Belgian Grant Agreement (TF057109) Relating to the North Gaza Emergency Sewage Treatment Project in the West Bank and Gaza
Amendment No. 1 to the Grant Agreement

Excellency:

We refer to the Belgium Grant Agreement (the “Belgium Grant Agreement”), dated October 2, 2006, between the Palestine Liberation Organization (for the benefit of the Palestinian Authority) (the “Recipient”), and the International Development Association, acting as administrator (the “Administrator”) of the grant funds provided by the Kingdom of Belgium for the above mentioned Project (the “Project”). We also refer to your letter (MoP/W.B/663/2013) dated June 20, 2013, requesting the Administrator: (a) for additional contribution of two million euros from the Belgium trust fund; and (b) to extend the Closing Date of the Project from December 31, 2014 to December 31, 2015.

We are pleased to inform you that we have agreed to your request and, therefore, propose to amend the Belgium Grant Agreement in respect of the provisions below:

1. Paragraph (A) in the preamble to the Belgium Grant Agreement is amended to read as follows:

   “WHEREAS (A) the Donor, has agreed, under an agreement with the Administrator, dated November 3, 2005, (“Administration Agreement”), to provide the Belgian Grant in an amount equivalent to five million eight hundred eighty thousand Euros (€5,880,000) on the terms and conditions set forth therein and in the TFGA, to further assist in the carrying out of Part B the Project;”

2. Section 2.01 of the Belgium Grant Agreement is amended to read as follows:

   “Section 2.01. The Administrator agrees to extend to the Recipient, for the benefit of the Palestinian Authority, on the terms and conditions herein set forth or referred to, the Belgium Grant in an amount equivalent to five million eight hundred eighty thousand Euros (€5,880,000).”

3. Section 2.03 of the Belgium Grant Agreement is amended to read as follows:
“Section 2.03. The Closing Date shall be December 31, 2015, or such later date as shall be determined by the Administrator in agreement with the Donor. The Administrator shall promptly notify the Recipient of such later date.”

4. The table provided in Part 1 of Schedule I to the Belgium Grant Agreement is deleted in its entirety and is replaced with the Annex to this amendment letter.

All other provisions, except amended herein, shall remain unchanged.

Please indicate your agreement to the foregoing, on behalf of the Recipient, by countersigning and dating the form of confirmation on the two original copies of this letter provided and returning one original, as countersigned, to us. This amendment shall become effective as of the date of your countersignature of this letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

__________________________
Ranjana Mukhrejee
Acting Country Director

AGREED:

ON BEHALF OF THE
PALESTINE LIBERATION ORGANIZATION
(for the benefit of the Palestinian Authority)

Name: Shukri Bishara
Title: Minister of Finance
Date: 31 (21) 2014

__________________________
SCHEDULE 1
Withdrawal of the Proceeds of the Belgium Grant

1. The table below sets forth the Categories to be financed out of the proceeds of the Belgium Grant, the allocation of the amount of the Belgium Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant (Expressed in Euros)</th>
<th>% of Eligible Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>5,879,635</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>365</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>5,880,000</td>
<td></td>
</tr>
</tbody>
</table>