Mr. Maarten Rusch  
Head of Development Cooperation  
Embassy of the Kingdom of the Netherlands  
2 Arden Road  
Highlands  
Harare  
Zimbabwe

Amendment to Administration Arrangement  
between the Kingdom of the Netherlands (Donor) and  
International Development Association (IDA) concerning the  
Multi-Donor Trust Fund for Zimbabwe TF No. 070941 (succeeded by TF No.071603)

Dear Sir,

I refer to the Administration Arrangement between the Kingdom of the Netherlands (Donor) and the International Development Association (World Bank) dated August 20, 2008, as amended to the date of this letter ("Arrangement"), for the above captioned Multi-donor Trust Fund (MDTF), and to the recent discussions of the Policy Committee for the MDTF regarding restructuring of the MDTF.

In view of the above, the World Bank hereby proposes to amend the Arrangement as follows (all paragraphs and Annexes refer to paragraphs of and Annexes to the Arrangement):

1. Section 3 of Annex 2 is amended to read as follows:

   "3. Administrative Cost Recovery

   In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, the Bank may: (a) following deposit of the Original Contribution funds, deduct from such funds and retain for its own account an amount equal to five percent (5%) of each Original Contribution; (b) deduct and retain for its own account an amount equal to two percent (2%) of each Supplemental Contribution. In addition, costs for Trust Fund program administration up to a maximum of 10% of the paid-in Supplemental Contribution will be charged to the Trust Fund on an actual basis."

2. Section 4 of Annex 1 is amended to read as follows:

   "Section 4. Categories of Expenditures"
Bank-executed Activities: The Contribution funds may be used to finance the following categories of expenditures for Bank-executed activities: World Bank staff supporting the Secretariat’s program administration and management functions (including task team leaders supervising activities under the Trust Fund) including direct, indirect and sustaining costs, as well as field benefits, of such staff related to such work, consultants’ fees, extended term consultants, temporary staff costs, contractual services, associated overheads, travel expenses, leasing of equipment, and media and workshops.”

5. Section 8.1 of Annex 2 is amended to read as follows:

“8.1. It is expected that the Bank will fully disburse the Original Contribution under TF070941 by June 30, 2013 and the Supplemental Contribution under TF071603 by June 30, 2014. The Bank shall only disburse Contributions for the purposes of this Arrangement after such dates with the written approval of the Donors.

In all other respects, the Arrangement will remain in full force and effect.

The World Bank will disclose this amendment letter and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By signing this amendment letter, the Donor consents to disclosure of this amendment letter and related information on this Trust Fund.

Please confirm your agreement to these proposed amendments by countersigning and dating a copy of this letter in the space provided and returning the countersigned copy to the World Bank.

Pursuant to the provisions of the Arrangement, which require agreement by all the donors contributing to the MDTF (Donors) of any amendment to Annex 1 to the Arrangement, a similar letter to this one is being sent to all Donors. These amendments will take effect as of July 30, 2012 and upon receipt by the World Bank of a countersigned copy of such letter from each of the Donors. The World Bank will promptly inform you when it has received all such countersigned copies and the above amendments have entered into effect.

Sincerely,

Nginya Mungai Lenneiye
Country Manager for Zimbabwe
Africa Region
AGREED: [Signature]

Kingdom of Netherlands

By: M.P.H. Rusch

Title: Counselor

Date: 21/08/2012

Date: 3 August 2012