

**AMENDMENT N°2
TO THE COST SHARING AGREEMENT
CPS 3005-01 B**

BETWEEN:

THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Represented by Mr. Tim Rothermel

Acting in his capacity as Special representative a.i. in Jerusalem

(hereinafter « the Recipient»)

OF THE FIRST PART,

AND

AGENCE FRANCAISE DE DEVELOPPEMENT,

A public establishment, having its head office at Paris XII° - 5 rue Roland Barthes,
Registered in the Companies Registry of Paris under number n° B 775 665 599

Represented by Mr. Hervé CONAN

Its Director in Jerusalem

Duly authorized to sign this Amendment, pursuant to the AFD's board modifying
resolution n° C20060307 dated 20th of December 2006,

OF THE SECOND PART,

(hereinafter the « Agency »),

(hereinafter jointly referred to as the “Parties” and individually as a “Party”)

WHEREAS :

1. Pursuant to the Cost Sharing Agreement and the Exchange of Letters, signed on 18th April 2007 by the Recipient and the Agency, the Agency made available to the Recipient a grant for a maximum amount of two million seven hundred and forty thousand Euros (EUR 2,740,000).
2. The deadline for disbursement of funds was initially set on 31st December 2009.
3. The amendment N° 1 extended the deadline for disbursement of funds until 31st December 2010.
4. The present amendment N°2 (hereinafter the “Amendment”) aims to extend the deadline for disbursement of funds until 31st December 2011.

ON THE BASIS OF THE FOREGOING, IT IS HEREBY AGREED AS FOLLOWS:

Clause 1 - Definitions

In the present Amendment, the term:

- “Agency” shall mean the Agence Française de Développement,
- “Grant” shall mean the financial contribution made available to the Recipient by the Agency, pursuant to the Cost Sharing Agreement,
- “Recipient” shall mean the UNDP.

Clause 2 – Purpose

The purpose of the Amendment is to extend the deadline for disbursement of the funds until 31st December 2011.

Clause 3 – Modification of the clause I.2 of the Exchange of letters

Clause I.2 of the Exchange of letters is deleted and replaced by the following:

- “- The UNDP will present Replenishment requests to the Director of the AFD in Jerusalem. Prior to any request, the UNDP will transmit to the AFD the name and the position of the person(s) who is (are) authorized to sign the disbursement requests on its behalf as well as specimen signature(s).
- The UNDP shall be entitled to request the AFD to disburse the funds in the form of successive advances. The disbursement schedules will follow those outlined in the Cost Sharing Agreement signed between the UNDP and the AFD.
- UNDP will ensure that the Grant will be utilized exclusively for the purpose of activities specified in the exit strategy approved by the MOH. Any other use shall be submitted to the AFD for prior approval.

- The AFD will make an initial advance for an amount up to 40% of the amount of the investments defined in the framework of the investments program, when such a program has been approved by the UNDP and the AFD.
- The renewal of the initial advance will be made up to and to the extent of the presentation of documents (UNDP's ATLAS Financial Reports), setting out the evidence of expenses, such renewal to be requested after use by the UNDP of 70% of the advance.
- The deadline for disbursement of funds shall be 31st December 2011, provided that the final Replenishment request must reach the AFD at the latest fifteen days before the aforementioned deadline. The non disbursed portion of the Grant on such date shall be automatically cancelled."

Clause 4 – Maintenance of the other provisions of the Cost sharing Agreement and the Exchange of Letters

All the other provisions of the Cost Sharing Agreement and the Exchange of Letters remain unchanged to the extent to which they are not in contradiction with the present Amendment.

Clause 5 – Entry into force

The present Amendment shall enter into force on the date on which it has been signed by both the Recipient and the Agency.

Clause 6 – Stamp and registration duties

All stamp and registration duties applicable to the present Amendment shall be payable by the Recipient, if such formalities are required by the parties or by either of them.

Made in THREE original copies,
Two of which are for the Agency,

in Jerusalem, on

- The AGENCY,


H. COMAN

- The RECIPIENT,



