August 9, 2012

H.E. Nabil A. El-Jisr
President of the Council for Development and Reconstruction
Council for Development and Reconstruction
Beirut, Lebanon
Fax No: +961 1 981 252/3

Re: Lebanese Republic – Cultural Heritage and Urban Development Project
(LE-7166)
Amendment of the Project Agreement

Dear Excellency:

We refer to the above-referenced Project Agreement (Agreement) between the International Bank for Reconstruction and Development (Bank) and the Council for Development and Reconstruction dated July 24, 2003 and to the negotiations held on February 6, 2012. The Bank proposes to amend the Agreement as follows:

Procurement

1. Schedule 1 (Procurement) to the Agreement shall be replaced in its entirety and replaced to read as set forth in Annex I to this amendment letter.

Implementation Program

1. Paragraph 1(b) of Schedule 2 to the Agreement shall be amended to read as follows:

“(b) CDR shall maintain overall responsibility for managing and implementing the Project, including responsibility for the procurement and disbursement processes under the Project, the maintenance of Project accounts, the award and supervision of contracts and the employment of consultants, and reporting arrangements. To this end, CDR shall maintain the Project Management Unit throughout the life of the Project, in a form and with functions, staffing, resources, terms of reference and qualifications satisfactory to the Bank.”

2. Paragraph 1(c) of Schedule 2 to the Agreement shall be amended to read as follows:

“(c) Without limitation to the generality of the foregoing, CDR shall maintain an environmental consultant, on the basis of terms of reference satisfactory to the Bank, to assist CDF in the monitoring of the carrying out of environmental assessments under Parts A and B of the Project.”

3. Paragraph 1(e) of Schedule 2 to the Agreement shall be deleted in its entirety.
4. Paragraph 3 of Schedule 2 to the Agreement shall be amended to read as follows:


For purposes of Paragraph A of the Project, the CDR shall carry out the resettlement and rehabilitation of the Displaced Persons in accordance with the provisions set forth in the Resettlement Policy Framework and any Resettlement Action Plans in a manner satisfactory to the Bank. Without limiting the generality of the foregoing, the CDR shall:(i) furnish to the Bank any revisions proposed to be introduced to the Resettlement Policy Framework and any Resettlement Action Plan in order to achieve their objectives and, thereafter, introduce such revisions to said Framework and Plan as shall have been agreed with the Bank; (ii) maintain policies and procedures adequate to enable the CDR to monitor and evaluate, on an ongoing basis, in accordance with guidelines acceptable to the Bank, the implementation of the Resettlement Policy Framework and any Resettlement Action Plan and the achievement of the objectives thereof; (iii) furnish to the Bank, by each year until completion of the Project, quarterly reports on the results of such activities during the period preceding the date of said report; and (iv) without limitation upon the provisions of Section 2.03 (b) of this Agreement, furnish to the Bank, upon completion of the Project, an assessment, on the basis of terms of reference acceptable to the Bank, on the fulfillment of the provisions of the relevant Resettlement Action Plans."

5. Paragraph 4 of Schedule 2 to the Agreement shall be amended to read as follows:

"4. Sub-Projects

CDR shall ensure that (a) no Sub-Project affecting any Displaced Person is commenced under the Project unless CDR shall have first furnished to the Bank a Resettlement Action Plan, in form and substance satisfactory to the Bank, relating to the carrying out of the Sub-Project in question, and (b) each Sub-Project is carried out in accordance with its applicable Resettlement Action Plan."

Defined terms used in this letter and not defined herein shall have the meanings given to them in the Agreement.

All other terms of the Agreement shall remain the same.
Please confirm your agreement with the foregoing, on behalf of the Council for Development and Reconstruction by signing, dating and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of a countersigned copy of this letter, the amendment will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

S. Arnaout
Sateh El-Arnaout
Acting Country Director
Middle East Department
Middle East and North Africa Region

CONFIRMED AND AGREED:

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

By

Authorized Representative

Name: Nabil A. El J
Title: President
Date: August, 09/2012.
ANNEX

SCHEDULE 1

Procurement

Definitions

For the purposes of this Schedule 3:


3. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated January 25, 2012 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods, or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections I, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following table specifies the methods of procurement, other than International
Competitive Bidding which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the Bank’s procurement procedures and using the Bank’s standard bidding documents, acceptable and cleared by the Bank</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(b) Single-Source selection of consulting firms</td>
</tr>
<tr>
<td>(c) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Single source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.