Mr. Sergey A. Storchak  
Deputy Minister of Finance of the Russian Federation  
Ministry of Finance of the Russian Federation  
Ilyinka Street, 9  
Moscow 109097  
RUSSIAN FEDERATION  

Dear Mr. Storchak,

Re: Loan No. 7999-RU  
Preservation and Promotion of Cultural Heritage Project  
Amendments to the Loan Agreement  

We refer to the Loan Agreement between the International Bank for Reconstruction and Development (the Bank) and the Russian Federation (the Borrower) for the Preservation and Promotion of Cultural Heritage Project (the Project) dated March 23, 2013. We also refer to your letter dated July 1, 2013 requesting amendment to the Loan Agreement in order to use loan proceeds for preparation of the proposed Small Historic Settlements Project.

We are pleased to inform you that the Bank agrees with your request and hereby amends the Loan Agreement as follows:

1. Part 3 of the Project Description in Schedule 1 is amended to read as follows:

"Part 3. Project Management, Monitoring and Evaluation

Support to MOC and FISP for the management, implementation, monitoring and evaluation of the Project, including the development of impact monitoring mechanisms of Sub-projects and the financing of Operating Costs and support to the Borrower for the preparation of follow-up operations in the cultural sector, including preparation of the Small Historic Settlements Project."

2. The table in paragraph 2 of Section IV.A of Schedule 2 is replaced in its entirety with the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants' services and Training for the Project, except for Part 2 (a) of the Project</td>
<td>90,300,000</td>
<td>43% until and including December 31, 2014; and 42% from January 1, 2015</td>
</tr>
<tr>
<td>(2) Goods, works and consultants' services under Part 2 (a) of the Project</td>
<td>4,200,000</td>
<td>12%</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>5,500,000</td>
<td>100% until and including December 31, 2014; and 82% from January 1, 2015</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>100,000,000</td>
<td></td>
</tr>
</tbody>
</table>
3. The definition in paragraph 13 of Section I of the Appendix is amended to read as follows:

"3. "Operating Costs" means reasonable incremental costs incurred by FISP on account of Project implementation (including preparation of the Small Historic Settlements Project), including: Project audit, staff salaries, training (including study tours and seminars), social charges, office and vehicle rental, maintenance and minor refurbishing of office and equipment, office equipment, furniture, materials and supplies, communication costs, support for information systems, translation expenses, bank charges, and travel and per diem costs of FISP staff directly associated with implementation of Project activities, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Bank."

4. Section I of the Appendix is also amended by adding immediately after paragraph 22, a new paragraph 23 that reads as follows:

"23. "Small Historic Settlements Project" means the proposed Preservation and Development of Small Historic Settlements Project in Russia to be prepared under Part 3 of the Project by MOC with the assistance of FISP which includes the restoration and rehabilitation of historic cities and settlements to preserve their historic and cultural environments and the development of cultural and tourism infrastructure to facilitate economic development in selected territories."

Except as specifically amended here, all other provisions of the Loan Agreement remain in full force and effect.

Please confirm the agreement of the Borrower to the amendments set out above by countersigning and dating both copies of this Amendment Letter and returning one countersigned copy to us. Upon receipt by the Bank of the copy of this Amendment Letter duly countersigned by the authorized representative of the Borrower, this Amendment Letter shall become effective as of the date of the countersignature.

Sincerely,

Michal Rutkowski
Country Director for Russia
Europe and Central Asia Region

CONFIRMED AND AGREED:
RUSSIAN FEDERATION

By:
Name: Sergey N. Storchak
Title: Deputy Minister of Finance
Date: 22.08.2013