



9 May 2005

Mr. Christianne J. Poortman
Vice President
Middle East and North Africa
The World Bank, Washington, DC

Dear Mr. Poortman:

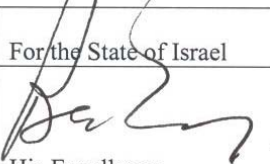
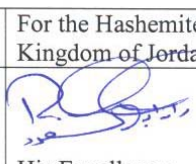
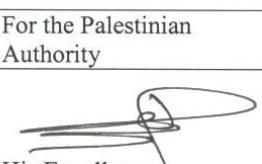
The Terms of Reference (TOR) for the Feasibility Study and Environmental and Social Assessment of the Red Sea – Dead Sea Water Conveyance Project have been prepared and finalized with technical assistance from the World Bank. We are pleased to inform you that the three beneficiary parties, the Hashemite Kingdom of Jordan, the State of Israel, and the Palestinian Authority are satisfied with and are in agreement with content of the Terms of Reference.

A copy of the final Terms of Reference is herewith submitted to the World Bank for due diligence review and eventual endorsement. Upon completion of the World Bank due diligence process, we plan to jointly announce finalization of the Terms of Reference and outline the next steps leading to financing and implementation of the Feasibility Study and the Social and Environmental Assessment. This announcement will take place at a special session of the World Economic Forum – Dead Sea, on May 22, 2005. We are pleased to note that you will be present at this event.

We request the World Bank to coordinate donor financing and to manage implementation of the Feasibility Study and the Social and Environmental Assessment as stipulated in the TOR. We understand that the World Bank Policies and Guidelines regarding the Safeguards, financial, and procurement aspects of conducting the Feasibility Study and Environmental and Social Assessment will apply.

We look forward to continued cooperation with the World Bank in studying the feasibility of this important project.

Signed on the 9th day of the month of May, 2005.

For the State of Israel	For the Hashemite Kingdom of Jordan	For the Palestinian Authority
 His Excellency Benyamin (Fouad) Ben-Eliezer Minister of National Infrastructure	 His Excellency Raed Abu-Soud Minister of Water and Irrigation	 His Excellency Ghassan Al Khatib Minister of Planning

Attachment: Final TOR and Minutes of Meeting.