

30-Apr-2020

Honorable Minister Prof. Mthuli Ncube
Ministry of Finance and Economic Development
Mgandane Dlodlo Building
Corner Samora Machel Ave/Simon v. Muzenda
Harare, Zimbabwe

Re: SPF Grant No.TF0B2388
Support to Zimbabwe Recovery and Resilience Project
Letter of Agreement

Dear Honorable Minister:


In response to the request for financial assistance made on behalf of the Republic of Zimbabwe (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“IBRD”)/International Development Association (“IDA”) (“the Bank”), acting as administrator of grant funds provided by State and Peace Building Fund (“Trust Fund”), proposes to extend to the Recipient a grant in an amount not to exceed two million and two hundred thousand Dollars (USD 2,200,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned Trust Fund for which the Bank receives periodic contributions from donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned Trust Fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.


Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 

Mukami Kariuki
Country Manager for Zimbabwe
Africa Region

AGREED:
REPUBLIC OF ZIMBABWE

By 
Authorized Representative

Name: Prof. Mthuli Ncube

Title: Ministry of Finance and Economic Development

Date: 07-May-2020

Enclosures:

- (1) “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds” dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

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

- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011, and as of July 1, 2016.
- (b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (c) “Disaster Risk Management” or “DRM” means the application of disaster risk reduction policies and strategies to prevent new disaster risks, reduce existing disaster risks, and manage residual risks, contributing to the strengthening of resilience and reduction of losses.
- (d) “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated April 22, 2020, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
- (e) “Environmental and Social Standards” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank at

<http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf> .

- (f) “Ministry of Finance and Economic Development” or “MOFED” means the Recipient’s ministry entrusted with the stewardship of national resources, their mobilization, allocation, management and accounting for economic growth and development through the provision of sound macro-economic policies in the Recipient’s territory.
- (g) “Ministry of Public Service, Labor and Social Welfare” or “MPSLSW” means the Recipient’s ministry responsible for labor relations and welfare in the Recipient’s territory.
- (h) “Ministry of Local Government and Public Works” or “MLGPW” means the Recipient’s ministry mandated with disaster response management and local development planning functions in the Recipient’s territory.
- (i) “Operating Costs” means the reasonable incremental expenses incurred by the Recipient, and attributable to Project implementation, management, and monitoring, including: office supplies and consumables; communication; office rentals and utility costs, costs of operation and maintenance of office vehicles; per diem and travel costs for Project staff; reasonable bank charges; allowances and salaries of contractual staff as permitted under the Procurement Regulations.
- (j) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
- (k) “Project Implementation Manual” means the project implementation manual as referred to in Article 2.02(b) of the Agreement, as may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such manual.
- (l) “Project Implementation Unit” means the project implementation unit housed within the Ministry of Finance and Economic Development.
- (m) “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing made by the Bank out of Trust Funds”, dated February 25, 2019.
- (n) “Training Costs” means the reasonable costs for training under the Project incurred by the Recipient, and attributable to seminars, workshops and study tours, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation, acquisition, distribution and reproduction of training materials, and other activities directly related to course preparation and implementation.
- (o) “Zimbabwe Idai Recovery Project” or “ZIRP” means the project described in Schedule 1 to the financing agreement between UNOPS and the Recipient dated

July 24, 2019, aimed at addressing the early and medium-term resilient disaster recovery needs of people affected by the cyclone Idai.

- (p) “Zimbabwe Recovery and Resilience Framework” means the Recipient’s framework which is under development and is intended to guide its long-term recovery efforts, partners, and other relevant stakeholders and to facilitate the coordination of the different actors responsible for implementing the findings of rapid impacts needs assessments.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to support the Recipient to: (i) improve governmental coordination capacity to respond to cyclone Idai, and (ii) to scale-up and institutionalize Disaster Risk Management (“DRM”) capacity.

The Project consists of the following parts:

1. **Strengthening Recipient’s technical capacities**

- (a) Strengthening and sustaining the Recipient’s capacities needed to coordinate and deliver preparedness, early recovery and resilience building activities, including in its federal civil protection unit and local civil protection committees.
- (b) Strengthening the Recipient’s capacity within the MPSLSW to compile data and information on vulnerable residents in cyclone-affected areas, including but not limited to: (i) conducting a mandate mapping and capacity assessment of DRM structures at national and local levels; (ii) developing DRM operational guidelines and standard operating procedures; (iii) developing a training curriculum to increase the capacity at local and national level; (iv) conducting study tours; (v) updating flood and drought risk mapping; (vi) developing a communications strategy for DRM; and (vii) developing and operationalizing the Zimbabwe Recovery and Resilience Framework.
- (c) Institutionalizing a centralized database/beneficiary registry in MPSLSW through the development of an integrated and scalable, web-based, information platform with a beneficiary registry containing data on vulnerable households collected from various Recipient and non-Recipient programs, including Zimbabwe Idai Recovery Project, and which is able to: (i) be accessed by multiple ministries and agencies; (ii) precisely target support to citizens effected by cyclone Idai and future disasters; and (iii) automate the business process of priority long term social protection programs and be inter-operable across various programs.

2. **Project Management**

Supporting Project management for overall coordination and oversight functions, including technical quality, monitoring and evaluation and compliance of the Project implementing unit with procurement, financial management, environmental and social requirements.

2.02. Project Execution Generally.

(a) The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Part 1 of the Project through MLGPW and MPSLSW and Part 2 of the Project through MOFED, in accordance with the provisions of: (i) Article II of the Standard Conditions; (ii) the Anti-Corruption Guidelines; and (iii) this Article II.

(b) The Recipient shall carry out the Project in accordance with the provisions of the Project Implementation Manual, containing, *inter alia*, detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement and financial management; (iii) procurement; (iv) environmental and social safeguard guidelines; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2.03. Institutional and Other Arrangements.

(a) By no later than one (1) month after the Effective Date, the Recipient, through MOFED shall establish and thereafter maintain, at all times during the implementation of the Project, a Project steering committee, comprising representatives from MOFED, MPSLSW and MLGPW, with a mandate, terms of reference, composition, and resources satisfactory to the Bank, to be responsible to oversee overall implementation of the Project.

(b) The Recipient shall maintain, at all times during the implementation of the Project, a project implementation unit within MOFED, comprising a project coordinator, procurement specialist, financial management specialist and monitoring and evaluation specialist with a mandate, terms of reference, composition, and resources satisfactory to the Bank, to carry out Part 2 of the Project.

2.04. Environmental and Social Standards.

(a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

(b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the ESCP, in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:

- (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
- (ii) sufficient funds are available to cover the costs of implementing the ESCP;
- (iii) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
- (iv) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(c) The Recipient shall:

- (i) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
- (ii) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities and the public or workers, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

(d) The Recipient shall maintain and publicize the availability of a grievance redress mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated expressed in USD	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training Costs under Part 1 of the Project	2,000,000	100%
(2) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training Costs under Part 2 of the Project	200,000	100%
TOTAL AMOUNT	2,200,000	

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

3.03. **Withdrawal Period.** The Closing Date is June 30, 2021.

Article IV Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the condition specified below has been satisfied: The Project Implementation Manual has been adopted by the Recipient in a manner satisfactory to the Bank.

4.02. By signing the Grant Agreement, the Recipient Entity shall be deemed to represent and warrant that on the Signature Date, the Grant Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Grant Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Grant Agreement is legally binding upon the Recipient in accordance with its terms.

4.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. This Agreement and all obligations of the Parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article V Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance and Economic Development.

5.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient’s Address is:

Ministry of Finance and Economic Development
Mgandane Dlodlo Building
Corner Samora Machel Ave/Simon v. Muzenda
Harare, Zimbabwe; and

(b) the Recipient's Electronic Address is:

E-mail:

F23R23@gmail.com

5.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391