H. E. Mr. Salam Fayyad  
Minister  
Ministry of Finance  
Palestinian Authority  
Ramallah

Re: Southern West Bank Solid Waste Management Project (TF094496)  
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) (the Recipient) and the International Development Association, as Administrator of the Trust Fund for Gaza and West Bank (the Administrator) for the above referenced Project dated July 14, 2009 (the Trust Fund Grant Agreement). We also refer to your letter dated February 15, 2010 requesting the Administrator to amend the Trust Fund Grant Agreement.

We hereby accede to your request and propose to amend the Trust Fund Grant Agreement as follows:

1. Paragraph 13 of Part A of Section I of Schedule 2 is revised to read:

“13. The Recipient, through the Palestinian Authority, shall cause the JSC-H&B:

(a) to hire not later than by October 30, 2010 a consulting firm or non-governmental organization to assist the JSC-H&B: (i) to finalize specific recommendations on the social risk mitigation measures under Part 2(f) of the Project to ensure that conditions are in place to protect the affected people in a manner satisfactory to the World Bank and in compliance with the respective Resettlement Action Plan; and (ii) in the implementation of the social risk mitigation measures under the Project, as set forth in the Resettlement Action Plans, the ESIA, the Environmental Management Plan and the Operational Manual and in a manner satisfactory to the World Bank; and

(b) immediately upon finalization of the specific recommendations referred to in subparagraph (a) above to ensure that the relevant Resettlement Action Plan is (i) updated to reflect the measures and mechanisms developed pursuant to this paragraph and (ii) disclosed following such update, each in a manner satisfactory to the World Bank.”

2. The definition of the term “Incremental Operating Costs” in paragraph 5 of Section I of the Appendix is revised to read:
“Incremental Operating Costs” means incremental recurrent expenditures incurred by the TOU in connection with the Project on account of office rental, utilities and cleaning, communication costs, operation and maintenance of vehicle and equipment, vehicle rental, travel costs associated with Project implementation, advertisement for procurement purposes starting from March 1, 2010, translation and interpretation services, office stationary and consumables expenses, salaries of contractual staff, but excluding salaries of officials of the Recipient’s civil services, and any other miscellaneous costs directly associated with the Project implementation all based on periodic budgets acceptable to the World Bank.”

3. Except as specifically amended by this Amendment Letter, all provisions of the Trust Fund Grant Agreement remain in full force and effect.

Please confirm your agreement to the above amendment by signing and returning to us one fully executed original of this Amendment Letter, and retaining one original for your records. This amendment will become effective as of the date of the countersignature upon receipt by the Administrator of the copy of this Letter countersigned by you.

Sincerely,

By /s/ Dina Abu-Ghaida
Acting Country Director
West Bank and Gaza

CONFIRMED AND AGREED:

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

By: /s/ Salam Fayyad
Minister of Finance

Date: August 31, 2010