Mr. Tor Wennesland
Representative
The Representative Office of Norway
To the Palestinian Authority
World Bank Building
Dahiet Al-Bareed
Al Ram, West Bank

Additional Contribution and Amendment to the Letter of Agreement between the Royal Ministry of Foreign Affairs of the Kingdom of Norway and the International Bank for Reconstruction and Development and the International Development Association concerning the West Bank and Gaza: Norwegian Aid Coordination Trust Fund (TF No. 051695)

Dear Mr. Wennesland:

1. We refer to the Letter of Agreement dated December 9, 2003 between the Royal Ministry of Foreign Affairs of the Kingdom of Norway (the “Ministry”) and the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), (collectively, the “Bank”) regarding the West Bank and Gaza: Norwegian Aid Coordination Trust Fund (TF No.051695) (the “Trust Fund”) as amended (the “Letter of Agreement”).

2. We are pleased to acknowledge, on behalf of the Bank, the intention of the Ministry to make available as a grant, subject to Parliamentary appropriation, an additional contribution to the Trust Fund in the amount not exceeding five million three hundred thousand Norwegian Kroner (NOK 5,300,000) (the “Additional Contribution”). With this Additional Contribution, the total amount allocated by the Ministry to this Trust Fund will now aggregate to twenty one million six hundred twenty thousand seven hundred and one Norwegian Kroner (NOK 21,620,701) (the “Contribution”). The Additional Contribution shall be used to finance the activities described in the Bank’s letter dated November 15, 2010.

3. The Ministry shall deposit the Additional Contribution into such bank account designated by the Bank promptly following countersignature of this Agreement by the Ministry and submission of a payment request by the Bank in accordance with the following schedule:

   (a) The first deposit in the amount of one million eight hundred and fifty five thousand Norwegian Kroner (NOK 1,855,000) promptly following countersignature of this Agreement by the Ministry and submission of a payment request by the Bank; and

   (b) Each subsequent deposit will be made semi-annually upon a payment request by the Bank based on the estimate of expenditures for the period involved.
4. When making such deposit, the Ministry shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Ministry for the TF051695 (West Bank and Gaza: Norwegian Aid Coordination Trust Fund), and the date of the deposit. In addition the Ministry shall provide a copy of the deposit instruction to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

5. Immediately upon receipt of the Additional Contribution funds, the Bank will convert such funds into United States dollars and send a confirmation to the Ministry stating the amount received, the date of the conversion and the exchange rate applied.

6. Additionally, pursuant to recent discussions between the Bank and the Ministry, the Bank proposes to amend the Letter of Agreement as follows:

   (a) Paragraph 6 is deleted and replaced with the following new paragraph 6:

   “6. The Contribution shall be administered in accordance with the Bank’s applicable policies and procedures, including its policies and procedures regarding anti-corruption, as the same may be amended from time to time.”

   (b) Paragraph 9 (a) is amended to read:

   “9 (a). It is expected that the Contribution funds will be fully disbursed by the Bank in accordance with the provisions of this Letter of Agreement by December 31, 2012. The Bank shall only disburse Contribution funds for the purposes of this Letter of Agreement after such date with the written approval of the Ministry.”

7. All other terms of the Letter of Agreement shall remain the same.

8. The Bank will disclose this Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Agreement, the Donor consents to disclosure of this Agreement and related information on this Trust Fund.

9. We propose that this letter shall constitute an amendment to the Letter of Agreement between the Bank and the Donor. Please confirm your acceptance to the foregoing, on behalf of the Donor, by signing and dating the two originals, retaining one original for your records and returning the other original to the Bank. Upon receipt by the Bank of the original Amendment
countersigned by you, this Amendment will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Elena Kastlerova
Acting Director
West Bank and Gaza

CONFIRMED AND AGREED:

THE ROYAL MINISTRY OF FOREIGN AFFAIRS
OF THE KINGDOM OF NORWAY

By:  /s/ Espen Lindbacil

Name: / Espen Lindbacil

Title: Acting Representative

Date: December 23, 2010