H.E. Jafar Hassan  
Minister of Planning and International Cooperation  
Ministry of Planning and International Cooperation  
P. O. Box 555 Amman 11118  
Hashemite Kingdom of Jordan

Re: Jordan – Loan No. 7426-JO (Cultural Heritage, Tourism and Urban Development Project)  
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement (the Agreement) for the above-captioned Project dated February 11, 2007, as amended, between the Hashemite Kingdom of Jordan (the Borrower) and the International Bank for Reconstruction and Development (the Bank). We also refer to your letter dated April 19, 2011 requesting certain amendments to the Agreement.

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

1. The objectives of the Project set forth in Schedule 1 to the Agreement is revised to read as follows:

   “The objectives of the Project are to support tourism development in five historically and culturally important cities - Jerash, Karak, Madaba, Salt, Aljoun, - and thereby contribute to local economic development.”

2. Part 1 of Schedule 1 to the Agreement is revised to read as follows:


   Carrying out of activities in and around the historic cores of the cities of Jerash, Karak, Madaba, Salt and Ajloun including:

   (a) upgrading of and improvements to primary street networks, infrastructure, and allied public spaces;

   (b) rehabilitation of facades, landscaping, and furnishing of primary streets;

   (c) rehabilitation and upgrading of pivotal urban spaces;

   (d) renovation of selected heritage buildings, including privately owned historic buildings in Salt and Madaba Municipality; and

   (e) enhancement of the cultural landscape in the project area.”
(e) design and construction supervision services”.

3. Part 2 of Schedule 1 to the Agreement, Petra Gateway, is deleted and the remaining Parts are re-lettered as Part 2 and 3.

4. A new Part 2 of Schedule 1 to the Agreement, Local Economic Development, is revised to read as follows:

“Part 2: Local Economic Development.

Provision of Grants and technical assistance to local entrepreneurs, investors and community groups in the targeted areas, including: (a) Provision of Grants for tourism-related business promotion and development; (b) Carrying out of business-related workshops and training for grant recipients; and (c) Consultant services for development and management of the Grant program.”

5. A new Part 3 (a) of Schedule 1 to the Agreement, Capacity Building and Project Management, is revised to read as follows:

“Part 3: Capacity Building and Project Management

(a) Provision of Training to MoTA and municipal staff in developing an action plan for the operations and maintenance of the assets that are being developed as part of CHTUDP.”

6. Sections II.A.5 (a) and (b) of Schedule 2 to the Loan Agreement is deleted in their entirety.

7. The table in Section IV.A.2 is revised as a result of cancellation of Part 2 of the Project. The new re-allocated amounts of the Loan proceeds are shown in the revised table in the Annex 1 attached to this amendment letter.

8. Sections IV.B.1 (b) and (d) are deleted and the remaining paragraph are re-lettered (b).

9. The Closing Date set forth in Section IV. B.3 is extended to “March 31, 2013”.

10. In the Appendix to the Agreement, paragraph 22 is added to read as follows:

“22. “Training” means the expenditures incurred on account of the Project implementation such as Project related study tours, training courses, seminars, workshops and other training activities, not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, local travel, per diem costs of trainees, trainers and trainers’ fees, and interpretation and translation services.

11. The Supplemental letter No.2 to the Agreement on the Performance Monitoring Indicators is revised as per Annex 2 attached to this amendment letter.
Please confirm your agreement to the foregoing by countersigning both copies of this amendment letter and returning one of the countersigned copies to us. Upon receipt by the Bank of the copy of this amendment letter countersigned by you, this amendment letter will become effective as of the date of your countersignature. We will notify you of the receipt of your countersigned letter.

Sincerely,

By /s/ Pilar Maisterra  
Acting Country Director  
Middle East Department  
Middle East and North Africa Region

CONFIRMED AND AGREED

HASHEMITE KINGDOM OF JORDAN

Name: /s/ Jafar Hassan  
(Authorized Representative)  
Title: Minister of Planning and International Cooperation  
Date: July 28, 2011
“Section IV.A.2. The following table specifies the Categories of Eligible Expenditures that may 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 to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of Loan Allocated In U.S. Dollars</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>48,018,000</td>
<td>85%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>182,000</td>
<td>100% of foreign expenditures; 100% of local expenditures (ex-factory cost), and 90% of local expenditures for other items procured locally.</td>
</tr>
<tr>
<td>(3) Consultant Services and Training</td>
<td>6,800,000</td>
<td>90% for firms within territory of the Borrower; 95% for services of individual consultants within territory of the Borrower; and 100% of foreign expenditures.</td>
</tr>
<tr>
<td>(4) Grants for Local Economic Development</td>
<td>1,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Grants for Salt Heritage Fund</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Operating Costs</td>
<td>0</td>
<td>90%</td>
</tr>
<tr>
<td>(7) Front End Fee</td>
<td>0</td>
<td>Amount due under Section 2.04 of this Agreement</td>
</tr>
</tbody>
</table>

Unallocated 0

Total 56,000,000
ANNEX 2

Annex to Supplemental Letter No.2

**Jordan – Cultural Heritage, Tourism and Urban Development Project**
**Performance Monitoring Indicators**

**Project Development Objective**

1. Increased visitation and stay in targeted cities.

2. Increase in value of properties in targeted cities.

**Intermediate Outcome Indicators**

3. Percent of area of street networks and public spaces in core upgraded under the project.

4. Percent of targeted historic buildings in conservation of historic core protected and, where feasible adaptively reused by the project.

5. Number of directly tourism/hospitality and cultural heritage-related business created and or improved in core area.

6. Number of facilities improved in targeted cities.

7. Number of tourism-related jobs created in target cities.

8. Percent of contracts completed on time and on schedule.

9. Number of comprehensive good-quality M&E indicators and progress reports delivered on time by MoTA.