Mr. Gilles Beschoor Plug
Representative
Representative Office of the Kingdom of the Netherlands
to the Palestinian Authority
P.O. Box 54706
97200
Jerusalem

Trust Fund Administration Agreement between the Kingdom of the Netherlands and the International Bank for Reconstruction and Development and the International Development Association concerning the Partnership for Infrastructure Development in the West Bank and Gaza Multi-Donor Trust Fund (TF No. TFO71898)

Dear Mr. Plug:

1. We are pleased to acknowledge on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, the "Bank") that the Kingdom of the Netherlands (the "Donor") shall make available as a grant the sum of four million United States Dollars (US$4,000,000) (the "Contribution") for the Partnership for Infrastructure Development in the West Bank and Gaza Multi-Donor Trust Fund (the "Trust Fund") in accordance with the terms of this Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.

2. The Contribution shall be used to finance the activities and the categories of expenditure set forth in the "Description of Activities, Expenditures and Governance Arrangements for the Partnership for Infrastructure Development in the West Bank and Gaza Multi-Donor Trust Fund" attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the "Standard Provisions Applicable to the Partnership for Infrastructure Development in the West Bank and Gaza Multi-Donor Trust Fund" (the "Standard Provisions") attached hereto as Annex 2.

3. The Donor shall deposit the Contribution into such bank account designated by the Bank promptly following countersignature of this Agreement by the Donor and submission of a payment request by the Bank.
Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

teen Lau Jorgensen
Country Director
West Bank and Gaza
Middle East and North Africa Region

AGREED:
KINGDOM HE NETHERLANDS

By: [Signature]
Date: [Date]
Name: Mr. Gilles eschoor Plug
Title: Representative
Representative Office of the Kingdom of the Netherlands to the Palestinian Authority
ANNEX I

Description of Activities, Expenditures and Governance Arrangements for the Partnership for Infrastructure Development in the West Bank & Gaza Multi Donor Trust Fund

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and entities (collectively, the "Donors") that provide contributions (the aggregate of all contributions from the Donors, the "Contributions") to be administered by the Bank for the Trust Fund.

A. DESCRIPTION OF ACTIVITIES

The main objective of the Trust Fund is to improve the coverage, quality, and sustainability of infrastructure in the West Bank and Gaza through financial and technical assistance to the Palestinian Authority (PA) for infrastructure development and related capacity building and institutional development in the water, sanitation, urban development, and energy sectors.

1. Bank-Executed Activities:
   (a) Provision of analytical and advisory services and technical assistance.
   (b) Supervision of Recipient-executed activities.
   (c) Management of the Trust Fund.
   (d) Administration of Trust Fund.

2. Recipient-Executed Activities:
   (a) The Trust Fund will provide co-financing, technical assistance, and capacity building in the following sectors:
      (i) Water Supply and Sanitation.
      (ii) Urban Development.
      (iii) Energy.
   (b) Project Preparation

B. CATEGORIES OF EXPENDITURE

1. For Bank-Executed activities the Contributions may be used to finance:
   (a) Consultant fees (individual and firms).
   (b) Staff costs with indirects.
   (c) Contractual services.