His Excellency Shukrie Bisharah  
Minister of Finance  
Ministry of Finance  
Palestinian National Authority  
Ramallah  
West Bank and Gaza

Excellency:

Electricity Utility Management Project  
Trust Fund No. TF092336  
Amendment to Grant Agreement

1. We refer to the Grant Agreement (the “Agreement”), dated June 30, 2008, between the Palestine Liberation Organization (for the benefit of the Palestinian Authority) (“Recipient”) and the International Development Association (the “World Bank”) acting as administrator (the “Administrator”) of the Trust Fund for Gaza and West Bank (the “Trust Fund”).

2. We also refer to your letter, dated April 7, 2013, requesting the World Bank for specific amendments to the Agreement. Accordingly, we propose to amend the Agreement in respect of the provisions below:

   (a) Schedule 1 (“Project Description”) to the Agreement is amended as set forth in Annex 1 to this Amendment Letter.

   (b) Paragraph A.4 in Section I of Schedule 2 (“Project Execution”) to the Agreement is deleted in its entirety.

   (c) The table in paragraph A.2 in Section IV of Schedule 2 to the Agreement is revised as set forth in Annex 2 to this Amendment Letter.

   (d) The Closing Date in paragraph B.3 in Section IV of Schedule 2 to the Agreement is revised to read “March 31, 2015”.

3. Except as specifically amended by this Amendment Letter, all other provisions of the Agreement remain unchanged.
4. Please confirm your acceptance to the foregoing, on behalf of the Recipient, by signing and dating the two originals, retaining one original for your records and returning the other original to the World Bank. Upon receipt by the World Bank of the original Amendment Letter countersigned by you, this Amendment Letter will become effective as of the date of your countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]
Ranjana Mukherjee
Acting Country Director

CONFIRMED:

PALESTINE LIBERATION ORGANIZATION
(for the Benefit of the Palestinian Authority)

By: [Signature]
Name: Shurriy Bishara
Title: Minister of Finance
Date: October 7th, 2013
ANEX 1

“Schedule 1

Project Description

The objective of the Project is to establish and strengthen key energy sector institutions to enhance collection performance of electricity bill payments, and restore power distribution systems in selected conflict-affected areas of the Recipient.

The Project consists of the following Parts financed by the Grant, subject to such modifications thereof as the Recipient and the Administrator may agree upon from time to time to achieve such objective.

Part 1: Supply and Installation of Power Supply Sub-stations

Supply and installation of four bulk 161kV power supply sub-stations and connecting lines as part of the power transmission system in the West Bank.(Not financed by the Grant).

Part 2: Development, Reconfiguration, and Rehabilitation of Distribution Networks

1. Development of a new power distribution system and reconfiguration of the existing distribution networks in the West Bank.(Not financed by the Grant).

2. Rehabilitation and extension of the distribution networks in the Utilities in the West Bank and Gaza.

3. Installation of prepaid meters and automatic meter reading systems.(Not financed by the Grant).

4. Reconfiguration of the existing JDECO distribution network.

Part 3: Capacity Building for the Improvement of Electricity Services

1. Provision of consultants’ services, training and goods capacity building, including in the procurement area, to: (a) PEA, the PMU, GEDCO, NEDCO, JDECO and SELCO; and (b) HEPCO.

2. Provision of engineering consultants’ services and goods to the PEA for: (a) the promotion and utilization of renewable energy resources; (b) the adoption of energy efficiency measures; and (c) the purchase of energy efficiency equipment.

3. Provision of engineering consultants’ services for the procurement and construction supervision needed for the implementation of the sub-stations provided under Part 1 of the Project, as well as the connecting lines and development and reconfiguration of the distribution system under Part 2(1) of the Project.(Not financed by the Grant).
4. Provision of operating costs for the Project Management Unit within PEA. (Not financed by the Grant).

5. Provision of Initial Start-up and Operating Expenditures start-up operating costs in the first two years of operation for: (a) PERC; and (b) PETL.”
### Electricity Utility Management Project

Trust Fund No. TF092336

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in US$)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, other than for Part 3.1(b) of the Project</td>
<td>8,850,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ Services and training, other than those under Part 3.1(b) of the Project</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Initial Start-up and Operating Expenditures for PETL under Part 3.5(b) of the Project</td>
<td>800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Initial Start-up and Operating Expenditures for PERC under Part 3.5(a) of the Project</td>
<td>650,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Consultants’ Services, training and goods under Part 3.1(b) of the Project</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>12,000,000</strong></td>
<td></td>
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