
TF GRANT NUMBER TFOC3434

Trust Fund Grant Agreement

(Second Additional Financing for the Emergency Social Protection and Jobs COVID-19 Response Project)

Between

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

And

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Trust Fund for Gaza and West Bank)

TF GRANT NUMBER TFCO3434

GRANT AGREEMENT

AGREEMENT dated _____, entered into between the PALESTINE LIBERATION ORGANIZATION (“Recipient”), for the benefit of the Palestinian Authority, and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of the Trust Fund for Gaza and the West Bank, established on October 19, 1993, by Resolution No. 93-11 and IDA 93-7, as amended by Resolution No. 95-6 and IDA 95-3 and Resolution No. 96-11 and IDA 96-7, and as further amended by Resolution No. 99-3 and IDA 99-2 and Resolution No. 03-193 and IDA 03-208 of the Executive Directors of the International Bank for Reconstruction and Development and the International Development Association (“Trust Fund”).

WHEREAS:

- (A) The Board of Governors of the International Bank for Reconstruction and Development and the International Development Association have resolved, on June 28, 2023 to, inter alia, replenish the Trust Fund in the amount of eighty million United States Dollars (\$80,000,000), such amount to be transferred from the surplus of the International Bank for Reconstruction and Development and to be used for financing rehabilitation projects in parts of the Gaza Strip (“Gaza”) and the West Bank (“West Bank”), which are under the jurisdiction of the Palestinian Authority.
- (B) 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”);
- (C) 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;
- (D) The Recipient has requested the Bank to assist in financing the Project described in Schedule 1 to this Grant Agreement (the “Project”);

WHEREAS: the Bank has agreed to extend the Grant to the Recipient, for the benefit of the Palestinian Authority, for the purpose of: (i) providing a second additional financing to the Original Project and activities related to the Original Project (as defined in the Appendix to this Agreement) (“Project”) upon the terms and conditions set forth in this 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, carry out the Project through the PCU within MoF and in coordination with MoSD, MoL and PEF, and shall cause WFP, through the WFP Agreement, to carry out the In-kind Support activities under Part 1(a) of the Project, all in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement.

Article III
The Grant

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed ten million United States Dollars (\$10,000,000) (“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
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished that the conditions specified below have been satisfied in a manner and in form and substance satisfactory to the Bank:

- (a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental and corporate action; and
 - (b) The WFP Agreement referred to in Section I.A. 3 of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the WFP.
- 4.02. By signing this Agreement (for purposes of this Section “Warranted Agreement”), the Recipient shall be deemed to represent and warrant that on the Signature Date, that the 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.
- 4.03. 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.
- 4.04. 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 V
Recipient's Representative; Addresses

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Ministry of Finance.

5.02. 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:
970-2-297 8846

Facsimile:
970-2-297-8845

6.03. 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:
248423 (MCI) or
64145 (MCI)

Facsimile:
1-202-477-6391

AGREED as of the Signature Date.

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

By

Honorable Mr. Shukry Bishara

Authorized Representative

Name: Honorable Mr. Shukry Bishara

Title: Minister of Finance

Date: 13-Dec-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Trust Fund for Gaza and West Bank)

By



Authorized Representative

Name: Stefan Emblad

Title: Country Director

Date: 08-Dec-2023

SCHEDULE 1

Project Description

The objective of the Project is to provide In-kind and/or cash support, and short-term employment opportunities to vulnerable populations in the West Bank and Gaza, affected by, COVID-19, and in case of an Eligible Crisis and Emergency, respond to it promptly and effectively.

The Project consists of the following parts:

Part 1: Emergency Cash Transfers and In-kind Support in the West Bank and Gaza

- (a) Provision of Emergency In-kind support and/or Cash Transfers to vulnerable Eligible Beneficiaries, selected in accordance with the criteria and procedures set forth in the Project's Operations Manual.
- (b) Provision of Cash Transfers to support Eligible Beneficiaries already receiving benefits from existing CTPs.

Part 2: Cash for Work in the West Bank

Provision of Sub-grants to selected NGOs to implement cash for work Sub-projects employing targeted vulnerable population, through temporary employment, including health and other social services to address COVID-19 related health and social needs.

Part 3: Capacity Building Project Management, Monitoring and Evaluation

- (a) Strengthening the PCU, MoSD and MoL, PEF's capacity for Project management, monitoring and evaluation through financing of office equipment (including IT and systems), consultants' services and Project staff (who are not civil servants), including audit, Training and incremental Operating Costs, contractual services and outreach campaigns and communications to ensure that Beneficiaries understand the temporary nature of the activities under Parts 1 and 2 of the Project.
- (b) Provision of support for building resilience to mitigate the impact of potential future shocks on the Recipient's social and economic fabric, including: (i) training of MoSD, MoL, PEF's staff to ensure adequate capacity to implement current and future labor market programs; (ii) support on the design, communication and outreach, identification, registration, needs assessment, enrollment, payment mechanism, management information system, and grievance and redress system; (iii) technical assistance to support the development of an enrollment form for households vulnerable to poverty; and (iv) the development of a high-frequency crisis monitoring survey, including a high frequency phone survey to monitor the

socioeconomic impacts of COVID-19 and the mitigating effects of Project interventions on Beneficiary households.

Part 4: Contingency Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient, through the Palestinian Authority, shall continue to implement the Project through the coordination unit within MoF (“PCU”), under terms of reference and functions acceptable to the Bank. Said unit shall continue being responsible for Project management and overall coordination and implementation, including administrative and financial management, disbursement, procurement, and monitoring and evaluation. To this end, the Recipient shall ensure that the PCU maintains, until completion of the Project, procedures, resources and staff in adequate numbers, including but not limited to, a full-time qualified financial management specialist, a procurement specialist and an environmental and social officer, and will coordinate with MoL, MoSD, PEF, WFP and any relevant agencies, to ensure the successful implementation of the Project, all in a manner satisfactory to the Bank.
2. For the purposes of implementing Parts 1(a) and 2 of the Project, the Recipient, through the Palestinian Authority, shall implement and coordinate said Parts 1(a) and 2 following the memoranda of understanding signed with MoL, PEF, and MOSD (“MoUs”), under terms and conditions acceptable to the Bank, setting forth the collaboration arrangements for the management and implementation of Parts 1(a) and 2 of the Project.
3. To facilitate the carrying out of Part 1(a) of the Project, the Recipient, through the Palestinian Authority, shall:
 - (a) make the proceeds of the Grant available to WFP under an agreement between the Recipient and WFP (“WFP Agreement”) under terms and conditions acceptable to the Bank, whereby the Recipient, through the Palestinian Authority, agrees to make available to WFP the proceeds of the Grant to finance the In-kind Support activities under Part 1(a) of the Project, under the existing agreements related to financial management, audit, and fraud and corruption prevention, derived from the Financial Management Framework Agreement (FMFA) and the Fiduciary Principles Accord between the UN agencies (including WFP) and the Bank; and
 - (b) exercise its rights under the WFP Agreement 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 WFP Agreement or any of its provisions.

4. The Recipient shall ensure that the independent external financial auditor hired under the Project, in addition to its regular audit duties, shall continue carrying out spot check audits, and audits of the Participating NGOs for the duration of the activities under Part 2 of the Project, under terms of reference acceptable to the Bank, which shall not be amended without the approval of the Bank.

B. Subsidiary 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: (i) perform in accordance with the provisions of the Subsidiary Agreement all of the obligations of the Palestinian Authority set forth in the Subsidiary Agreement; (ii) take all action, including the provision of funds, facilities, services and other resources, necessary or appropriate for the carrying out of the Project; and (iii) not take or permit to be taken any action which would adversely prevent or negatively interfere with the carrying out of the Project.
3. The Recipient shall exercise its rights under the Subsidiary Agreement, in such manner as to protect the interests of the Recipient, the Palestinian Authority and the Bank and to accomplish the purposes of the Grant and except as the Recipient and the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Cash for Work Sub-Projects

1. For purposes of Part 2 of the Project, the Recipient, through the PA and the PCU, in close coordination with PEF, shall select a Participating NGOs to carry out Cash for Work Sub-Projects in accordance with the criteria, terms and guidelines set forth in the POM, which shall include, *inter alia*, the following eligibility criteria:
 - (a) Participating NGO is a non-governmental, non-profit and non-partisan organization with offices registered in the West Bank for at least five years;
 - (b) Participating NGO has had an operating office in the West Bank for at least three years;

- (c) Participating NGO has proven track record working in poor and marginalized communities;
 - (d) Participating NGO possesses financial management and administrative systems to implement Cash for Work Subprojects deemed acceptable to the Bank; and
 - (e) Participating NGO has annually disbursed in funds no less than \$100,000 between 2017 and 2019.
- 2. The Recipient, through the PA and its MoF, shall make Cash for Work Subgrants available to Participating NGOs to finance Cash for Work Subprojects, under the Subgrant Agreement, to be entered between the MoF and the Participating NGO, which shall comply with the form and substance of the template included in the POM, including, *inter alia*, the following conditions:
 - (a) Payment of the first tranche equal to one third of the Cash for Work Subgrant to the Participating NGO shall be made upon the signing of the Subgrant Agreement between the MoF and the Participating NGO; and
 - (b) Subsequent payments, each tranche not exceeding one third of the Cash for Work Subgrant, shall be made upon confirmation of the satisfactory progress having been made in implementing the Subproject, as documented by the performance indicators set forth in the POM and verified by the Recipient, through the PA and the MoF.
- 3. Cash for Work Subprojects shall be selected in accordance with criteria and selection procedures acceptable to the Bank, as reflected in the POM.
- 4. The Recipient shall ensure that the Participating NGOs hire Eligible Beneficiaries on a competitive and transparent process, in accordance with eligibility, qualifications, selection criteria and selection procedures acceptable to the Bank and set forth in the POM.
- 5. The Recipient undertakes that Subgrants shall not be used to finance Excluded Expenditures. If the Bank determines at any time that an amount of the Subgrant was used to make a payment for an Excluded Expenditure, the Recipient shall promptly refund an amount equal to the amount of such payment to the Bank;
- 6. Each Subgrant Agreement shall include the following terms and conditions and other such conditions as may be specified in the POM:
 - (a) the Recipient shall require each Participating NGO to (I) carry out its Subproject with due diligence and efficiency and in accordance

with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including requirements of the POM and the provisions of the Anti-Corruption Guidelines; (II) ensure that the amounts made available under the Subgrants are used exclusively to make payments in accordance with the detailed provisions of the POM and in compliance with the Anti-corruption Guidelines; (III) provide, promptly as needed, the resources required for the purposes of the Subproject; (IV) procure the goods, works and services to be financed out of the Subgrant in accordance with the provisions of this Agreement and the procedures set forth in the POM; (V) maintain policies and procedures adequate to monitor and evaluate the progress of the Subproject and the achievement of its objectives in accordance with indicators acceptable to the Bank; (VI) enable the Recipient and the Bank to inspect the Subproject, their operations and any relevant records and documents; (VII) prepare and furnish to the Recipient and the Bank all such information as the Recipient or the Bank shall reasonably request relating to the Subproject; and (VIII) promptly refund to the Recipient, for further refund to the Bank, any proceeds of the Subgrants not used in accordance with the Subgrant Agreement, or otherwise utilized in a manner inconsistent with the provisions of this Agreement.

7. The Recipient shall exercise its rights under each Subgrant Agreement 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 any Subgrant Agreement or any of its provisions.

D. Project Operational Manual

1. The Recipient, through the Palestinian Authority, shall, not later than 30 days after the Effective Date, amend and thereafter carry out the Project and shall cause Participating NGOs to carry out the Project in accordance with the Project Operations Manual, setting forth rules, methods, guidelines, and procedures for the carrying out of the Project, including, *inter alia*:
 - (a) administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, and roles and responsibilities for Project implementation.

- (b) criteria on personal data collection and processing under the Project, in accordance with applicable national law and good international practice,
 - (c) criteria and procedures to be applied for selection of: (1) Beneficiaries under Parts 1 and 2 of the Project; and (2) Participating NGOs under Part 2 of the Project.
2. In the event that any provision of the POM shall conflict with any provision of this Agreement, the provisions of this Agreement shall prevail. The Recipient shall not amend the POM without the prior written agreement of the Bank.

E. Annual Work Plans and Budgets

1. Not later than January 31st of each calendar year the Recipient, through the PA's MoF, submit to the Bank detailed annual reports with work plans and budgets for each one the activities and components of the Project, including: (i) detailed forecast of cash flow requirements expenses and contingencies in the following semester, (ii) investments contracts to be made and expected financial flows for its implementation, (iii) estimated costs to be incurred in each capacity building activity, and (iv) detailed projection of management costs; all for the subsequent semester of the Project implementation.
2. The Recipient, through the Palestinian Authority's MoF, shall afford the Bank a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out such annual work plan and budget during such subsequent calendar year as shall have been approved by the Bank ("Annual Work Plans and Budgets"). Only those activities that are included in the Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Grant.
3. The Recipient, through the Palestinian Authority's MoF, may review Annual Work Plans and Budgets as needed during Project implementation subject to the Bank's prior written approval.

F. Environmental and Social Standards

1. The Recipient, through the Palestinian Authority, shall and shall cause Participating NGOs, and WFP 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 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 provided in the ESCP;
 - (b) sufficient funds (from the Recipient, the Project and other non-government beneficiaries' sources) are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
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 ensure that:
- (a) all measures necessary are taken 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 environmental and social 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) the Bank is promptly notified 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, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient, through the Palestinian Authority shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

6. The Recipient, through the Palestinian Authority, shall and shall cause to implement the Project in accordance with the CAP, included in the ESMF, all in a manner acceptable to the Bank.

G. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Emergency Response Part”), the Recipient, through the Palestinian Authority, shall:
 - (a) prepare and furnish to the Bank for its review and approval, a Contingency Emergency Response Manual (“CER Manual”) which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any additional institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management arrangements and instruments the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;
 - (b) afford the Bank a reasonable opportunity to review the proposed CER Manual;
 - (c) promptly adopt the CER Manual for the Emergency Response Part as accepted by the Bank;
 - (d) ensure that the Emergency Response Part is carried out in accordance with the CER Manual; provided, however, that in the event of any inconsistency between the provisions of the CER Manual and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CER Manual without the prior written approval by the Bank.
2. The Recipient, through the Palestinian Authority shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the CER Manual, with adequate staff and resources satisfactory to the Bank.

3. The Recipient, through the Palestinian Authority, shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:
 - (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) the Recipient has ensured the preparation and disclosure of all safeguard instruments as may be required for said activities in accordance with the CER Manual, the Bank has approved all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient, through the Palestinian Authority, shall furnish each Project Report to the Bank not later than 45 days after each semester of each year. 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 USD)	Percentage of Expenditures to be Financed (inclusive of Taxes) *
(1) Cash Transfers Support under Part 1 (a) and (b) of the Project	0	100%
(2) Subgrants for Cash for Work under Part 2 of the Project, and Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3 of the Project	0	100%
(3) Emergency Expenditures under Part 4 of the Project	0	
(4) In-kind Support under Part 1(a) of the Project	10,000,000	
TOTAL AMOUNT	10,000,000	

* Up to 100% as per the Annual Plans and Budgets.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:

(a) payments made prior to the date of this Agreement, except withdrawals up to an aggregate amount not to exceed 4,000,000 may be made for payments made from October 7, 2023, for Eligible Expenditures under Category (4) of the Project; and

(b) under Category (3) unless and until all of the following conditions have been met in respect of said expenditures: (A) that the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Grant amounts under Category (3); and (B) the Bank has agreed with such determination, accepted said request and notified the Recipient thereof; and the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.

2. The Closing Date is December 31, 2025.

C. Other Undertakings

The Recipient, through the Palestinian Authority, shall ensure that the collection, use and processing (including transfers to third parties) of any personal data collected under this Project shall be done in accordance with the best international practices, ensuring legitimate, appropriate, and proportionate treatment of such data.

Schedule 3

Amendment to the Original Project

1. Section 2.01 of Article II to the Agreement is hereby replaced with the following:

“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, carry out the Project through the PCU within MoF and in coordination with MoSD, MoL and PEF, and shall cause WFP, through the WFP Agreement, to carry out the In-kind Support activities under Part 1(a) of the Project, all in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement.”

2. Schedule 1, Project Description, first paragraph of the Agreement is hereby replaced with the following:

“The objective of the Project is to provide In-kind and/or cash support, and short-term employment opportunities to vulnerable populations in the West Bank and Gaza, affected by, COVID-19, and in case of an Eligible Crisis and Emergency, respond to it promptly and effectively.”

3. Part 1 of the Project under Schedule 1 of the Agreement, is hereby replaced with the following:

“Part 1: Emergency Cash Transfers and In-kind Support in the West Bank and Gaza

- (a) *Provision of Emergency In-kind support and/or Cash Transfers to vulnerable Eligible Beneficiaries, selected in accordance with the criteria and procedures set forth in the Project’s Operations Manual.*
- (b) *Provision of Cash Transfers to support Eligible Beneficiaries already receiving benefits from existing CTPs.”*

4. A new paragraph 3 is included in Section I.A, Institutional Arrangements, and the subsequent paragraphs are renumbered accordingly, to read as follows:

“3. To facilitate the carrying out of Part 1(a) of the Project, the Recipient, through the Palestinian Authority, shall:

- (a) *make the proceeds of the Grant available to WFP under an agreement between the Recipient and WFP (“WFP Agreement”) under terms and conditions acceptable to the Bank, whereby the Recipient, through the Palestinian Authority, agrees to make available to WFP the proceeds of the Grant to*

finance the In-kind Support activities under Part 1(a) of the Project, under the existing agreements related to financial management, audit, and fraud and corruption prevention, derived from the Financial Management Framework Agreement (FMFA) and the Fiduciary Principles Accord between the UN agencies (including WFP) and the Bank; and

(b) exercise its rights under the WFP Agreement 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 WFP Agreement or any of its provisions.”

5. Paragraph 1 of Section I.F (Environmental and Social Standards) is hereby amended to read as follows:

“1. The Recipient, through the Palestinian Authority, shall and shall cause Participating NGOs, and WFP to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.”

6. The Disbursement table on Section III.A.1 of Schedule 2 to the Agreement, is replaced in its entirety by the table below:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes) *
<i>(1) Cash Transfers Support under Part 1 (a) and (b) of the Project</i>	<i>18,362,046</i>	<i>100%</i>
<i>(2) Subgrants for Cash for Work under Part 2 of the Project, and Goods, non-consulting services, consulting services, Training and Operating Costs under Part 3 of the Project</i>	<i>10,000,000</i>	<i>100%</i>
<i>(3) Emergency Expenditures under the Project</i>	<i>1,637,954</i>	<i>100%</i>
<i>(4) In-kind Support under Part 1(a) of the Project</i>	<i>0</i>	<i>100%</i>
TOTAL AMOUNT	30,000,000	

7. Section III. B.2 of Schedule 2 to the Agreement is replaced by the following:

“2. The Closing Date is December 31, 2025.”

8. The existing definition of “Eligible Beneficiary” is hereby amended to read as follows:

““Eligible Beneficiary” means: (i) for the purposes of Part 1(a) of the Project, a member of a household that has lost his/her income as a result of the COVID-19 crisis, eligible to receive a one-time payment from the Emergency Cash Transfer program, according to criteria specified in the POM and/or In-kind Support; and (ii) for Part 1(b) of the Project, a household with regular CTP benefits, eligible to receive cash transfers benefits in accordance with the criteria specified in the POM.”

8. New definitions are added to the Appendix of the Agreement, to read as follows (on the alphabetical order that corresponds):

“FMFA” means the Financial Management Framework Agreement between the World Bank and the United Nation, to which WFP is a co-signatory pursuant to the letter it signed on March 10, 2006. For purposes of the FMFA, the Bank means “the Bank” and the International Bank for Reconstruction and Development.

“In-kind Support” means a standard package of basic food staples to be delivered to Selected Beneficiaries under Part 1(a) of the Project, determined based on individual caloric and nutritional needs for optimal food and nutrition security support.

“WFP” means an autonomous joint subsidiary program of the United Nations and the Food and Agriculture Organization of the United Nations, with a dual humanitarian relief and development mandate to provide emergency and development assistance to eradicate hunger and poverty amongst the poorest and most food-insecure countries.

“WFP Agreement” means the agreement between the Bank and WFP referred to in Section I.A.3 of Schedule 2 to this Agreement, setting forth the conditions under WFP shall engage in implementing the activities under Part 1(a) of the Project.

All other provisions of the Agreement, except as amended herein, shall remain in full force and effect.

APPENDIX

Section I. Definitions

1. “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.
2. “Annual Work Plan and Budget” means the annual work plan and budget as prepared by the Recipient for and approved by the Bank in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.
7. “CAP” means the Corrective Action Plan prepared by the Recipient, based on the Environmental and Social Audit conducted for the Original Project, approved and cleared by the Bank and disclosed at MoF website on September 21, 2021, as part of the updated ESMF.
3. “Cash Transfer” means a grant provided to Beneficiaries under Part 1 of the Project, aimed at reducing the negative impact of the COVID-19 outbreak on the poor and pursuant to procedures, eligibility criteria and conditions, as set forth in the Operations Manual.
4. “Cash for Work Subgrant” means a grant made or proposed to be made to a Participating NGO by the Recipient out of the proceeds of the Grant to assist in financing Cash for Work Subproject under Part 2 of the Project.
5. “Cash for Work Subproject” means a subproject described in Section I.C.2 of Schedule 2 to this Agreement, implemented in accordance with the POM.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “Contingency Emergency Response Manual” and the acronym “CER Manual” means the manual referred to in Section G.I(a) of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part, in accordance with the provisions of said Section.
8. “CTP” means the Recipient’s existing cash transfer programs.
9. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
10. “Eligible Beneficiary” means: (i) for the purposes of Part 1(a) of the Project, a member of a household that has lost his/her income as a result of the COVID-19

crisis, eligible to receive a one-time payment from the Emergency Cash Transfer program, according to criteria specified in the POM and In-kind Support and (ii) for Part 1(b) of the Project, a household with regular CTP benefits, eligible to receive cash transfers benefits in accordance with the criteria specified in the POM.

11. “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 Bank or the Association has financed or agreed to finance, or which the Bank or the Association has financed or agreed to finance under another loan, credit, or 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 of the Recipient or international agreements to which the Recipient is a party;
 - (e) 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
 - (f) with respect to which the World Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Grant proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.
12. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster, including a disease outbreak.
 13. "Emergency Expenditure" means any of the eligible expenditures set forth in the Emergency Response Manual in accordance with the provisions of Section G.I. of Schedule 2 to this Agreement and required for the Emergency Response Part.
 14. "Emergency Response Part" means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part G.I. of the Project.
 15. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated November 22, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

16. “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.
17. “FMFA” means the Financial Management Framework Agreement between the World Bank and the United Nation, to which WFP is a co-signatory pursuant to the letter it signed on March 10, 2006. For purposes of the FMFA, the Bank means the Bank and the International Bank for Reconstruction and Development.
18. “GRM” means the Grievance Redress Mechanism referred to in Section I.E.2 of Schedule 2 to this Agreement.
19. “In-kind Support” means a standard package of basic food staples to be delivered to Selected Beneficiaries under Part 1(a) of the Project, determined based on individual caloric and nutritional needs for optimal food and nutrition security support.
20. “IT” means information technology.
21. “MoF” means the Recipient’s Ministry of Finance.
22. “MoL” means the Recipient’s Ministry of Labor.
23. “MoSD” means the Recipient’s Ministry of Social Development.
24. “MOUs” means the memoranda of understanding to be entered into among the Ministry of Finance, MoL, MOSD and PEF, as referred to in Section I.A.2 of Schedule 2 to this Agreement.
25. “Operating Costs” means incremental costs incurred under the Project on account of: (i) salaries and local travel expenditures for temporary staff (excluding civil servants); (ii) local travel expenditures, including *per-diem*, for regular staff; (iii) field offices’ office rental, maintenance and utility charges, communication costs, office supplies and consumables, vehicle rental, insurance, maintenance and fuel;

- (iv) operation and maintenance of office equipment, bank charges, translation services; (v) other miscellaneous costs directly associated with the Project implementation all based on periodic budgets acceptable to the Bank; and (vi) cost of conducting meetings and workshops (other than meetings and/or workshops related to Training).
26. “Original Financing” means the financing provided to the Recipient under the Original Financing Agreement.
 27. “Original Financing Agreement” means the financing agreement for the Social Protection COVID-19 Project, dated August 6, 2020 (TF0B3131).
 28. “Original Project” means the Project described in Schedule 1 to the Original Financing Agreement.
 29. “PEF” means the Palestinian Employment Fund (previously known as the Palestinian Fund for Employment and Social Protection for Workers), an independent entity, with legal personality created pursuant Presidential Decree No. 9 of 2003, with the aim of contributing to the development of human resources, enhancing the business sector and creating job opportunities.
 30. “PCU” means the Project coordination unit within MoF, in charge of overall Project implementation and referred to in Section I.A.1 of Schedule 2 to this Agreement.
 31. “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.
 32. “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
 33. “Project Operational Manual” or “POM” means the manual prepared for the Original Project, dated February 4, 2021, as updated, in accordance with Section I.D.1 of Schedule 2 of this Agreement, satisfactory to the Bank containing detailed institutional, administrative, financial, social, technical and operational guidelines and procedure for the implementation of the Project.

34. “Selected NGOs” means the entities which meet the eligibility criteria set forth in the POM and that are recipients of the Sub-grants provided or proposed to be provided under Part 2 of the Project.
35. “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.
36. “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.
37. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Grant available to the PA.
38. “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.
39. “WFP” means an autonomous joint subsidiary program of the United Nations and the Food and Agriculture Organization of the United Nations, with a dual humanitarian relief and development mandate to provide emergency and development assistance to eradicate hunger and poverty amongst the poorest and most food-insecure countries.
40. “WFP Agreement” means the agreement between the Palestinian Authority and WFP referred to in Section I.A.3 of Schedule 2 to this Agreement, setting forth the conditions under WFP shall engage in implementing the activities under Part 1(a) of the Project.

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).