Loan Agreement

(Amman Development Corridor Project)

between

THE HASHEMITE KINGDOM OF JORDAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 17, 2004
LOYAL AGREEMENT

AGREEMENT, dated September 17, 2004, between THE HASHEMITE
KINGDOM OF JORDAN (the Borrower) and the INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and
priority of the project described in Schedule 2 to this Agreement (the Project), has
requested the Bank to assist in the financing of the Project;

(B) by an agreement dated March 27, 2004, between the Borrower and the
Arab Fund for Economic and Social Development (AFESD), the AFESD has agreed to
make a loan to the Borrower in a principal amount of twelve million Kuwaiti Dinars
(KD.12,000,000) (the AFESD Loan) to assist in financing Part A.1 of the Project on the
terms and conditions set forth in an agreement (the AFESD Loan Agreement);

(C) by an agreement dated December 22, 2003, between the Borrower and
the European Investment Bank (EIB), the EIB has agreed to make a loan to the Borrower
in a principal amount of thirty two million United State dollars (US$32,000,000) (the EIB
Loan) to assist in financing Parts A.3 and B.2 of the Project on the terms and conditions
set forth in an agreement (the EIB Loan Agreement);

(D) the Borrower intends to obtain from the EIB a grant in an amount
equivalent to five hundred thousand United States dollars ($500,000) to assist in
financing Part C.3 of the Project on the terms and conditions set forth in an agreement to
be entered into between the Borrower and EIB; and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to
extend the Loan to the Borrower upon the terms and conditions set forth in this
Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The “General Conditions Applicable to Loan and Guarantee
Agreements for Fixed-Spread Loans” of the Bank dated September 1, 1999 (the General
Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in
the General Conditions and in the Preamble to this Agreement have the respective
meanings therein set forth and the following additional terms have the following
meanings:

(a) “ADC” means the Amman Development Corridor, transport link from which
new residential, commercial, and industrial developments will be coordinated and
efficiently served;
(b) “ADC Executive Committee” means the committee referred to in paragraph 1 (d) of Schedule 5 to this Agreement;

(c) “ADC Steering Committee” means the committee referred to in paragraph 1 (c) of Schedule 5 to this Agreement;

(d) “ADC Urban Development Technical Unit” means the technical unit referred to in paragraph 1 (e) of Schedule 5 to this Agreement;

(e) “AFESD” mean the Arab Fund for Economic and Social Development, a regional Pan-Arab development finance organization;

(f) “Amman Metropolitan Area” means the Greater Amman Municipality, Zarqa Municipality, Ruseifa Municipality and surrounding areas;

(g) “CRMP” means the Borrower’s Cultural Resources Mitigation Plan, incorporated in the EMP (as hereinafter defined), dated February 20, 2004 and referred to in paragraph 1 (b) of Schedule 5 to this Agreement;

(h) “EIB” the European Investment Bank, the European Union’s long-term lending institution;

(i) “Environmental Assessment” means the Borrower’s environmental assessment, in form and substance satisfactory to the Bank, dated February 20, 2004, including, inter alia: (i) the identification and assessment of potential environmental impact of activities to be carried out under the Project; (ii) an evaluation of alternative measures; and (iii) the EMP (as hereinafter defined) detailing the appropriate mitigation, monitoring, institutional and management measures required for the implementation of the Project with a view to ensuring compliance of the activities referred to in sub-paragraph (i) herein with said measures and to eliminating adverse environmental impacts, offsetting such impacts, or reducing them to acceptable levels;

(j) “Environmental Management Plan” or “EMP” means the Borrower’s Environmental Management Plan, including the CRMP, all in form and substance satisfactory to the Bank, dated February 20, 2004, and incorporated in the Environmental Assessment;

(k) “Fiscal Year” means a twelve-month period beginning on January 1 in any year and ending on December 31 of the same year;

(l) “FMR” means each Financial Monitoring Report prepared by the Borrower in accordance with Section 4.02 of this Agreement;

(m) “GAM” means the Greater Amman Municipality;

(n) “GCD” means the Borrower’s General Customs Department, or any successor thereto;

(o) “MoPIC” means the Borrower’s Ministry of Planning and International Cooperation, the Borrower’s representative for purposes of Section 11.03 of the General Conditions, or any successor thereto;
(p) “MoPWH” means the Borrower’s Ministry of Public Works and Housing or any successor thereto;

(q) “MoT” means the Borrower’s Ministry of Transport or any successor thereto;

(r) “PIP” means the Project Implementation Plan prepared by the Borrower’s MoPWH and submitted to the Bank on March 20, 2004, pursuant to the provisions of Section 3.01(b) of this Agreement, setting out the principles and procedures governing the implementation of the Project, such plan to, inter alia: (i) define the respective roles and responsibilities of the agencies involved in the implementation of the Project; (ii) set forth the timetable of actions required to be carried out under the Project; (iii) identify the procedures to be used for monitoring and evaluating progress towards the achievement of the objectives of the Project; (iv) set out the details for the implementation of the EMP including CRMP; and (v) set out the details for the implementation of the RAP (as hereinafter defined);

(s) “PMT” means the Project Management Team referred to in paragraph 1 (f) of Schedule 5 to this Agreement;

(t) “RAP” means the Borrower’s Land Acquisition and Resettlement Action Plan dated February 12, 2004, approved by the Bank, setting forth, inter alia, the compensation entitlement, institutional arrangements, implementation program, monitoring mechanism and cost estimates for the resettlement and rehabilitation of people affected by the implementation of the Project, disclosed locally and through the Bank’s InfoShop, and referred to in paragraphs 1 (b) and 2 (b) of Schedule 5 to this Agreement; and

(u) “Special Account” means the account referred to in Section 2.02 (b) of this Agreement.
ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount equal to thirty eight million United States Dollars (US$38,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.09 of this Agreement.

Section 2.02. (a) The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods, works and services required for the Project and to be financed out of the proceeds of the Loan and in respect of the front-end fee referred to in Section 2.04 of this Agreement.

(b) The Borrower may, for the purposes of the Project open and maintain in Dollars a special deposit account in the Central Bank of Jordan on terms and conditions satisfactory to the Bank. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 6 to this Agreement.

Section 2.03. The Closing Date shall be June 30, 2009 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a front-end fee in an amount equal to one percent (1%) of the amount of the Loan. On or promptly after the Effective Date, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amount of such fee.

Section 2.05. The Borrower shall pay to the Bank a commitment charge on the principal amount of the Loan not withdrawn from time to time, at a rate equal to: (i) eighty five one-hundredths of one per cent (0.85%) per annum from the date on which such charge commences to accrue in accordance with the provisions of Section 3.02 of the General Conditions but not including the fourth anniversary of such date; and (ii) seventy five one-hundredths of one per cent (0.75%) per annum thereafter.

Section 2.06. The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, in respect of each Interest Period at the Variable Rate; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the Borrower shall, during the Conversion Period, pay interest on such amount in accordance with the relevant provisions of Article IV of the General Conditions.
Section 2.07. Interest and commitment charges shall be payable semiannually in arrears on May 1 and November 1 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the provisions of Schedule 3 to this Agreement.

Section 2.09. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

(i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency;

(ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan from a Variable Rate to a Fixed Rate, or vice versa; and

(iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Variable Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in Section 2.01(7) of the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project, and, to this end, shall carry out the Project through MoPWH with due diligence and efficiency and in conformity with appropriate administrative, engineering, economic, financial and environmental practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Bank shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 5 to this Agreement, PIP, RAP and the EMP.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Schedule 4 to this Agreement.

Section 3.03. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six (6) months after the Closing Date or such later date as may be
agreed for this purpose between the Borrower and the Bank, a plan designed to ensure the sustainability of the Project; and

(b) afford the Bank a reasonable opportunity to exchange views with the Borrower on said plan.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall, through MoPWH, maintain a financial management system, including records and accounts, and prepare financial statements in a format acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Borrower shall:

(i) have the records, accounts and financial statements referred to in paragraph (a) of this Section and the records and accounts for the Special Accounts for each fiscal year audited, in accordance with auditing standards acceptable to the Bank, consistently applied, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not later than six (6) months after the end of each such year, (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year as so audited, and (B) an opinion on such statements, records and accounts and report of such audit, by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

(iii) furnish to the Bank such other information concerning such records and accounts, and the audit thereof, and concerning said auditors, as the Bank may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Loan Account were made on the basis of statements of expenditure, the Borrower shall:

(i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and separate accounts reflecting such expenditures;

(ii) retain, until at least one (1) year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Bank’s representatives to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report
of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) Without limitation upon the Borrower's MoPWH progress reporting obligations set out in Schedule 5 paragraph 2 to this Agreement, the Borrower shall, through MoPWH, prepare and furnish to the Bank a FMR, in form and substance satisfactory to the Bank, which:

(i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Loan and explains variances between the actual and planned uses of such funds;

(ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and

(iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first FMR shall be furnished to the Bank not later than forty five (45) days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each FMR shall be furnished to the Bank not later than forty five (45) days after each subsequent calendar quarter, and shall cover such calendar quarter.
ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02(p) of the General Conditions, the following additional events are specified:

(a) a situation has arisen which shall make it improbable that the Project, or a significant part thereof, will be carried out.

(b) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower to withdraw the proceeds of the AFESD Loan or the EIB Loan made to the Borrower for the financing Part A.1 with respect to AFESD and Parts A.3 and B.2 with respect to EIB, of the Project, shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the AFESD Loan Agreement or the EIB Loan Agreement as the case may be, or

(B) the AFESD Loan or the EIB Loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Bank that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. Pursuant to Section 7.01(k) of the General Conditions, the following additional event is specified, namely, that the event specified in paragraph (b)(i)(B) of Section 5.01 of this Agreement shall occur, subject to the proviso of paragraph (b)(ii) of that Section.

ARTICLE VI

Termination

Section 6.01. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.
ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of Planning and International Cooperation of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Planning and International Cooperation
P.O. Box 555
Amman 11118
The Hashemite Kingdom of Jordan

Cable address: Facsimile:

21319 NPC JO 962-6-4649 341

For the Bank:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address: Telex: Facsimile:

INTBAFRAD 248423 (MCI) or 1-202 477-6391
Washington, D.C. 64145 (MCI)
IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

THE HASHEMITE KINGDOM OF JORDAN

By /s/ Karim Kawar
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Joseph P. Saba
Authorized Representative
SCHEDULE 1
Withdrawal of the Proceeds of the Loan

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in Dollars)</th>
<th>% of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works other than for Parts A.1, A.3 and B.2 of the Project</td>
<td>28,900,000</td>
<td>85%</td>
</tr>
<tr>
<td>(2) Goods and Equipments</td>
<td>100,000</td>
<td>100% of foreign expenditures 100% of local expenditures (ex-factory cost) and 85% of local expenditures for other items procured locally</td>
</tr>
<tr>
<td>(3) Consultants’ services other than for Parts A.1, A.3, B.2 and C.3 of the Project</td>
<td>4,900,000</td>
<td>95% for individual consultants 90% for consulting firms</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>380,000</td>
<td>Amount due under Section 2.04 of this Agreement</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>3,720,000</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL** | **38,000,000** |
2. For the purposes of this Schedule:
   (a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Borrower for goods, works or services supplied from the territory of any country other than that of the Borrower; and
   (b) the term “local expenditures” means expenditures in the currency of the Borrower for goods, works or services supplied from the territory of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:
   (a) payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding $1,000,000, may be made in respect of Category (3) set forth in the table in paragraph 1 of this Schedule on account of payments made for expenditures before that date but after March 31, 2004; and
   (b) payments made for expenditures under Category (1), until evidence, satisfactory to the Bank, has been furnished to the Bank showing that the land acquisition process has been completed in accordance with the procedures, and on the terms and conditions set forth or referred to in RAP.

4. The Bank may require withdrawals from the Loan Account to be made on the basis of statements of expenditure for expenditures for: (i) works under contracts costing less than $3,000,000 equivalent each; (ii) goods under contracts costing less than $100,000 equivalent each; (iii) services by consulting firms under contracts costing less than $100,000 equivalent each; and (iv) services by individual consultants under contracts costing less than $50,000 equivalent each, all under such terms and conditions as the Bank shall specify by notice to the Borrower.
SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the Borrower in: (i) supporting more efficient transport and logistics services by removing key infrastructure transport bottlenecks; and (ii) providing access to affordable land for productive investment and urban development purposes.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objectives:

Part A: Amman Ring Road

1. Carrying out works and provision of consultants’ services for the construction of about eighteen and one-half (18.5) kilometer two-lane, dual carriageway between the Desert Highway, and the Madounah Road Intersection, including, interchanges, access and service roads (Section 1 of the highway).

2. Carrying out works and provision of consultants’ services for the construction of about fourteen and one-half (14.5) kilometer two-lane, dual carriageway connecting Section 1 and the Zarqa Highway, including, interchanges, access and service roads (Section 2 of the highway).

3. Carrying out works and provision of consultants’ services for the construction of: (i) about four and six-tenths (4.6) kilometer Zarqa Eastern Bypass, including an interchange at the intersection with the Zarqa/Syrian Boarder Highway; and (ii) about two and four-tenths (2.4) kilometer Zarqa Through Link to the city of Zarqa, including an interchange at the intersection with the Zarqa/Amman Highway; and a viaduct ending at the Yajouz Road Intersection (Section 3 of the highway).

Part B: Inland Port and Trucking Industry

1. Carrying out works and provision of consultants’ services for the development of an inland port and to support the Borrower’s on-going program to reform the trucking industry.

2. Carrying out works and provision of consultants’ services to relocate the Amman Customs Depot from its present location to a new site along the ADC.

Part C: Technical Support and Project Management

1. Provision of goods and consultants’ services to establish the ADC Urban Development Technical Unit.

2. Provision of goods and consultants’ services to strengthen MoPWH’s institutional capacity in, roads network planning, management functions; and improve coordination and integration of transport, urban development and land use planning initiatives.

3. Provision of consultants’ services to assist in developing a master plan, including
feasibility studies, land use plans and preliminary engineering designs for subsequent phases (second and third phases) of the Amman Ring Road.

4. Provision of goods and consultants’ services to: (i) establish and strengthen the capacity of PMT; (ii) strengthening the capacity of the Borrower to oversee and monitor implementation of the EMP and RAP; and (iii) strengthen the MoPWH capacity for Project management, monitoring and evaluation.

* * * * *

The Project is expected to be completed by December 31, 2008.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Payment Date</th>
<th>Installment Share (Expressed as a %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 1 and November 1</td>
<td>4.17%</td>
</tr>
<tr>
<td>Beginning November 1, 2009 through November 1, 2020</td>
<td>4.17%</td>
</tr>
</tbody>
</table>

| On May 1, 2021 | 4.09% |

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Withdrawals made within two (2) calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph 3, if at any time the Bank shall adopt a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by the Bank under the Currency Hedge Transaction relating to said Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
SCHEDULE 4

Procurement

Section I. Procurement of Goods and Works

Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines) and the following provisions of this Section I.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

   (a) Preference for domestically manufactured goods

   The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower.

   (b) Notification and Advertising

   The invitation to bid for each contract estimated to cost $10,000,000 equivalent or more shall be advertised in accordance with the procedures applicable to large contracts under paragraph 2.8 of the Guidelines.

Part C: Other Procurement Procedures

1. National Competitive Bidding

   Works estimated to cost less than $5,000,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. International or National Shopping

   Goods estimated to cost less than $100,000 equivalent per contract, may be procured under contracts awarded on the basis of international or national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

Part D: Review by the Bank of Procurement Decisions

1. Procurement Planning

   Prior to the issuance of any invitations to bid for contracts, the proposed procurement plan for the Project, other than for Parts A.1, A.3, B.2 and C.3 of the Project, shall be furnished to the Bank for its review and approval, in accordance with the
provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. **Prior Review**

   (a) With respect to each contract for work other than for Parts A.1, A.3 and B.2 of the Project estimated to cost the equivalent of $3,000,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

   (b) With respect to each contract for goods to be procured in accordance with shopping procedures and estimated to cost less than the equivalent of $100,000, the following procedures shall apply:

   (i) prior to the selection of the first two contracts with any supplier under shopping procedures, the Borrower shall provide to the Bank a report on the comparison and evaluation of quotations received;

   (ii) prior to the execution of any contract procured under shopping procedures, the Borrower shall provide to the Bank a copy of the specifications and the draft contract; and

   (iii) the procedures set forth in paragraphs 2(f), 2(g) and 3 of Appendix 1 to the Guidelines shall apply.

3. **Post Review**

   With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

**Section II. Employment of Consultants**

**Part A: General**

Consultants’ services, other than for Parts A.1, A.3, B.2 and C.3 of the Project, shall be procured in accordance with the provisions of Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in January 1997 and revised in September 1997, January 1999 and May 2002 (the Consultant Guidelines), paragraph 1 of Appendix 1 thereto, Appendix 2 thereto and the following provisions of this Section II.

**Part B: Quality- and Cost-based Selection**

1. Except as otherwise provided in Part C of this Section, consultants’ services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provision shall apply to consultants’ services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph: the short list of consultants for services for studies estimated to cost less than $200,000 equivalent
per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 and footnote 8 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

1. Selection Based on Consultants Qualifications

   Services of consulting firms estimated to cost less than $100,000 equivalent per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

2. Individual Consultants

   Services of individual consultants for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

3. Single Source Selection

   In exceptional cases where narrow specialization or availability of providers shall not offer alternatives, services may, with the Bank’s prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

   A plan for the selection of consultants, which shall include contract cost estimates, contract packaging, terms of reference, short lists and applicable selection criteria and procedures, shall be furnished to the Bank for its review and approval prior to the issuance to consultants of any requests for proposals. Such plan shall be updated semiannually during the execution of the Project, and each such updating shall be furnished to the Bank for its review and approval. Selection of all consultants’ services shall be undertaken in accordance with such selection plan (as updated from time to time) as shall have been approved by the Bank.

2. Prior Review

   (a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of $100,000 or more, the procedures set forth in paragraphs 2, 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply.

   (b) With respect to each contract for the employment of individual consultants to be selected on a sole source basis, or estimated to cost the equivalent of $50,000 or more, the report on the comparison of the qualifications and experience of candidates, the qualifications, experience terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given. The provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall also apply to such contracts.
3. **Post Review**

   With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.
SCHEDULE 5

Implementation Program

1. Implementation, Management and Coordination of the Project

(a) The Borrower shall vest in MoPWH the overall responsibility for carrying out the Project. MoPWH shall carry out Part A of the Project and shall coordinate the implementation of: (i) Part B of the Project with GCD and MoT; and (ii) Part C of the Project with the Borrower’s Ministry of Municipal Affairs, GAM and other concerned municipalities and stakeholders.

(b) Without prejudice to the provisions of paragraph 1 (a) above, MoPWH shall implement: (i) the Environmental Mitigation Plan with assistance from the Borrower’s Ministry of Environmental and other stakeholders; (ii) the RAP in close coordination with the municipalities of the Amman Metropolitan Area; and (iii) the CRMP in coordination with the Borrower’s Department of Antiquities.

(c) the Borrower shall, throughout the period of implementation of the Project and in a manner satisfactory to the Bank, maintain the ADC Steering Committee established pursuant to the Council of Ministers’ Decision dated March 23, 2004, for the purpose of overseeing the implementation progress and the provision of guidance on promoting the Project.

(d) the Borrower shall, throughout the period of implementation of the Project and in a manner satisfactory to the Bank, maintain the ADC Executive Committee established pursuant to the Council of Ministers’ Decision dated March 23, 2004, for the purpose of managing and organizing the land usages within the Project’s area of influence.

(e) The Borrower shall throughout the period of implementation of the Project and in a manner satisfactory to the Bank, maintain the ADC Urban Development Technical Unit under the ADC Executive Committee, such Unit shall serve a vital advance planning function, with no decision-making responsibilities. The Technical Unit shall, inter alia, be responsible for: (i) carrying out urban planning studies for development within the ADC’s zone of influence; (ii) promoting and guiding development within and along the ADC; (iii) assisting industrial and real estate developers to locate and prepare their subprojects; and (iv) assessing and monitoring transport and land use impacts of planned developments.

(f) For the purpose of ensuring effective management of Project implementation, the Borrower shall throughout the period of implementation of the Project and in a manner satisfactory to the Bank, cause MoPWH to maintain the PMT, headed by a Project Manager and staffed with adequate number of engineers from MoPWH. The PMT shall be responsible for: (i) reporting, monitoring and evaluation activities, the procurement process, financial management and audit requirements; (ii) ensuring effective implementation of the EMP and RAP; and (iii) working in close coordination with GCD and MoT appointed task teams, which are entrusted with contributing to the implementation of Part B of the Project.
(g) To ensure timely implementation according to specification and within allocated budgets, the Borrower shall, through MoPWH, not later than September 30, 2004, contract an international construction management firm to assist the PMT with overall Project management, and which shall provide both a core team of specialists and a pool of specialized expertise, on which to draw skills on an “as needed” basis, in support of the PMT.

2. Reports and Reviews

(a) The Borrower shall:

(i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Bank, the carrying out of the Project and the achievement of the objectives thereof;

(ii) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about December 31, 2006 a report (Mid-Term review report) integrating the results of the monitoring and evaluation activities performed pursuant to subparagraph (i) above, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(iii) review with the Bank, by March 31, 2007, or such later date as the Bank shall request, the report referred to in subparagraph (ii) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank’s views on the matter.

(b) The Mid-Term review referred to in subparagraph (a) (ii) above shall, inter alia, cover the (i) Project scope, design and implementation arrangements, (ii) implementation progress against agreed indicators in the PIP, (iii) procurement performance, (iv) performance of consultants, (v) fund flows, (vi) the progress of implementation of the RAP and the EMP, and (vii) any other issue agreed upon between the Borrower and the Bank.

SCHEDULE 6

Special Account

1. For the purposes of this Schedule:

(a) the term “eligible Categories” means Categories (1), (2) and (3) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;
(b) the term “eligible expenditures” means expenditures in respect of the reasonable cost of goods, works and services required for the Project and to be financed out of the proceeds of the Loan allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term “Authorized Allocation” means an amount equivalent to $3,800,000 to be withdrawn from the Loan Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to $1,900,000 until the aggregate amount of withdrawals from the Loan Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of $6,000,000.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Loan Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank
such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

   (a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Borrower directly from the Loan Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

   (b) if the Borrower shall have failed to furnish to the Bank, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

   (c) if, at any time, the Bank shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account pursuant to the provisions of Section 6.02 of the General Conditions; or

   (d) once the total unwithdrawn amount of the Loan allocated to the eligible Categories, minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Loan Account of the remaining unwithdrawn amount allocated to the eligible Categories shall follow such procedures as the Bank shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Borrower shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

   (b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

   (c) The Borrower may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.
(d) Refunds to the Bank made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Loan Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.