Mr. Shadi M.K. Attshan  
Director  
Leaders Organization  
3rd Floor, Al-Wa’ad Bldg – Al-Irsal Street  
Ramallah, Palestine  
West Bank and Gaza

Re:  Multi-Donor Trust Fund for Youth Driven Development Grant  
GFYI Trust Fund No. TF010200  
E-Commerce Support Project

Dear Mr. Attshan:

In response to the request for financial assistance made on behalf of the Leaders Organization ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided under the Multi-Donor Trust Fund for Global Fund for Youth Investment ("GFYI"), proposes to extend to the Recipient, for the Palestine Liberation Organization for the benefit of Palestinian Authority, a grant in an amount not to exceed thirty-three thousand United States Dollars (U.S.$33,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement
shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 30 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Mariam Sherman
Country Director
West Bank and Gaza
Middle East and North Africa Region

AGREED:
LEADERS ORGANIZATION

By

Authorized Representative

Name: Mr. Shadi M.K. Attshan
Title: Director
Date: 1-Oct-2012

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I

Standard Conditions; Definitions


1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II

Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to assist the Recipient in introducing e-commerce in developing small and medium enterprises owned or managed by young entrepreneurs in marginalized communities of the West Bank, specifically targeting entrepreneurs working in the areas of ceramics, agriculture products, and traditional crafts which have the potential for export to international markets. The Project consists of the following activities:

Provision of goods, consultant’s services, and training and workshops in: (i) establishing e-commerce support unit composed of 10 members; (ii) developing integrated e-commerce application and hosting it on-line; and (iii) supporting ten selected entrepreneurs with the needed awareness and training of e-commerce solutions in support of their respective projects.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Palestine Authority’s territory for purposes related to the Project.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar
semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consists of the following:

(i) E-commerce support developed. Ten young qualified team members will be recruited, trained and provided with the necessary skills.

(ii) Integrated e-commerce application developed. An application representing all supported products which allows clients to place their orders online including a shopping cart, payment and delivery system will be established and placed online.

(iii) Young entrepreneurs supported. A minimum of ten (10) young business owners will be assisted in developing and implementing a targeted marketing campaign including delivery option.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than one month after the Closing Date.

2.04. *Financial Management.* (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than one month after the end of each Project Report period, covering the same period, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, upon the World Bank’s request, have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the period indicated in the World Bank’s request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the date of the World Bank’s request.

2.05. *Procurement.* (a) All goods, works, non-consulting services, and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2911 (“Procurement Guidelines”), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2911 (“Consultant Guidelines”).

(b) Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.
Article III
Withdrawal of Grant Proceeds

3.01. *Eligible Expenditures.* The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<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, Training and Workshops, and Operating Costs</td>
<td>33,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>33,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the terms: (i) “Training and Workshops” means expenditures incurred by the Recipient in connection with carrying out project-related workshops and training activities, including travel cost, per diem and accommodation for local trainees, trainers and workshops participants, including costs of training materials and supplies, rental of facilities and equipments, and communication expense; and (ii) “Operating Costs” means incremental expenditures directly related to the management and monitoring of the Project (which expenditures would not have been incurred absent the Project), including expenditures for office supplies, maintenance of office equipment, and bank charges.

3.02. *Withdrawal Conditions.* Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. *Withdrawal Period.* The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 31, 2012.

Article IV
Recipient’s Representative; Addresses

4.01. *Recipient’s Representative.* The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Director.
4.02. **Recipient's Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Leaders Organization  
3rd Floor, Al-Wa’ad Bldg – Al-Irsal Street  
Ramallah, Palestine  
Website: [www.Leaders.ps](http://www.Leaders.ps)

Telephone: +972-2-297-0477  
Facsimile: +972-2-297-0477

4.03. **World Bank's Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391