March 12, 2012

The Honorable Tendai Biti
Minister of Finance
Ministry of Finance
New Government Composite Office Complex
Cnr. Samora Machel Avenue/4th Street
Harare
Republic of Zimbabwe

Re: Republic of Zimbabwe
Rapid Social Response (RSR) Multi-Donor Trust Fund
Grant No. TF010217
Productive Safety Net - Pilot Public Works Project
Amendments to the Grant Agreement

Excellency:

I refer to the letter agreement ("Grant Agreement") dated September 28, 2011 for the above captioned Project between, on the one hand, the Republic of Zimbabwe ("Recipient"), and on the other hand, the International Bank for Reconstruction and Development and International Development Association (collectively, "World Bank"), acting as administrator of grant funds provided by various donors under the Rapid Social Response Multi-Donor Trust Fund ("RSR-MDTF") and to discussions between representatives of the World Bank and of the Recipient regarding the implementation arrangements for this Project, in which we were informed that the District Social Services Offices ("DSSOs") are an integral part of the Ministry of Labor and Social Services ("MLSS") and that the Grant funds would consequently be allocated for individual Sub-projects without the need for Sub-grant Agreements between the MLSS and DSSOs as we had originally understood.

In view of the foregoing, I am pleased to inform you that the World Bank hereby proposes to amend the Grant Agreement as set forth in the attached Annex. Except as otherwise amended in the attached Annex, the provisions of the Grant Agreement shall remain in full force and effect.
Republic of Zimbabwe
Grant No. TF010217
Amendment

March 12, 2012

Please confirm your agreement to the foregoing by having a duly authorized official of the Recipient sign the enclosed copy of this letter, and returning the countersigned copy to the World Bank.

These amendments shall enter into effect upon receipt by the World Bank of the duly countersigned copy of this letter.

Sincerely,

Kundhavi Kadiresan
Country Director
Zimbabwe, Malawi and Zambia
Africa Region

AGREED:

REPUBLIC OF ZIMBABWE

By

Name: Hon. Tendai Biti
Title: Minister of Finance
Date: 13 APR 2012

OFFICE OF THE MINISTER OF FINANCE

ZIMBABWE TEL: 04-738603
ANNEX

GRANT AGREEMENT
AMENDMENTS

1. Section 1.02

In Section 1.02 of the Grant Agreement, the terms and definitions of "PWP Grant" and "Sub-grantee" are deleted in their entirety, and the remaining definitions are renumbered accordingly.

2. Section 2.04

Section 2.04 of the Grant Agreement is amended to read as follows:

"2.04. PWP Sub-projects.

(a) In order to ensure the proper implementation of the PWP, the Recipient shall:

(i) (A) prepare under terms of reference satisfactory to the World Bank and furnish to the World Bank for its review, a proposed implementation manual for the Project, including detailed arrangements for the PWP; (B) afford the World Bank a reasonable opportunity to exchange views with the Recipient on said implementation manual; and (C) thereafter adopt such implementation manual for the Project as shall have been approved by the World Bank ("PIM") and carry out the Project in accordance with the PIM; provided, however, that in the event of any inconsistency between the PIM and this Agreement, the provisions of this Agreement shall govern; and

(ii) ensure that each PWP Sub-project is managed by a committee, established under terms of reference satisfactory to the World Bank, through a consultative process involving the members of the community in which the PWP Sub-project is carried out, to be responsible for the day-to-day management of the PWP Sub-project, including monitoring and reporting thereon ("SMC").

(b) The Recipient shall prepare PWP Sub-projects in accordance with eligibility criteria and procedures acceptable to the World Bank and elaborated in the PIM, which shall include the following:

(i) No proposed PWP Sub-project shall be eligible for financing out of the proceeds of the Grant unless the Recipient shall have determined on the basis of an assessment carried out in accordance with guidelines acceptable to the World Bank and elaborated in the PIM, that:

(A) the proposed PWP Sub-project: (1) is located in a district (aa) with a high level of chronic food insecurity, (bb) whose district government structures have the capacity to implement the proposed PWP Sub-project
and (cc) whose communities targeted by the PWP have reasonable access to markets; (2) is included in the development program adopted by the RDCC for said district, or has been endorsed by the RDCC for said district; (3) consists of construction or rehabilitation of community assets, such as small community roads providing access to markets, water reservoirs, and drainage canals; (4) is technically simple and feasible and economically and financially viable; (5) is designed such that (aa) its estimated cost shall not exceed $50,000 equivalent; and (bb) not more than 20% of the estimated cost of the PWP Sub-project involves the acquisition of goods required for the PWP Sub-project, and not more than 10% of the estimated cost of the PWP Sub-project involves the costs of its supervision, with the remaining estimated cost of the PWP Sub-project consisting of public works activities to be carried out by community members; (6) can be implemented by community members within a period of not more than five (5) months; (7) has been prepared on the basis of an environmental assessment carried out in accordance with the EMF and is consistent with the requirements of the EMF; and (8) will not involve any Involuntary Resettlement; and

(B) the DSSO for the district in which the PWP Sub-project is located: (1) has the organization, management, staffing and financial resources necessary to carry out the proposed PWP Sub-project; and (2) has prepared a financing plan, budget, and implementation plan for the proposed PWP Sub-project; and

(C) (1) an SMC for the PWP Sub-project has been established to provide day-to-day management of the PWP Sub-project; and (2) a maintenance committee has been established to ensure the proper maintenance of any assets constructed or rehabilitated under the PWP Sub-project; both with terms of reference and resources satisfactory to the World Bank, and in accordance with the provisions of the PIM.

(ii) The maximum aggregate amount of the Grant that may be allocated for PWP Sub-projects under the jurisdiction of a given DSSO shall not exceed the equivalent of $250,000.

(iii) The first four PWP Sub-projects to be implemented by the Recipient (and thereafter, such additional PWP Sub-projects as the World Bank may specify by prior written notice to the Recipient), shall be subject to the Association’s prior written approval and shall only be eligible for financing under the Grant if and to the extent approved by Association.

(c) The Recipient shall ensure that prior to the commencement of each PWP Sub-project, the SMC for such PWP Sub-project and all persons who shall be employed to carry out the PWP Sub-project shall be provided training, in accordance with the PIM, in the activities to be carried out under the PWP Sub-project."