

**PALESTINIAN RECOVERY & DEVELOPMENT PLAN –
MULTI DONOR TRUST FUND No. 99558**

**FUNDED BY DONORS AND ADMINISTRATED BY THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

For the period from April 28, 2011 to July 31, 2012

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INDEPENDENT AUDITOR'S REPORT

TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements of the Ministry of Finance (hereinafter "MoF") for the period from April 28, 2011 to July 31, 2012 with respect to Grant No. TF99558 with regard to the cash transfers made by the International Bank for Reconstruction and Development (hereinafter the "World Bank") as administrator of grant funds provided by donors to the Palestinian Reform and Development Plan – Multi Donor Trust Fund (hereinafter "PRDP-MDTF"). This financial statement is the responsibility of MoF's Management. Our responsibility is to express an opinion on this financial statement based on our audit.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the basis of accounting described in note (2) for the purpose of providing information to the MoF and the World Bank. This responsibility includes: determining that the basis of accounting described in note (2) is an acceptable basis for preparing and presenting the financial statement in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates, if any, that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the MoF's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MoF's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- the accompanying statement of cash receipts and disbursements for the period from April 28, 2011 to July 31, 2012 has been prepared, in all material respects, in accordance with the basis of accounting as described in note (2).



- The disbursed funds made by the World Bank have been deposited in a special account for exclusive purposes;
- No funds are kept in or paid into the Deposit Account other than those disbursed by the World Bank for this particular operation;
- All withdrawals from the Deposit Account for payments are for legitimate budgetary purposes, following procedures established by the MoF; and
- The MoF has met the World Bank requirements by following adequate systems and procedures and in compliance with the Grant Agreement and the Excluded Expenditure set out in an Appendix to the Grant Agreement;

PricewaterhouseCoopers
Ramallah, Palestine



Ramallah: November 26, 2012

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558

Funded by Donors and Administrated by International Bank for Reconstruction and Development

Statement of Cash Receipts and Disbursements


For the Period from April 28, 2011 to July 31, 2012

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

(All amounts in GBP)

	<u>Note</u>	<u>GBP</u>
Remittances received from the World Bank	(3)	154,590,745
Total cash receipts		154,590,745
Amounts disbursed out from the designated account	(4)	154,590,614
Bank charges		131
Total cash disbursements		154,590,745
Change in fund balance during the period		-
Beginning fund balance as of April 28, 2011		-
Fund balance available as of July 31, 2012		-

- Notes to the financial statement from 1 to 4 form an integral part thereof.


Palestinian Authority

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558
Funded by Donors and Administrated by International Bank for Reconstruction and Development
Statement of Cash Receipts and Disbursements
For the Period from April 28, 2011 to July 31, 2012

NOTES TO THE FINANCIAL STATEMENT
(All amounts in Sterling Pound)

NOTE (1) - GENERAL

The Palestine Liberation Organization (hereinafter the "Recipient") for the benefit of the Palestinian Authority (hereinafter the "PA") has signed a grant agreement in April 11, 2008 with the International Development Association (hereinafter the "World Bank") that act as administrator (hereinafter the "Administrator") of the Trust Fund for Gaza and West Bank that are provided by various donors to support Palestinian Reform and Development Plan. The total amount per signed grant agreement was originally USD 83,860,000, furthermore, several modifications amended the amount of the agreement, whereby modification dated June 13, 2012 which increased the amount to become USD 834,813,782 to the signed grant agreement made during years 2008, 2009, 2010, 2011 up to July 31, 2012 as shown below:

	<u>Amount (USD)</u>
Total amount received, as of April 28, 2011	588,970,684
Amount received in current period	245,843,098
Total amount received, as of July 31, 2012	<u>834,813,782</u>

The objectives of the grant are providing financing in support of the program of actions, objectives and policies set forth in the Palestinian Reform and Development Plan and as outlined in the Letter of Development Policy declaring the Recipient's commitment to the implementation of the Program.

The Recipient shall cause the Palestinian Authority to work towards the implementation of, and carry out, the Program with due diligence and efficiency, and in accordance with the provisions of this Agreement.

NOTE (2) - BASIS OF PREPARATION

a) Accounting Basis

The accompanying statement presents the cash receipts and cash disbursements made from the PRDP-MDTF account only with regard to grant number TF99558 signed between the Palestine Liberation Organization and the World Bank, and does not include any amounts received or spent under any other agreement.

MoF policy is to prepare the accompanying statement on the cash receipts and disbursements basis. This basis is a comprehensive basis of accounting other than International Financial Reporting Standards. Under this basis, revenues are recognized when received, and expenses are recognized when paid.

b) Translation of the Financial Statement

The accompanying financial statement is denominated in Sterling Pound. Transactions denominated in currencies other than Sterling Pound during the period were translated according to prevailing rates at the time when each transaction took place.

NOTES TO THE FINANCIAL STATEMENT
 (All amounts in Sterling Pound)

NOTE (3) - REMITTANCES RECEIVED FROM THE WORLD BANK

This item represents transfers made by the World Bank to the PRDP-MDTF account number 1212769 opened by the MoF at the Bank of Palestine (BoP) in Sterling Pound and US Dollar. Following are the details of the transfers:

<u>Date of transfer (World Bank)</u>	<u>Date of transfer (MoF Bank)</u>	<u>Actual amount</u>	<u>Currency</u>	<u>*Rate</u>	<u>Amount (GBP)</u>
May 13, 2011	May 15, 2011	22,059,051	GBP	1.00	22,059,051
September 15, 2011	September 15, 2011	19,994,918	GBP	1.00	19,994,918
October 3, 2011	October 3, 2011	31,647,593	GBP	1.00	31,647,593
March 1, 2012	March 1, 2012	40,330,379	GBP	1.00	40,330,379
April 5, 2012	April 5, 2012	26,274,356	GBP	1.00	26,274,356
June 28, 2012	July 1, 2012	22,337,702	USD	1.56	14,284,448
Total grants during the period from April 28, 2011 to July 31, 2012					<u>154,590,745</u>

*Rate been rounded to near two decimal numbers

NOTE (4) - AMOUNTS DISBURSED OUT FROM THE DESIGNATED ACCOUNT

All withdrawals from the PRDP-MDTF designated accounts were made to the following PA single treasury accounts.

1. 2067777 - 560 - Bank of Palestine (ILS).
2. 2067777 - 560 - Bank of Palestine (USD).
3. 1000845 - 510 - Arab Bank (USD).

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558
 Funded by Donors and Administrated by International Bank for Reconstruction and Development
 Statement of Cash Receipts and Disbursements
 For the Period from April 28, 2011 to July 31, 2012

NOTES TO THE FINANCIAL STATEMENT
 (All amounts in Sterling Pound)

Following are the details of the disbursements made from the PRDP-MDIF accounts:

Date of transfer	Actual amount	Currency	Amount (GBP)	*Rate	Amount Transferred to		
					Single Treasury Account	Single Treasury Account	Single Treasury Account
					Bank of Palestine (ILS)	Bank of Palestine (USD)	Arab Bank (USD)
May 16, 2011	22,059,030	GBP	22,059,030	5.69	125,515,881	-	-
Sep 15, 2011	19,994,897	GBP	19,994,897	5.82	116,370,300	-	-
Oct 3, 2011	31,647,572	GBP	31,647,572	1.55	-	49,117,032	-
March 4, 2012	9,422,110	GBP	9,422,110	1.59	-	15,000,000	-
March 4, 2012	30,908,248	GBP	30,908,248	6.02	186,253,100	-	-
April 5, 2012	26,274,335	GBP	26,274,335	1.58	-	41,513,449	-
July 4, 2012	11,894,400	USD	7,606,196	1.56	-	-	11,894,400
July 11, 2012	10,443,262	USD	6,678,226	1.56	-	10,443,262	-
			154,590,614		428,139,281	116,073,743	11,894,400

*Rate been rounded to near two decimal numbers

**PALESTINIAN RECOVERY & DEVELOPMENT PLAN –
Multi Donor TRUST FUND No. 99558**

**FUNDED BY DONORS AND ADMINISTRATED BY THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

For the period from August 1, 2012 to August 31, 2013

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INDEPENDENT AUDITOR'S REPORT

TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements of the Ministry of Finance (hereinafter "MoF") for the period from August 1, 2012 to August 31, 2013 with respect to Grant No. TF99558 with regard to the cash transfers made by the International Bank for Reconstruction and Development (hereinafter the "World Bank") as administrator of grant funds provided by donors to the Palestinian Reform and Development Plan – Multi Donor Trust Fund (hereinafter "PRDP-MDTF"), and a summary of significant accounting policies and other explanatory information (together "the financial statement"). The financial statement has been prepared by management using the basis of accounting described in Note (2).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of this financial statement in accordance with the basis of accounting described in Note (2), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- The accompanying statement of cash receipts and disbursements for the period from August 1, 2012 to August 31, 2013 has been prepared, in all material respects, in accordance with the basis of accounting as described in note (2);
- The disbursed funds made by the World Bank have been deposited in a special account for exclusive purposes;
- No funds are kept in or paid into the Deposit Account other than those disbursed by the World Bank for this particular operation;
- All withdrawals from the Deposit Account for payments are for legitimate budgetary purposes, following procedures established by the MoF; and
- The MoF has met the World Bank requirements by following adequate disbursement procedures including accuracy of exchange rate conversion.



Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note (2) which describes the basis of accounting. The financial statement is prepared for the purpose of providing information to the MoF and the World Bank. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the World Bank and MoF and should not be distributed to any other parties.

PricewaterhouseCoopers
Ramallah, Palestine

Ramallah: November 29, 2013

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
 Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558
 Funded by Donors and Administrated by International Bank for Reconstruction and Development
 Statement of Cash Receipts and Disbursements
 For the Period from August 1, 2012 to August 31, 2013

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 (All amounts in USD)

	Note	Amount (USD)
Remittances received from the World Bank	(3)	187,985,138
Total cash receipts		187,985,138
Amounts disbursed out from the designated account	(4)	187,984,938
Bank charges		200
Total cash disbursements		187,985,138
Change in fund balance during the period		-
Beginning fund balance as of August 1, 2012		-
Fund balance available as of August 31, 2013		-

- Notes to the financial statement from 1 to 4 form an integral part thereof.


 the
 Palestinian Authority

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558
Funded by Donors and Administrated by International Bank for Reconstruction and Development
Statement of Cash Receipts and Disbursements
For the Period from August 1, 2012 to August 31, 2013

NOTES TO THE FINANCIAL STATEMENT

(All amounts in US Dollar)

NOTE (1) - GENERAL

The Palestine Liberation Organization (hereinafter the "Recipient") for the benefit of the Palestinian Authority (hereinafter the "PA") has signed a grant agreement in April 11, 2008 with the International Development Association (hereinafter the "World Bank") that act as administrator (hereinafter the "Administrator") of the Trust Fund for Gaza and West Bank that are provided by various donors to support Palestinian Reform and Development Plan. The total amount per signed grant agreement was originally USD 83,860,000, furthermore, several modifications amended the amount of the agreement, whereby the latest amendment dated 23 May 13, increased the amount to become USD 1,022,797,965. The actual grant amount received by the MoF as of the date of this report is as follows:

	<u>Amount (USD)</u>
Total amount received, as of July 31, 2012	834,813,782
Amount received in current period	187,985,138
Total amount received, as of August 31, 2013	<u>1,022,798,920</u>

The objectives of the grant are providing financing in support of the program of actions, objectives and policies set forth in the Palestinian Reform and Development Plan and as outlined in the Letter of Development Policy declaring the Recipient's commitment to the implementation of the Program.

The Recipient shall cause the Palestinian Authority to work towards the implementation of, and carry out, the Program with due diligence and efficiency, and in accordance with the provisions of this Agreement.

NOTE (2) - BASIS OF PREPARATION

a) Accounting Basis

The accompanying statement presents the cash receipts and cash disbursements made from the PRDP-MDTF account only with regard to grant number TF99558 signed between the Palestine Liberation Organization and the World Bank, and does not include any amounts received or spent under any other agreement.

MoF policy is to prepare the accompanying statement on the cash receipts and disbursements basis. This basis is a comprehensive basis of accounting other than International Financial Reporting Standards. Under this basis, revenues are recognized when received, and expenses are recognized when paid.

b) Translation of the Financial Statement

The accompanying financial statement is denominated in US Dollar. Transactions denominated in currencies other than US Dollar during the period were translated according to prevailing rates at the time when each transaction took place.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558

Funded by Donors and Administrated by International Bank for Reconstruction and Development

Statement of Cash Receipts and Disbursements

For the Period from August 1, 2012 to August 31, 2013

NOTES TO THE FINANCIAL STATEMENT

(All amounts in US Dollar)

NOTE (3) - REMITTANCES RECEIVED FROM THE WORLD BANK

This item represents transfers made by the World Bank to the PRDP-MDTF account number 1212769 opened by the MoF at the Bank of Palestine (BoP) in US Dollar. Following are the details of the transfers:

<u>Date of transfer (World Bank)</u>	<u>Date Received by MoF</u>	<u>Amount Received by MoF (USD)</u>
September 10, 2012	September 13, 2012	14,258,700
November 15, 2012	November 18, 2012	49,500,000
December 13, 2012	December 17, 2012	32,083,920
March 7, 2013	March 14, 2013	60,552,855
May 28, 2013	May 30, 2013	31,589,663
Total grants during the period from August 1, 2012 to August 31, 2013 *		<u>187,985,138</u>

(*) As per the World Bank records an amount of USD 72,179,910 was transferred by the World Bank in August 29, 2013. However, based on our audit of the MoF accounts we noted that the transfer was actually received by the MoF on September 4, 2013. Accordingly, this transfer was not included in the statement of cash receipts and cash disbursements due to the fact that it was received and disbursed after August 31, 2013.

NOTE (4) - AMOUNTS DISBURSED OUT FROM THE DESIGNATED ACCOUNT

All withdrawals from the PRDP-MDTF designated accounts were made to the following PA single treasury accounts.

1. 2067777 - 560 - Bank of Palestine (ILS).
2. 2067777 - 560 - Bank of Palestine (USD).
3. 1000845 - 510 - Arab Bank (USD).

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
 Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558
 Funded by Donors and Administered by International Bank for Reconstruction and Development
 Statement of Cash Receipts and Disbursements
 For the Period from August 1, 2012 to August 31, 2013

NOTES TO THE FINANCIAL STATEMENT
 (All amounts in US Dollar)

Following are the details of the disbursements made from the PRDP-MDTF accounts:

Date of transfer	Amount (USD)	*Rate	Amount Transferred To			
			Single Treasury Account	Bank of Palestine (ILS)	Bank of Palestine (USD)	Single Treasury Account
September 13, 2012	12,798,400	1.00	-	-	-	12,798,400
September 13, 2012	1,460,260	1.00	-	-	1,460,260	-
November 18, 2012	49,499,960	1.00	-	-	-	49,499,960
December 17, 2012	32,083,880	1.00	-	-	32,083,880	-
March 14, 2013	60,552,815	1.00	-	-	60,552,815	-
May 30, 2013	10,000,000	3.68	36,800,000	-	-	-
May 30, 2013	21,589,623	1.00	-	-	21,589,623	-
	187,984,938		36,800,000	115,686,578	62,298,360	62,298,360

*Rate been rounded to near two decimal numbers

**PALESTINIAN RECOVERY & DEVELOPMENT
PLAN – TRUST FUND**

GRANT NUMBER TFO91935-GZ

**FUNDED BY DONORS AND ADMINISTRATED BY THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

STATEMENT OF PROJECT'S ACTIVITIES

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
AND INDEPENDENT AUDITORS' REPORT**

For the period from January 1, 2010 to May 1, 2011



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Palestinian Recovery and Development Plan – Trust Fund
Funded by Donors and Administrated by International Bank for Reconstruction and Development
Statement of Cash Receipts and Disbursements
For the Period from January 1, 2010 to May 1, 2011

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INDEPENDENT AUDITORS' REPORT

TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

We have audited the accompanying statement of cash receipts and disbursements of the Ministry of Finance (hereinafter "MoF") for the period from January 1, 2010 to May 1, 2011 with respect to Grant No. TF091935-GZ with regard to the cash transfers made by the International Bank for Reconstruction and Development as administrator of grant funds provided by donors to the Palestinian Reform and Development Plan Trust Fund. This financial statement is the responsibility of MoF's Management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- The disbursed funds made by International Bank for Reconstruction and Development have been deposited in a special account for exclusive purposes;
- No funds are kept in or paid into the Deposit Account other than those disbursed by the International Bank for Reconstruction and Development for this particular operation;
- All withdrawals from the Deposit Account for payments are for legitimate budgetary purposes, following procedures established by the Palestinian Authority's Ministry of Finance;
- The Ministry of Finance follows adequate disbursement procedures as per PNA and governmental standards including accuracy of exchange rate conversion; and
- The accompanying cash receipts and disbursements statement properly reflects the movement of funds from the special deposit account to the single treasury account.

Ramallah: November 16, 2011

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Palestinian Recovery and Development Plan – Trust Fund
Funded by Donors and Administrated by International Bank for Reconstruction and Development
Statement of Cash Receipts and Disbursements
For the Period from January 1, 2010 to May 1, 2011

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(All amounts in GBP)

	<u>Note</u>	<u>GBP</u>
Remittances received from the World Bank	(3)	173,508,280
Total cash receipts		173,508,280
Amounts disbursed out from the designated account	(4)	173,508,112
Bank charges		168
Total cash disbursements		173,508,280
Net funds during the period		-
Beginning balance as of January 1, 2010		-
Funds available as of May 1, 2011		-

- Notes to the financial statement from 1 to 4 form an integral part thereof.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Palestinian Recovery and Development Plan – Trust Fund
Funded by Donors and Administrated by International Bank for Reconstruction and Development
Statement of Cash Receipts and Disbursements
For the Period from January 1, 2010 to May 1, 2011

NOTES TO THE FINANCIAL STATEMENTS
(All amounts in Sterling Pound)

NOTE (1) - GENERAL

The Palestine Liberation Organization (hereinafter the "Recipient") for the benefit of the Palestinian Authority has signed a grant agreement in April 11, 2008 with the International Development Association (hereinafter the "World Bank") that act as administrator (hereinafter the "Administrator") of the Trust Fund for Gaza and West Bank that are provided by various donors to support Palestinian Reform and Development Plan (PRDP). The amount per signed agreement was USD 83,860,000 which then increased to become USD 588,970,684 as of May 1, 2011 with regard to the fourteen amendments to the signed agreement made during years 2008 2009, 2010 up to May 1, 2011.

The objectives of the grant are providing financing in support of the program of actions, objectives and policies set forth in the Palestinian Reform and Development Plan (PRDP) and as outlined in the Letter of Development Policy (LDP) declaring the Recipient's commitment to the implementation of the Program.

The Recipient shall cause the Palestinian Authority to work towards the implementation of, and carry out, the Program with due diligence and efficiency, and in accordance with the provisions of this Agreement.

NOTE (2) - BASIS OF PREPARATION

a) Accounting Basis

The accompanying statement presents the cash receipts and cash disbursements made from the PRDP Trust Fund account only with regard to grant number TF091935-GZ signed between the Palestine Liberation Organization and the World Bank, and does not include any amounts received or spent under any other agreement.

MoF policy is to prepare the accompanying statement on the cash receipts and disbursements basis. This basis is a comprehensive basis of accounting other than International Financial Reporting Standards. Under this basis, revenues are recognized when received, and expenses are recognized when paid and fixed assets are expensed when purchased.

b) Translation of the Financial Statement

The accompanying financial statement is denominated in Sterling Pound. Transactions denominated in currencies other than Sterling Pound during the period were translated according to prevailing rates at the time when each transaction took place.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
 Palestinian Recovery and Development Plan – Trust Fund
 Funded by Donors and Administrated by International Bank for Reconstruction and Development
 Statement of Cash Receipts and Disbursements
 For the Period from January 1, 2010 to May 1, 2011

NOTES TO THE FINANCIAL STATEMENT
 (All amounts in Sterling Pound)

NOTE (3) - REMITTANCES RECEIVED FROM THE WORLD BANK

This item represents transfers made by the World Bank to the PRDP-TF account number 9090-100084-891 opened by the MoF at the Arab Bank as well as another special bank account for the grant at the Bank of Palestine (BoP), account number 1212769, at the end of year 2010, both accounts are in Sterling Pound. Following are the details of the transfers, segregated by the bank account :

Date of transfer	Bank Account	GBP
January 27,2010	Arab Bank	15,185,323
February 22,2010	Arab Bank	11,013,300
March 31,2010	Arab Bank	27,018,859
April 13,2010	Arab Bank	417,562
May 26,2010	Arab Bank	62,991,193
August 23,2010	Bank of Palestine	14,132,113
December 16,2010	Bank of Palestine	13,168,022
February 3,2011	Bank of Palestine	29,581,908
Total grants during the period from January 1,2010 to May 1,2011		173,508,280

NOTE (4) - AMOUNTS DISBURSED OUT FROM THE DESIGNATED ACCOUNT

All withdrawals from the PRDP-TF designated accounts were made to the following PA single treasury accounts .

1. 1000845 - 510 - Arab Bank (USD).
2. 1000845 - 171 - Arab Bank (ILS).
3. 2067777 - 560 - Bank of Palestine (GBP).
4. 2067777 - 560 - Bank of Palestine (ILS).
5. 2067777 - 560 - Bank of Palestine (USD).
6. 2067777 - 560 - Bank of Palestine (EURO).

ACCOUNTS FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Trust Fund
 Funded by Donors and Administrated by International Bank for Reconstruction and Development
 Statement of Cash Receipts and Disbursements
 For the Period from January 1, 2010 to May 1, 2011

NOTES TO THE FINANCIAL STATEMENT
 (All amounts in Sterling Pound)

Following are the details of the disbursements made from the PRDP-TF accounts:

Date of transfer	(GBP) *	Rate	Amount Transferred to							
			Single Treasury Account Arab Bank (USD)	Single Treasury Account Arab Bank (ILS)	Single Treasury Account Bank of Palestine (GBP)	Single Treasury Account Bank of Palestine (ILS)	Single Treasury Account Bank of Palestine (USD)	Single Treasury Account Bank of Palestine (EU)		
Jan 28,2010	15,185,299	1.62	24,554,628	-	-	-	-	-	-	-
Feb 22,2010	11,013,279	5.77	-	63,546,618	-	-	-	-	-	-
March 3,2010	17,000,000	5.55	-	94,350,000	-	-	-	-	-	-
April 1,2010	10,018,837	1.51	15,128,444	-	-	-	-	-	-	-
April 13,2010	417,000	1.00	-	-	417,000	-	-	-	-	-
May 25,2010	35,000,000	1.43	50,015,000	-	-	-	-	-	-	-
May 26,2010	27,300,000	5.49	-	149,795,100	-	-	-	-	-	-
Aug 24,2010	14,132,092	5.86	-	-	-	82,849,391	-	-	-	-
Dec 16,2010	13,168,001	5.58	-	-	-	73,501,149	-	-	-	-
Feb 7,2011	12,000,000	5.94	-	-	-	71,304,000	-	-	-	-
Feb 7,2011	16,344,487	1.61	-	-	-	-	-	26,380,003	-	-
Feb 7,2011	900,000	1	-	-	900,000	-	-	-	-	400,000
Feb 7,2011	337,400	1.19	-	-	-	-	-	-	-	-
March 30,2011	1,628	5.55	-	9,035	-	-	-	-	-	-
	172,818,023		89,698,072	307,700,753	1,317,000	227,654,540	26,380,003	400,000		

Palestinian Recovery and Development Plan - Trust Fund
 Funded by Donors and Administrated by International Bank for Reconstruction and Development
 Statement of Cash Receipts and Disbursements
 For the Period from January 1, 2010 to May 1, 2011

NOTES TO THE FINANCIAL STATEMENT
 (All amounts in Sterling Pound)

* The difference of GBP 690,089 between the total amounts disbursed out from the designated account which is GBP 173,508,112 and the amount indicated in the previous page table of GBP 172,818,023 represents an amount of GBP 690,040 that was deducted by the Arab Bank as a payment of loan principle and interest on PNA's Outstanding loan in the Arab Bank, and an amount of GBP 49 deducted as bank account management commission. Following are the details of the loan re-payments:

Date of Deduction	Bank Account	GBP
August 11, 2010	100084-891 - Arab Bank	117,927
August 11, 2010	100084-891 - Arab Bank	54,593
August 11, 2010	100084-891 - Arab Bank	19,305
August 11, 2010	100084-891 - Arab Bank	55,219
August 11, 2010	100084-891 - Arab Bank	54,987
August 11, 2010	100084-891 - Arab Bank	26,942
August 11, 2010	100084-891 - Arab Bank	68,733
August 11, 2010	100084-891 - Arab Bank	31,794
August 11, 2010	100084-891 - Arab Bank	68,733
August 11, 2010	100084-891 - Arab Bank	31,767
September 5, 2010	100084-891 - Arab Bank	137,945
September 5, 2010	100084-891 - Arab Bank	15,112
September 5, 2010	100084-891 - Arab Bank	6,983
Total amount deducted from Bank		690,040

**PALESTINIAN RECOVERY & DEVELOPMENT PLAN –
Multi Donor TRUST FUND No. 99558**

**FUNDED BY DONORS AND ADMINSTRATED BY THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

For the period from September 1, 2013 to August 31, 2014

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558

Funded by Donors and Administrated by International Bank for Reconstruction and Development

Statement of Cash Receipts and Disbursements

For the Period from September 1, 2013 to August 31, 2014

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INDEPENDENT AUDITOR'S REPORT

TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements of the Ministry of Finance (hereinafter "MoF") for the period from September 1, 2013 to August 31, 2014 with respect to Grant No. TF99558 with regard to the cash transfers made by the International Bank for Reconstruction and Development (hereinafter the "World Bank") as administrator of grant funds provided by donors to the Palestinian Reform and Development Plan – Multi Donor Trust Fund (hereinafter "PRDP-MDTF"), and a summary of significant accounting policies and other explanatory information (together "the financial statement"). The financial statement has been prepared by management using the basis of accounting described in Note (2).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of this financial statement in accordance with the basis of accounting described in Note (2), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the MoF's preparation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MoF's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- The accompanying statement of cash receipts and disbursements for the period from September 1, 2013 to August 31, 2014 has been prepared, in all material respects, in accordance with the basis of accounting as described in note (2);
- The disbursed funds made by the World Bank have been deposited in a special account for exclusive purposes;
- No funds are kept in or paid into the Deposit Account other than those disbursed by the World Bank for this particular operation;
- All withdrawals from the Deposit Account for payments are for legitimate budgetary purposes, following procedures established by the MoF; and
- The MoF has met the World Bank requirements by following adequate disbursement procedures including accuracy of exchange rate conversion.



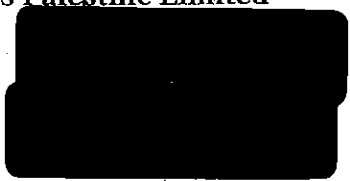
Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note (2) which describes the basis of accounting. The financial statement is prepared for the purpose of providing information to the MoF and the World Bank. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the World Bank and MoF and should not be distributed to any other parties.

PricewaterhouseCoopers Palestine Limited

December 10, 2014

Ramallah, Palestine



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558

Funded by Donors and Administrated by International Bank for Reconstruction and Development

Statement of Cash Receipts and Disbursements

For the Period from September 1, 2013 to August 31, 2014

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

(All amounts in USD)

	<u>Note</u>	<u>Amount (USD)</u>
Remittances received from the World Bank	(3)	204,201,906
Total cash receipts		204,201,906
Amounts disbursed out from the designated account	(4)	186,481,696
Bank charges		240
Total cash disbursements		186,481,936
Change in fund balance during the period		17,719,970
Beginning fund balance as of September 1, 2013		-
Fund balance available as of August 31, 2014	(5)	17,719,970

- Notes to the financial statement from 1 to 5 form an integral part thereof.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558

Funded by Donors and Administrated by International Bank for Reconstruction and Development

Statement of Cash Receipts and Disbursements

For the Period from September 1, 2013 to August 31, 2014

NOTES TO THE FINANCIAL STATEMENT

(All amounts in US Dollar)

NOTE (1) - GENERAL

The Palestine Liberation Organization (hereinafter the "Recipient") for the benefit of the Palestinian Authority (hereinafter the "PA") has signed a grant agreement in April 11, 2008 with the International Development Association (hereinafter the "World Bank") that act as administrator (hereinafter the "Administrator") of the Trust Fund for Gaza and West Bank that are provided by various donors to support Palestinian Reform and Development Plan. The total amount per signed grant agreement was originally USD 83,860,000, furthermore, several modifications amended the amount of the agreement, whereby the latest amendment dated 14 August 2014, increased the amount to become USD 1,227,000,826. The actual grant amount received by the MoF as of the date of this report is as follows:

	<u>Amount (USD)</u>
Total amount received, as of August 31, 2013	1,022,798,920
Amount received in current period	204,201,906
Total amount received, as of August 31, 2014	<u>1,227,000,826</u>

The objectives of the grant are providing financing in support of the program of actions, objectives and policies set forth in the Palestinian Reform and Development Plan and as outlined in the Letter of Development Policy declaring the Recipient's commitment to the implementation of the Program.

The Recipient shall cause the Palestinian Authority to work towards the implementation of, and carry out, the Program with due diligence and efficiency, and in accordance with the provisions of this Agreement.

NOTE (2) - BASIS OF PREPARATION

a) Accounting Basis

The accompanying statement presents the cash receipts and cash disbursements made from the PRDP-MDTF account only with regard to grant number TF99558 signed between the Palestine Liberation Organization and the World Bank, and does not include any amounts received or spent under any other agreement.

MoF policy is to prepare the accompanying statement on the cash receipts and disbursements basis. This basis is a comprehensive basis of accounting other than International Financial Reporting Standards. Under this basis, revenues are recognized when received, and expenses are recognized when paid.

b) Translation of the Financial Statement

The accompanying financial statement is denominated in US Dollar. Transactions denominated in currencies other than US Dollar during the period were translated according to prevailing rates at the time when each transaction took place.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Palestinian Recovery and Development Plan – Multi Donor Trust Fund No. 99558

Funded by Donors and Administrated by International Bank for Reconstruction and Development

Statement of Cash Receipts and Disbursements

For the Period from September 1, 2013 to August 31, 2014

NOTES TO THE FINANCIAL STATEMENT

(All amounts in US Dollar)

NOTE (3) - REMITTANCES RECEIVED FROM THE WORLD BANK

This item represents transfers made by the World Bank to the PRDP-MDTF account number 1212769 opened by the MoF at the Bank of Palestine (BoP) in US Dollar. Following are the details of the transfers:

<u>Value date by World Bank</u>	<u>Date Received by MoF</u>	<u>Amount Received by MoF (USD)</u>
August 29, 2013	September 4, 2013	72,179,910
November 27, 2013	November 27, 2013	23,921,865
March 26, 2014	March 26, 2014	38,997,675
May 8, 2014	May 8, 2014	29,700,000
June 18, 2014	June 18, 2014	21,682,446
August 14, 2014	August 14, 2014	17,720,010
Total grants during the period from September 1, 2013 to August 31, 2014		204,201,906

NOTE (4) - AMOUNTS DISBURSED OUT FROM THE DESIGNATED ACCOUNT

All withdrawals from the PRDP-MDTF designated accounts were made to the following PA single treasury accounts.

1. 2067770 - 560 - Bank of Palestine (ILS).
2. 2067770 - 560 - Bank of Palestine (USD).

Following are the details of the disbursements made from the PRDP-MDTF accounts:

<u>Date of transfer</u>	<u>Amount (USD)</u>	<u>*Rate</u>	<u>Amount Transferred To Single Treasury Account</u>	
			<u>Bank of Palestine (ILS)</u>	<u>Bank of Palestine (USD)</u>
September 8, 2013	60,479,870	1.00	-	60,479,870
September 30, 2013	11,700,000	3.53	41,336,100	-
November 28, 2013	23,921,825	3.53	84,515,808	-
April 9, 2014	10,000,000	1.00	-	10,000,000
April 29, 2014	28,997,635	3.47	100,563,798	-
May 12, 2014	29,699,960	1.00	-	29,699,960
June 24, 2014	21,682,406	3.43	74,370,651	-
	186,481,696		300,786,357	100,179,830

*Rate been rounded to near two decimal numbers

NOTE (5) - FUND BALANCE

The amount represents the fund balance of Project's bank account as of August 31, 2014. This amount was actually disbursed by the MoF subsequently in September 2014.

