February 9, 2016

H. E. Shukry Bishara
Minister of Finance
Ministry of Finance
Palestinian Authority
Ramallah, West Bank

Trust Fund Grant Agreement
(Government Services for Business Development Project, TF012615)
Amendment to the Trust Fund Grant Agreement

Excellency:

We refer to the Trust Fund Grant Agreement between the Palestine Liberation Organization for the benefit of the Palestinian Authority ("Recipient") and the International Development Association, acting as the Administrator of the Trust Fund for Gaza and West Bank ("World Bank"), dated November 27, 2012 ("Trust Fund Grant Agreement"). Please note that the capitalized terms used in this letter ("Amendment Letter") and not defined herein have the meaning ascribed to them in the Trust Fund Grant Agreement applicable.

We also refer to your letter dated May 21, 2015, requesting the early closure of the above referenced project. We are pleased to inform you that the World Bank proposes, through this Amendment Letter, to amend the Trust Fund Grant Agreement as follows:

1. As a result of the early closure of the Trust Fund Grant Agreement, the World Bank hereby cancels the undisbursed amount of USD$ 2,061,139.11 under the Trust Fund Grant Agreement, effective May 21, 2015, date of receipt of your letter requesting the cancellation. Consequently, the table under Section IV. (A.2) of the Trust Fund Grant Agreement is deleted in its entirety and replaced with the following table. In addition, the Disbursement Deadline Date as per Paragraph 1. (ii) of the Disbursement Letter is cancelled.
<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, consultants’ services, including audit and Training under the Project</td>
<td>886,643.24</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Incremental Operating Costs</td>
<td>52,217.65</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Cancelled amount as of May 21, 2015</td>
<td>2,061,139.11</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,000,000.00</td>
<td></td>
</tr>
</tbody>
</table>

2. Part B. 2. of Section IV. of Schedule 2 to the Trust Fund Grant Agreement is amended to read as follows:

"The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is February 2, 2016"

All other provisions of the Trust Fund Grant Agreement, except as amended herein, shall remain in full force and effective.

The World Bank will disclose this Amendment letter and related information on the Project in accordance with the World Bank Policy on Access to Information. By entering into this Amendment Letter, the Recipient consents to disclosure of this Amendment Letter and related information on this Project.

Please confirm your agreement with the foregoing on behalf of the Recipient by signing, dating and returning to us the enclosed copy of this letter.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Acting Country Director
Ranjana Mukherjee
CONFIRMED AND AGREED:

ON BEHALF OF THE PALESTINE LIBERATION ORGANIZATION

By:
Authorized Representative

Title: Minister of Finance & Planning

Date: March 6, 2016
Copy:

H.E. Ms. Abeer Odch  
Minister  
Ministry of National Economy  

Ms. Laila Sbaih-Eghreib  
Acting Director General for International Relations and Projects  
Ministry of Finance  
Ramallah  

Ms. Dana Erekat  
Head of Aid Management and Coordination Directorate  
Ministry of Planning  
Ramallah  

Mr. Merza Hasan  
Executive Director  
World Bank  
Washington DC.  

Mr. Sufyan Al-Issa  
Senior Advisor to the Executive Director  
World Bank  
Washington DC.