April 10, 2018

H.E. Mr. Shukry Bishara
Minister of Finance and Planning
Palestinian Authority
Ramallah

Excellency:

Re: West Bank and Gaza: Gaza Solid Waste Management Project
Trust Fund Number TF016835
First Amendment to the Grant Agreement

We refer to the Grant Agreement between the Palestine Liberation Organization (for the benefit of the Palestinian Authority) ("Recipient") and the International Bank for Reconstruction and Development and the International Development Association (collectively, "World Bank") acting as administrator of grant funds provided by various donors ("Donors") under the Palestinian Recovery and Development Plan Multi-Donor Trust Fund ("PRDP-TF") for the Gaza Solid Waste Management Project dated April 24, 2014 (the "Grant Agreement"). We also refer to your letter dated February 26, 2018, expressing the Recipient's request to redesign and restructure the Project.

The capitalized terms used in this amendment letter ("Amendment Letter") and not defined herein have the meaning ascribed to them in the Agreement, as applicable.

We are pleased to inform you that the Association agrees to your request and, therefore, proposes to amend the Agreement as follows:

1. Part A of Schedule 1 (Project Description) is hereby deleted in its entirety and replaced with the following new Part A:

   Part A: Solid Waste Transfer and Disposal Facilities

   1. Construction of a new sanitary landfill in Al-Fukhari (Sofa).
   2. Rehabilitation of access roads to the landfill and transfer stations.
   3. Sanitary closure of dumpsites in the Project service area.

2. Part B of Schedule 1 (Project Description) is hereby deleted in its entirety and replaced with the following new Part B:
“Part B: Institutional Strengthening

1. Provision of goods, consultants’ services and Training, and financing of Technical Operation Unit (TOU) Incremental Operating Costs to improve the technical and administrative capacity of the Joint Service Council Khan Younis, Rafah and Middle Area (JSC-KRM) and TOU with regard to operation and maintenance of Al-Fukhari landfill and transfer stations, management of the solid waste collection system as well as addressing environmental and social aspects associated with Project Activities.

2. Provision of consultant’s services and training to design and implement Project related public awareness campaign.”

3. Part C of Schedule 1 (Project Description) is hereby deleted in its entirety and replaced with the following new Part C:

   “Part C: Primary Collection and Resource Recovery

   Conduct studies to improve collection, cleaning and waste recovery services.”

4. The Disbursement Table in Section IV, Schedule II (Withdrawal Conditions; Withdrawal Period) of the Agreement is hereby deleted in its entirety and replaced with the following:

<table>
<thead>
<tr>
<th>“Category”</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consultants’ services and TOU Incremental Operating Costs under the Project</td>
<td>8,075,438</td>
<td>100%</td>
</tr>
<tr>
<td>(2) MDLF Management Fee</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Operating and maintenance costs of Al-Fukhari landfill and transfer stations.</td>
<td>1,224,652</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>10,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

5. Paragraph 2 of Section IV, B of Schedule 2 (Withdrawal Conditions; Withdrawal Period) is hereby deleted in its entirety and replaced with the following new paragraph 2:

   “2. The Closing Date referred to in Section 3.06 of the Standard Conditions is November 30, 2020.”
Please confirm your agreement with the foregoing amendments by signing and dating this Amendment Letter in the spaces provided below. Henceforward, all other provisions of the Agreement, except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in two counterparts each of which shall be an original.

Upon confirmation, please return one fully executed original to us. The provisions set forth in this Amendment Letter shall become effective as of the date of countersignature upon receipt by the Association of the countersigned original of this Amendment Letter.

Sincerely,

Marina Wes  
Country Director  
Middle East and North Africa Region

AGREED:

PALESTINE LIBERATION ORGANIZATION

[Signature]  
Authorized Representative

Name: Shukry Bishara  
Title: Minister of Finance and Planning Ministry  
Date: April 18, 2018