicators referred to in paragraph 2 (a) of this Schedule, the carrying out of the Project and the achievement of the objectives thereof;

(b) not later than November 30 of each year, undertake, in conjunction with the Bank, a joint annual review of the Project or, in the case of the review to be undertaken not later than November 30, 2001, a midterm review, during which they shall exchange views generally on all matters relating to the progress of the Project and the performance by the Recipient of its obligations under this Agreement, including,

(i) the progress achieved by the Recipient in the implementation of the Project, having regard to the performance indicators referred to in paragraph 2 (a) of this Schedule,

(ii) a review of the proposed work plans and budget for the forthcoming fiscal year, and

(iii) a review of the impact of the Project;

(c) not later than one month prior to each review, furnish to the Bank, for its comments, a report, in such detail as the Bank shall reasonably request, on the progress and status of the Project, and giving details, of the various matters to be discussed at such review; and

(d) following each review, undertake to act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement, or cause to be implemented, such other measures as may have been agreed upon between the parties in furtherance of the objectives of the Project.

5. The Recipient shall take steps to ensure that DNPWLM shall, not later than March 30, 1999, commission a pricing study to determine an appropriate structure for its tariffs and fees and, based on the results thereof, (a) prepare and submit to the Recipient and the Bank, not later than September 30, 1999, for review and comments, a proposed pricing structure, including provision for the adoption of tariff and fee increases sufficient to meet its financial objectives as specified in the annual corporate plan referred to in Section 4.02 of this Agreement, and (b) proceed thereafter to implement such pricing structure, taking into account such comments as may have been made thereon by the Bank.

6. Further to Section 3.04 of this Agreement, the proceeds of the GEF Trust Fund Grant shall be subject to the following additional terms and conditions:

(a) the amount so provided shall be used exclusively to provide Subgrants to finance Subprojects, in accordance with criteria, and terms and conditions, set forth in the Procedures Manual;

(b) no Subgrant shall be granted except to finance a Subproject which (i) contributes, or is likely to contribute, to conservation and sustainable use of the protected area adjacent to the Gonarezhou National Park and its biological resources, and (ii) is technically and operationally feasible and consistent with the capabilities of the intended Beneficiary of the Subgrant;

(c) every Subproject proposal shall be classified according to environmental impact category, and subjected as necessary to environmental impact analysis, to ensure that (i) it is fully consistent with environmental appraisal criteria set out in the Procedures Manual, and (ii) where appropriate, mitigation measures designed to minimize adverse effects of the proposed Subproject are identified and incorporated in the Subproject design;

(d) Subgrants shall be provided for the benefit of eligible Beneficiaries, and according to a cost-sharing formula, which shall be acceptable to the Association and specified in the Procedures Manual; provided, however, that

(i) the proceeds of a Subgrant shall not be used to finance taxes or duties levied on or in respect of eligible expenditures relating to a Subproject, or any part thereof,

(ii) the amount of each Subgrant shall not exceed 90 percent of the total cost of the Subproject, and

(iii) except as the Bank may otherwise agree, Subgrants provided in respect of a Subproject shall not exceed an amount of Z\$300,000 equivalent;

(e) goods, services and works required for the purposes of financing Subprojects shall be procured in accordance with procedures acceptable to the Bank, and set forth in the Procedures Manual; and

(f) for purposes of each Subgrant, the Recipient shall conclude a contract with the Beneficiary in the form of the model provided in the Procedures Manual, setting forth the respective obligations of the parties thereunder, including details of disbursement schedules and procurement procedures, the amount of the Beneficiary's contribution to the cost of the Subproject, and the right of the Recipient to

(i) require the Beneficiary to carry out the Subproject with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices, and to maintain adequate records,

(ii) obtain all such information as the Bank or the Recipient shall reasonably request relating to the implementation of the Subproject and the performance of the Beneficiary thereunder, and

(iii) suspend or terminate the right of the Beneficiary to the use of the proceeds of a Subgrant upon failure by such Beneficiary to perform its obligations under such contract.

#### SCHEDULE 5

##### Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories means Categories (1) through (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement in respect of Part C of

the Project;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for Part C of the Project, as well as amounts paid or to be paid under Subgrants, and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to \$300,000 to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$200,000 until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions for Part C of the Project shall be equal to or exceed the equivalent of SDR 2,000,000.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Recipient shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount or amounts as the Recipient shall have requested.

(b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Recipient directly from the GEF Trust Fund Grant Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

(b) if the Recipient shall have failed to furnish to the Bank, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the GEF Trust Fund Grant Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the GEF Trust Fund Grant allocated to the eligible Categories for the respective Special Account, minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions with respect to Part C of the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the GEF Trust Fund Grant Account of the remaining unwithdrawn amount of the GEF Trust Fund Grant allocated to the eligible Categories shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank (A) provide such additional evidence as the Bank may request, or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Recipient may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Bank made pursuant to paragraph 6 (a), (b) and (c) of this Schedule shall be credited to the GEF Trust Fund Grant Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

