
ESPERE-SDTF GRANT NUMBER TF0C2568

Trust Fund Grant Agreement
(Innovative Private Sector Development II Project)

Between

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

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
*(acting as administrator of the EU Support for the Palestinian Economy and
Resilience Single-Donor Trust Fund)*

ESPERE-SDTF GRANT NUMBER TF0C2568

GRANT AGREEMENT

AGREEMENT dated as of the Signature Date between the PALESTINE LIBERATION ORGANIZATION (for the benefit of the Palestinian Authority) (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of the EU Support for the Palestinian Economy and Resilience Single-Donor Trust Fund (“ESPERE”), established on October 14, 2022, and the International Development Association (“Trust Fund”).

WHEREAS (A) the Palestine Liberation Organization and the Government of the State of Israel have entered, on September 28, 1995, into an agreement which, among other things, sets out certain interim self-government arrangements in Gaza and the West Bank (“Interim Agreement”);

(B) Section 5(b) of Article IX of the Interim Agreement authorizes the Palestine Liberation Organization to conduct negotiations and, in certain cases described thereunder, sign agreements with states and international organizations for the benefit of the Palestinian Authority;

(C) the Recipient has requested the Bank to assist in financing the project described in Schedule 1 to this Grant Agreement (the “Project”);

(D) the Bank has agreed, on the basis, among other things, of the foregoing to extend the Grant to the Recipient, for the benefit of the Palestinian Authority, for the purpose of financing the project as described in Schedule 1 to the Agreement (“Project”) upon the terms and conditions set forth in this Agreement; and

(E) by grant agreements of later date (TFGWB Grant Agreement), the Bank, acting as administrator of grants funds provided under those trust funds, has agreed to make Grant to the Recipient to assist in financing the Project on the terms and conditions set forth in the TFGWB Grant Agreement;

The Recipient and the Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix this Agreement.

Article II
The Project

- 2.01. The Recipient declares its commitment to the objective of the Project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall, through the Palestinian Authority, shall cause the Project to be carried out jointly by the Ministry of National Economy and by the PIA in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 of this Agreement, and the Implementation Agreement.

Article III
The Grant

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed three million seven hundred two thousand six hundred seventy-five Euro and eighteen cents (€3,702,675.18) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.

Article IV
Remedies of the Bank

- 4.01 The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely that the legal instrument(s), pursuant to which the PIA has been established and is operating, has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the PIA to perform any of its obligations under this Agreement, and the Implementation Agreement.

Article V
Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished that the condition specified below has been satisfied in a manner and in form and substance satisfactory to the Bank, namely that the Subsidiary Agreement referred to in Section I.A.1 of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the Palestinian Authority.
- 5.02. By signing each of: (a) this Agreement; (b) the Subsidiary Agreement; (for purposes of this Section, each, a “Warranted Agreement”), the Recipient shall be deemed to represent and warrant that on the Signature Date, or on the date agreed by the parties thereto to be the date of the Subsidiary Agreement, the respective Warranted Agreement, has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms.
- 5.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Ministry of Finance.
- 6.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's address is:

Ministry of Finance of the Palestinian Authority
Ramallah
West Bank

Telephone:	Facsimile:	E-mail:
970-2-297 8846	970-2-297-8845	ministeroffice@pmof.ps

- 5.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423 (MCI) or 64145 (MCI)	1-202-477-6391	semblad@worldbankgroup.org

AGREED as of the Signature Date.

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

By

Mr. Shukry Bishara

Authorized Representative

Name: Mr. Shukry Bishara

Title: Minister of Finance

Date: 27-Sep-2023

INTERNATIONAL DEVELOPMENT
ASSOCIATION

*(acting as administrator of the EU Support for the Palestinian
Economy and Resilience Single-Donor Trust Fund)*

By

Stefan Emblad

Authorized Representative

Name: Stefan Emblad

Title: Country Director

Date: 25-Sep-2023

SCHEDULE 1

Project Description

The objective of the Project is to improve economic opportunities for tech enabled startups and innovative SMEs, and individuals in the digital economy in the West Bank and Gaza.

The Project consists of the following parts:

Part 1: Entrepreneurship Ecosystem Development

1. Support the improvement of the Palestinian business linkages to regional and international ecosystem through: (a) carrying out awareness and networking events targeting potential investors, mentors, entrepreneurs, accelerators and support entities at the regional and international ecosystem; (b) carrying out business to business networking events between investors and entrepreneurs; and (c) providing Market Access Matching Grants to finance provision of market access services.
2. Facilitating development of a dynamic startup finance ecosystem through: (a) developing new angel groups/networks in West Bank and Gaza through the provision of technical assistance and awareness raising as well as Capacity Development Grants; (b) supporting investment readiness advisory service providers who are providing access to finance and investment readiness services to start-up and early-stage enterprises; and (c) providing Catalytic Funding Grants to eligible Beneficiaries to stimulate private investment into enterprises by angel investors and other early-stage investors and to encourage investment syndication between seasoned and less experienced investors.
3. Support business environment reform implementation by: (i) providing capacity building and ICT equipment to ensure sustainability of the Automated Business Registry System (ABRS); (ii) establishing an online unified public register of business administrative procedures and regulations; and (iii) further strengthening MoNE's capability in implementing the Company Law, business registry, and business licensing and inspections reforms.

Part 2: Building an Outsourcing Hub in Gaza and the West Bank

Developing an information technology outsourcing hub in Gaza and the West Bank through the provision of Operating Costs, Training, and technical assistance to GGateway to: (i) improve its business model, internal procedures, organizational model; and (ii) ameliorate its training methodology to focus more on medium and hi-tech skills, to improve the pipeline of engineers that can be placed in other private companies or within its IT outsourcing services unit.

Part 3: Project Management and Implementation Support

Project implementation support to the PIA for Project management, coordination, monitoring and evaluation, including, *inter alia*, fiduciary control and oversight, and preparation of Project reports and external audits, and supporting a program of activities to develop capacity of the Ministry of National Economy to facilitate development of Palestinian entrepreneurship ecosystem.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. **Subsidiary Agreement and Implementation Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Palestinian Authority under a subsidiary agreement (“*Subsidiary Agreement*”) between the Recipient and the Palestinian Authority, under terms and conditions approved by Bank.
2. The Palestinian Authority shall: (a) perform in accordance with the provisions of the Subsidiary Agreement; (b) take all action, including the provision of funds, facilities, services and other resources, necessary or appropriate for the carrying out of the Project; and (c) not take or permit to be taken any action which would prevent or negatively interfere with the carrying out of the Project.
3. The Recipient shall exercise its rights under the Subsidiary Agreement, as the case may be, in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.
4. For the purpose of implementing the Project, no later than thirty (30) days from the Effective Date, the Recipient shall cause the Palestinian Authority, through the Ministry of National Economy to amend the Implementation Agreement with PIA to include the specificity of this Project, maintaining the capacity, functions, staffing and resources satisfactory to the Bank, including, *inter alia*, specialists in procurement, financial management, environmental and social risk management/ESF implementation and monitoring and evaluation. The Implementation Agreement shall include terms and conditions approved by the Bank, including, *inter alia*:
 - (a) The Palestinian Authority’s obligation to on-grant the proceeds of the Grant to the PIA.
 - (b) The PIA’s obligation to:
 - (i) carry out its respective activities under the Project with due diligence and efficiency, in conformity with appropriate administrative, financial, technical, environmental, and social practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers, and

in accordance with the provisions of this Agreement and the Project Operations Manual;

- (ii) procure goods and services required for carrying out the Project and to be financed out of the proceeds of the Grant, in accordance with this Agreement;
 - (iii) implement the Project in accordance with the provisions of the ESCP;
 - (iv) implement the terms of the Anti-Corruption Guidelines;
 - (v) (A) maintain a separate financial management system for implementing the Project; (B) prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, adequate to reflect its operations and financial condition; and (C) register separately the operations, resources and expenditures related to the Project;
 - (vi) promptly inform the Palestinian Authority and the Bank of any condition which interferes or threatens to interfere with the progress of the Project and the performance of its obligations under the Implementation Agreement; and
 - (vii) neither take nor concur in any action which would have the effect of amending, abrogating, assigning, or waiving the Implementation Agreement.
5. The Recipient shall cause the Palestinian Authority, through the Ministry of National Economy, to ensure that the Implementation Agreement includes a provision stipulating that in the case of conflict between the Implementation Agreement, on the one hand, and this Agreement, on the other, the provisions of this Agreement shall apply.
6. The Recipient shall cause the Palestinian Authority, through the Ministry of National Economy, to exercise its rights under the Implementation Agreement in such manner as to protect the interests of the Palestinian Authority and the Bank and to accomplish the purposes of the Grant.
7. Except as the Bank shall otherwise agree, the Recipient shall cause the Palestinian Authority, through the Ministry of National Economy, not to assign, amend, abrogate, or waive the Implementation Agreement or any of its provisions.

B. Institutional Arrangements

1. The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to maintain overall responsibility for the Project.
2. The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to maintain a Steering Committee, with mandate and composition acceptable to the Bank, including key government representatives from the Ministry of National Economy, Ministry of Finance, Ministry of Entrepreneurship, Ministry of Telecommunications and Information Technology and private sector representatives, responsible for: (i) reviewing the Project's progress; (ii) providing strategic guidance and recommendations for the Project's implementation; (iii) coordinating the relevant government agencies in the Project's implementation; and (iv) facilitating the public private sector dialogue.
3. No later than thirty (30) days from the Effectiveness Date, the Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to ensure that the PIA amends the Management Agreement with GGateway Gaza, under the terms and conditions set forth in the POM and acceptable to the Bank, to include GGateway West Bank as well as the specificity of the Project.
4. The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to ensure that the PIA carries out its obligations and exercise its rights under the Management Agreement, in such a manner as to protect the interests of the PIA and the Bank and to accomplish the purposes of the Grant.
5. The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to ensure that the PIA not assign, amend, abrogate or waive the Management Agreement or any provision thereof.
6. The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to ensure that the PIA hires an external auditor with qualifications and terms of reference acceptable to the Bank and not change said external auditor or revise or amend its terms of reference, throughout the life of the Project, without the approval of the Bank.

C. Project Operations Manual

1. No later than thirty (30) days from the Effectiveness Date, the Recipient, through the Palestinian Authority, shall cause the Ministry of National Economy to ensure that the PIA amends the Project Operational Manual ("POM") to include the specifics of this Project, under terms and conditions satisfactory to the Bank, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including the following: (a) the detailed description of Project implementation activities and the detailed institutional

arrangements of the Project; (b) monitoring, evaluation, reporting and governance procedures for the Project; (c) overall disbursement, financial management, auditing and procurement procedures for the Project; (e) Personal Data collection and processing in accordance with good international practice, including to ensure legitimate, appropriate, and proportionate treatment of such data; (f) detailed procedures for disbursing Market Access Matching Grants under Part 1.1 of the Project, Capacity Development Grants under Part 1.2 of the Project and Catalytic Funding Grants under Part 1.2 of the Project, including, *inter alia*, disbursement milestones, mechanisms for verifying the achievement of disbursement milestones, disbursement approval process, and related monitoring, reporting and auditing requirements; (g) Market Access Matching Grants, Capacity Development Grants and Catalytic Funding Grants operating procedures governing the activities to be financed by such Grants, including, *inter alia*, specific criteria for activities to be eligible for financing under the Grants, guidelines for approval, implementation, monitoring and evaluation of said activities; (h) terms and conditions for the Sub- Grant Agreements for Catalytic Funding Grant, Capacity Development Grants and the Market Access Matching Grants; (i) implementation arrangements, terms and conditions under which PIA shall carry out activities and provide services to GGateway under Part 2 of the Project; (l) overall Project administrative, accounting, auditing, reporting, financial, environmental and social, procurement and disbursement procedures.

2. In the event that any provision of the POM conflicts with this Agreement or the Project Agreement, the terms of this Agreement shall prevail. The Recipient, through Palestinian Authority, shall cause the Ministry of National Economy to ensure that the POM is not amended without the prior written agreement of the Bank.

D. Catalytic Funding Grants

1. *Procedures and Eligibility and Selection Criteria of Catalytic Funding Grant Beneficiaries*

- (a) The Recipient, through the Palestinian Authority, shall cause the Ministry of National Economy, to direct the PIA to ensure that: (i) a Catalytic Funding Grant will only be provided to a Grant Beneficiary who meets the eligibility and selection criteria set out in the Project Operations Manual; and (ii) no proposed activities shall be eligible for financing under a Catalytic Funding Grant, unless the PIA shall have determined that the proposed activities satisfy the criteria set forth in the POM and does not finance an Excluded Expenditure.
- (b) No Catalytic Funding Grant shall be eligible for financing if it involves: (i) any activities involving the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, or involving the involuntary restriction of access to legally designated parks and protected areas; or (ii) any activities likely to have significant adverse

environmental impacts that are sensitive, diverse, or unprecedented, that would be classified as high risk in accordance with the Bank's applicable policies and procedures.

2. ***Terms and Conditions of Catalytic Funding Grants; Sub-Grant Agreements***

- (a) The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy, to ensure that the PIA, prior to providing a Catalytic Funding Grant to a Grant Beneficiary, enter into a Sub-Grant Agreement with each Grant Beneficiary under terms and conditions approved by the Bank, which shall include the following:
 - (i) the Catalytic Funding Grant shall be made on a non-reimbursable grant basis;
 - (ii) the Grant Beneficiary shall undertake to: (A) carry out its respective activities with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with environmental and social requirements established under its respective ESMS in accordance with the ESCP and the provisions of the Anti-Corruption Guidelines; (B) provide, promptly as needed the resources required for these purposes; and (C) maintain adequate records;
 - (iii) the Grant Beneficiary shall ensure that the goods and/or services to be financed out of the proceeds of the Catalytic Funding Grant shall be procured in accordance with the provisions of this Agreement and used exclusively in carrying out the activities to be financed by the Catalytic Funding Grant;
 - (iv) the Grant Beneficiary shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of its activities and the achievement of its objectives;
 - (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to its activities; and (B) at the Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied

auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Recipient and the Bank;

- (vi) the Recipient, together with the Ministry of National Economy, shall have the right to inspect by itself, or jointly with the Bank, if the Bank shall so request, the goods, sites, and plants included in the activities, the operations thereof, and any relevant records and documents;
- (vii) the Grant Beneficiary shall prepare and furnish to the Recipient and the Bank, all such information as the Bank shall reasonably request, relating to the implementation of the activities, and the performance of its obligations under the Sub-Grant Agreement;
- (viii) the PIA may suspend or terminate the right of the Grant Beneficiary to use or administer the proceeds of the Catalytic Funding Grant upon failure by the Grant Beneficiary to perform its obligations under the Sub-Grant Agreement; and
- (ix) the Grant Beneficiary shall promptly inform the PIA and the Bank of any condition which interferes or threatens to interfere with the progress of its activities, or the performance by it of its obligations under the Sub-Grant Agreement.

(b) The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to direct the PIA to:

- (i) ensure that Pre-Investment Grants are provided in an amount not exceeding the ceiling specified in the POM per Grant Beneficiary, for activities authorized under the POM, namely to provide funding for eligible Grant Beneficiary to bridge the early commercialization funding gap, address shortcomings identified by the investors and improve chances for the Grant Beneficiary to obtain subsequent private investment;
- (ii) ensure that Co-investments Grants are provided in an amount not exceeding the ceiling specified in the POM per Grant Beneficiary for activities authorized under the POM, namely to provide additional funding to enable the development and growth of early stage enterprises;
- (iii) ensure that the maximum amount of the Catalytic Funding Grants (inclusive of the Pre-Investment Grant and/or the Co-Investment Grant) not exceeds the ceiling specified in the POM per Grant Beneficiary;

- (iv) carry out its obligations and exercise its rights under Sub-Grant Agreement, in such a manner as to protect the interests of the PIA and the Bank and to accomplish the purposes of the Catalytic Funding Grant;
- (v) administer the Catalytic Funding Grants in accordance with the POM, in form and substance satisfactory to the World Bank, consisting of different schedules, setting forth rules, methods, guidelines, standard documents and procedures for the carrying out of Part 1.1 of the Project; and
- (vi) not to assign, amend, abrogate or waive the POM or any provision thereof.

E. Market Access Matching Grants

1. *Procedures and Eligibility and Selection Criteria of Market Access Grant Beneficiaries*

- (a) The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to direct the PIA to ensure that (i) a Market Access Matching Grant be provided to a Grant Beneficiary who meets the eligibility and selection criteria set out in the POM for the purpose of accessing new markets and expanding in existing ones; (ii) no individual Market Access Matching Grant exceed the ceiling specified in the POM per Grant Beneficiary; (iii) market access services provided to a Grant Beneficiary are procured in accordance with this Agreement; and (iv) no proposed activities are eligible for financing under a Market Access Matching Grant, unless the PIA shall have determined that the proposed activities fall within the eligible categories set forth in the POM, including, *inter alia*, the following:
 - A. Marketing and communication strategies, including branding strategies and social media/digital strategies;
 - B. Production process improvement, technology upgrade;
 - C. Strategic Intellectual Property (IP) plans, diversification and product/service innovation and development, Research and Development planning;
 - D. Identification of new markets, sector analysis and market development, export strategy, including compliance with foreign laws and regulations; and

- E. Investor/ supplier visits, acceleration programs, and promotional/networking events.
- (c) The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to ensure that prior to providing a Market Access Matching Grant to a Grant Beneficiary, the PIA enters into a Sub- Grant Agreement with a Grant Beneficiary under terms and conditions approved by the Bank, as set forth in the POM.

F. Capacity Development Grants

1. ***Procedures and Eligibility and Selection Criteria of Capacity Development Grant Beneficiaries***

- (a) The Recipient, through the Palestinian Authority, shall cause the Ministry of National Economy, to direct the PIA to ensure that: (i) a Capacity Development Grant will only be provided to a Grant Beneficiary who meets the eligibility and selection criteria set out in the Project Operations Manual; and (ii) no proposed activities shall be eligible for financing under a Capacity Development Grant, unless the PIA shall have determined that the proposed activities satisfy the criteria set forth in the POM and does not finance an Excluded Expenditure.
- (b) No Capacity Development Grant shall be eligible for financing if it involves: (i) any activities involving the involuntary taking of land resulting in relocation or loss of shelter, loss of assets or access to assets, loss of income sources or means of livelihood, or involving the involuntary restriction of access to legally designated parks and protected areas; or (ii) any activities likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented, that would be classified as high risk in accordance with the Bank's applicable policies and procedures.

2. ***Terms and Conditions of Capacity Development Grants; Sub-Grant Agreements***

- (a) The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy, to ensure that the PIA, prior to providing a Capacity Development Grant to a Grant Beneficiary, enter into a Sub-Grant Agreement with each Grant Beneficiary under terms and conditions approved by the Bank, which shall include the following:
 - (i) the Capacity Development Grant shall be made on a non-reimbursable grant basis;
 - (ii) the Grant Beneficiary shall undertake to: (A) carry out its respective activities with due diligence and efficiency and in

accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with environmental and social requirements established under its respective ESMS in accordance with the ESCP and the provisions of the Anti-Corruption Guidelines; (B) provide, promptly as needed the resources required for these purposes; and (C) maintain adequate records;

- (iii) the Grant Beneficiary shall ensure that the goods and/or services to be financed out of the proceeds of the Capacity Development Grant shall be procured in accordance with the provisions of this Agreement and used exclusively in carrying out the activities to be financed by the Capacity Development Grant;
- (iv) the Grant Beneficiary shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Bank, the progress of its activities and the achievement of its objectives;
- (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to its activities; and (B) at the Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Recipient and the Bank;
- (vi) the Recipient, together with the Ministry of National Economy, shall have the right to inspect by itself, or jointly with the Bank, if the Bank shall so request, the goods, sites, and plants included in the activities, the operations thereof, and any relevant records and documents;
- (vii) the Grant Beneficiary shall prepare and furnish to the Recipient and the Bank, all such information as the Bank shall reasonably request, relating to the implementation of the activities, and the performance of its obligations under the Sub-Grant Agreement;
- (viii) the PIA may suspend or terminate the right of the Grant Beneficiary to use or administer the proceeds of the Capacity Development Grant upon failure by the Grant Beneficiary to perform its obligations under the Sub-Grant Agreement; and

- (ix) the Grant Beneficiary shall promptly inform the PIA and the Bank of any condition which interferes or threatens to interfere with the progress of its activities, or the performance by it of its obligations under the Sub-Grant Agreement.
- (b) The Recipient shall, through the Palestinian Authority, cause the Ministry of National Economy to direct the PIA to:
 - (i) carry out its obligations and exercise its rights under Sub-Grant Agreement, in such a manner as to protect the interests of the PIA and the World Bank and to accomplish the purposes of the Capacity Development Grant;
 - (ii) administer the Capacity Development Grants in accordance with the POM, in form and substance satisfactory to the World Bank, consisting of different schedules, setting forth rules, methods, guidelines, standard documents and procedures for the carrying out of Part 1.2 of the Project; and
 - (iii) not to assign, amend, abrogate or waive the POM or any provision thereof.

G. Excluded Expenditures

The Recipient, through the Palestinian Authority, shall cause the Ministry of National Economy to undertake that the proceeds of neither the Catalytic Funding Grant, Capacity Development Grant or the Market Access Matching Grant shall be used to finance Excluded Expenditures. If the Bank determines at any time that an amount of the Grant was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the World Bank, cause the Palestinian Authority to refund an amount equal to the amount of such payment to the World Bank. Amounts refunded to the World Bank upon such request shall be cancelled.

H. Mid-Term Review and Completion Report

1. Not later than thirty-six (36) months after the Effective Date, or by such other date as may be agreed by the Bank, the Recipient shall undertake in conjunction with the Bank and the PIA, a comprehensive mid-term review of the Project, during which it shall exchange views with the Bank and PIA generally on all matters relating to the progress made during implementation of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by the PIA, having regard to the performance indicators.

2. Not later than one (1) month prior to the mid-term review referred to in paragraph above, the Recipient, through the Palestinian Authority, shall cause the PIA to furnish to the Bank for comments, a report, in such detail as the Bank shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
3. Following said mid-term review, at any rate no later than thirty (30) days after its completion, the Recipient shall promptly take any corrective action necessary to remedy any shortcoming noted in the implementation of the Project and implement such other measures as may have been agreed with the Bank to further the objective of the Project.
4. The Recipient, through the Palestinian Authority, shall cause the Ministry of National Economy to 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 Bank not later than six (6) months after the Closing Date.

I. Annual Work Plans and Budgets

1. The Recipient shall cause the PIA that during the first 30 days of each calendar year, to submit to the Bank an annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of the Project.
2. The Recipient, through the Palestinian Authority, shall afford the Bank a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall cause the PIA to carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Bank (“Annual Work Plan and Budget”). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Grant.
3. The PIA may revise Annual Work Plans and Budgets as needed during Project implementation subject to the Bank’s prior written approval.

J. Environmental and Social Standards

1. The Recipient, through the Palestinian Authority, shall and shall cause the PIA, through the Implementation Agreement, to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient through the Palestinian Authority shall and shall cause the PIA, through the Implementation Agreement, to ensure that the Project is implemented in accordance with the Environmental

and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
 - (b) sufficient funds (from the Recipient, the Project and non-government beneficiaries’ sources), are available to cover the costs of implementing the ESCP;
 - (c) policies, procedures, and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
 - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient, through the Palestinian Authority, shall and shall cause the PIA, through the Implementation Agreement, to:
- (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including without limitation any potential Project-related occupational health and safety accidents and incidents or Project-related allegations of GBV or Project-related child labor, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall and shall cause the PIA, through the Implementation Agreement, to maintain and publicize the availability of a Grievance Redress Mechanism (“GRM”), in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient, through Palestinian Authority, shall cause the Ministry of National Economy to ensure that the PIA furnishes each Project Report to the Bank not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.
2. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) Disbursement and Financial Information Letter; and (c) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in EUR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Market Access Matching Grants, Catalytic Funding Grants, Capacity Development Grants, Goods, non-consulting services, consultants' services, Training, Operating Costs and Management Fee for the Project	3,702,675.18	100%
TOTAL AMOUNT	3,702,675.18	

*percentages of disbursements will be allocated following the specifications included in the Work Plans

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is October 28, 2025.

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means the annual work plan and budget as prepared by the PIA for and approved by the Bank in accordance with the provisions of Section I.I of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, 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, and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Grant Beneficiary” means an enterprise, or a sole proprietor, registered in the West Bank and Gaza, which meets the selection criteria set out in the POM and is eligible to receive a Market Access Matching Grant, a Capacity Development Grant or a Catalytic Funding Grant, respectively; and “Grant Beneficiaries” means, collectively, all such Beneficiaries.
5. “Capacity Development Grant” means a grant made or proposed to be made to a Grant Beneficiary by the PIA out of the proceeds of the Grant to assist in financing setup and operationalization of registered angel group activities under Part 1.2 of the Project, pursuant to Section I.F of Schedule 2 of this Agreement and the POM.
6. “Catalytic Funding Grant” means either a Pre-Investment or a Co-Investment Grant made or proposed to be made to a Grant Beneficiary by the PIA out of the proceeds of the Grant to assist in stimulating private investment generation under Part 1.2 of the Project.
7. “Co-Investment Grant” means a type of a Catalytic Funding Grant, provided pursuant to Section I.D.2 of Schedule 2 of this Agreement and the POM.
8. “Excluded Expenditure” means any expenditure:
 - (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the World Bank has financed or agreed to finance, or which the World Bank has financed or agreed to finance under another trust fund credit, or trust fund grant;
 - (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the World Bank by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) for goods intended for a military or paramilitary purpose or for luxury consumption;
- (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws in effect in the parts of the West Bank and Gaza under the jurisdiction of the Palestinian Authority or international agreements to which the Recipient or the Palestinian Authority is a party;
- (e) in the territories (other than the parts of the West Bank and Gaza under the jurisdiction of the Palestinian Authority) of any country which is not a member of the World Bank or for goods procured in, or services supplied from, such territories;

- (f) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
 - (g) with respect to which the World Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or the Palestinian Authority or of a beneficiary of a Grant without the Recipient having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.
9. “Environmental and Social Commitment Plan” or “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated July 10, 2023 which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
10. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
11. “GGateway” means collectively GGateway for Outsourcing Information Technology, a Private Limited Entity, registered in Gaza on October 29, 2015, with registration no. 563158153, as expanded in the West Bank through GGateway for Outsourcing Information Technology, a Private Shareholding Company, registered in West Bank on February 11, 2021, with registration no. 562751594.
12. “Grant Agreements” mean collectively, the TFGWB Grant Agreement and the ESPERE ATF Grant Agreement.
13. “Implementation Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement, to be entered into between the Palestinian Authority and the Project Implementation Agency, as the same may be amended from time to time; and such term includes any schedules or annexes thereto.

14. “IPSD Project” means the Innovative Private Sector Development Project with grant agreement signed on July 16, 2018 and additional financing signed on April 15, 2021.
15. “Legal Instrument(s)” means the legal instrument(s) through which the PIA has been established and is operating.
16. “Management Agreement” means an agreement referred to in Section I.C.4 of Schedule 2, entered into between PIA and GGateway Gaza on March 27, 2020 as amended to include GGateway West Bank as well as the specificity of the Project, as the same may be amended from time to time.
17. “Management Fee” means a fee for the administration expenses incurred by the PIA in relation to the Project, as determined and defined in the detailed budget setting out an analysis of, and calculation for the Management Fee, acceptable to the Bank, as such budget may be updated from time to time by agreement between the PIA and the Bank.
18. “Market Access Matching Grant” means a grant made or proposed to be made to a Grant Beneficiary by the PIA out of the proceeds of the Grant to assist in financing market access services under Part 1.1 of the Project.
19. “MoNE” means the Recipients’ Ministry of National Economy, or any successor thereto.
20. “Operating Costs” means reasonable incremental expenses incurred on account of Project implementation by PIA and GGateway, management and monitoring, including office supplies, the cost of publication of procurement notices and costs of printing materials for carrying out of the communication and awareness campaign, vehicle leasing and operation, office rent, office supplies, office and equipment maintenance and repair, translation and interpretation, reasonable bank charges, costs of carrying out meetings, transportation, travel and supervision costs, including per diem allowances for PIA staff in travel status, supplies and utilities, and other miscellaneous costs directly associated with Project, as determined by the Bank but excluding salaries of officials and employees of the Recipient.
21. “Pre-Investment Grant” means a type of a Catalytic Funding Grant, provided pursuant to Section I.D.2 of Schedule 2 of this Agreement and the POM.
22. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
23. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “Bank Procurement Regulations for IPF Borrowers”, dated September 2023.

24. “Project Implementation Agency” or “PIA” means the entity referred to in Section I.A.4 of Schedule 2 to this Agreement, which shall be responsible for implementing the Project in accordance with this Agreement and the amended Implementation Agreement.
25. “Project Operational Manual” or “POM” means the manual adopted for the IPSD Project referred to in Section I.C of Schedule 2 of this Agreement, as said manual may be amended from time to time with the prior written agreement of the Bank.
26. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
27. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019, with the modifications set forth in Section II of this Appendix.
28. “Steering Committee” means the steering committee established by the Ministry of National Economy under Section I.B.2 of Schedule 2 to this Agreement.
29. “Subsidiary Agreement” means the agreement referred to in Section I.A.1 of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Grant available to the Palestinian Authority.
30. “Sub-Grant Agreement” means any of the Agreements to be entered into by the PIA and either (a) Co-Investment Grant Beneficiary; or (b) Pre-Investment Grant Beneficiary, pursuant to Section I.D.2 of Schedule 2 to this Agreement; or (c) Grant Beneficiary pursuant to Sections I.E and I.F of Schedule 2 to this Agreement, and subject to the specific terms and conditions set forth in the POM.
31. “Training” means training activities (other than consultant’s services) to be carried out under the Project, as approved by the Bank, including the reasonable and necessary local and international travel incurred by participants in training seminars, workshops and study tours, as well as reasonable lodging, subsistence, local and international per diem allowances, registration, tuition and facilitator’s fees, minor organizational expenses (including costs of stationery, handouts and training materials), translation and interpretation costs, facility rental costs, and other expenditures directly related to the training, workshop and/or the study tour activity, as may be agreed with the Bank.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Section 2.09 is amended to read as follows:

“Section 2.09. *Visits*. The Recipient shall, throughout the implementation of the Project and for a period of ten (10) years thereafter:

- (a) enable representatives of the Bank to visit any part of the West Bank and Gaza under the jurisdiction of the Palestinian Authority for purposes related to the Grant; and
 - (b) enable the Bank’s representatives: (i) to visit any facilities and sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Grant Agreement.”
2. Section 3.07 is amended to read as follows:

“Section 3.07. *Financing Taxes.*

 - (a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the parts of West Bank and Gaza under the jurisdiction of the Palestinian Authority on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.”
3. Sub-sections (a) and (h) of Section 4.02 are deleted, and consequently, Sub-sections (b) through (k) are re-lettered as Sub-sections (a) through (i).
4. Re-lettered Sub-section (c) of Section 4.02 is amended to read as follows:

“(c) *Fraud and Corruption.* At any time, the Bank determines that any representative of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any other recipient of any of the proceeds of the Grant) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient (or any such agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority or any other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.”
5. Re-lettered Sub-section (d) of Section 4.02 is amended to read as follows:

“(d) *Cross Suspension.* IBRD or IDA has suspended in whole or in part the right of the Recipient or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient, or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.”
6. Re-lettered Sub-section (g) of Section 4.02 is amended to read as follows:

“(g) *Assignment of Obligations; Disposition of Assets.* The Recipient or any other entity responsible for implementing any part of the Project has, without the consent of the Bank: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Grant Agreement; or (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grant; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the Bank: (A) do not materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement or to achieve the objectives of the Project; and (B) do not materially and adversely affect the financial condition or operation of the Recipient (or such other entity).”

7. Re-lettered Sub-section (i) of Section 4.02 is amended to read as follows:

“(i) *Condition of Recipient.* If the Grant has been made to a Recipient which is not a member of IBRD:

(i) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Recipient (or of any other entity responsible for implementing any part of the Project).

(ii) The Recipient (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Grant Agreement.

(iii) In the opinion of the Bank, the legal character, ownership or control of the Recipient (or any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Grant Agreement so as to materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement, or to achieve the objectives of the Project.”

8. Re-lettered Sub-section (j) of Section 4.02 is amended to read as follows:

“(j) *Ineligibility.* IBRD or IDA has declared the Recipient ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA.”

9. Sub-section (c) of Section 4.03 is amended to read as follows:

“(c) *Fraud and Corruption.* At any time, the Bank determines, with respect to any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient

(or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any other recipient of the proceeds of the Grant) without the Recipient (or any such agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any such other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.”

10. Sub-section (a) of Section 4.05 is amended to read as follows:

“(a) If the Bank determines that an amount of the Grant has been used in a manner inconsistent with the provisions of the Grant Agreement or these Standard Conditions, the Recipient shall, upon notice by the Bank to the Recipient, promptly refund such amount to the Bank. Such inconsistent use shall include, without limitation:

- (i) use of such amount to make a payment for an expenditure that is not an Eligible Expenditure; or
- (ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount, or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other recipient of such amount of the Grant), in either case without the Recipient (or such agency thereof or such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.”

11. Sub-section (k) of Section 5.03 is amended to read as follows:

“(k) If, within thirty (30) days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section.”

12. Paragraph (18) of the Appendix is deleted and, consequently, paragraphs (19) through (28) are re-numbered as paragraphs (18) through (27).