

Conformed Copy

LOAN NUMBER 3562-1 LE
(Amendment)

Agreement Amending CDR
Project Agreement

(Emergency Reconstruction and Rehabilitation Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

Dated as of July 15, 1996

LOAN NUMBER 3562-1 LE
(Amendment)

AGREEMENT AMENDING PROJECT AGREEMENT

AGREEMENT, dated as of July 15, 1996, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION (CDR).

WHEREAS (A) the Bank and CDR entered into a Project Agreement (Emergency Reconstruction Project), dated March 8, 1993 (the CDR Project Agreement), as amended, for the purpose of assisting in the implementation of the project (the Project) described in Schedule 2 to the Loan Agreement (Ln. 3562 LE) between the Lebanese Republic (the Borrower) and the Bank;

(B) by a subsidiary agreement (the CDR Subsidiary Agreement), dated August 18, 1993, as amended, entered into between the Borrower and CDR, the Borrower made available as a grant to CDR a portion of the proceeds of the Loan provided for under the Loan Agreement on the terms and conditions set forth in said CDR Subsidiary Agreement; and

(C) the Borrower has requested the Bank to provide additional assistance towards the financing of the Project by increasing the amount made available under the Loan Agreement by an amount in various currencies equivalent to fifty million dollars (\$50,000,000) and has agreed to make available to CDR as a grant a portion of the said additional amount by amending the CDR Subsidiary Agreement;

WHEREAS the Bank has agreed to provide such additional assistance

to the Borrower upon the terms and conditions set forth in the Agreement Amending Loan Agreement of even date herewith;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Amendments of the CDR Project Agreement

Section 1.01. Paragraph A of the Preamble to the CDR Project Agreement is amended to read:

"(A) by the Loan Agreement of even date herewith between the Lebanese Republic (the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to two hundred twenty five million dollars (\$225,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that CDR agree to undertake such obligations toward the Bank as are set forth in this CDR Project Agreement;"

Section 1.02. Paragraph B of the Preamble to the CDR Project Agreement is amended to read:

"(B) by a subsidiary agreement (the CDR Subsidiary Agreement) to be entered into between the Borrower and CDR, the Borrower will make available as a grant to CDR a portion of the proceeds of the loan provided for under the Loan Agreement on the terms and conditions set forth in said CDR Subsidiary Agreement; and."

Section 1.03. The Schedule to the CDR Project Agreement is amended as set forth in the Schedule to this Amending CDR Project Agreement.

Article II

Effective Date; Termination

Section 2.01. This Amending CDR Project Agreement shall come into force and effect on the date upon which the Agreement Amending Loan Agreement becomes effective.

Section 2.02. If this Amending CDR Project Agreement shall not have come into force and effect under the provisions of Section 2.01 of this Amending CDR Project Agreement, this Amending CDR Project Agreement and all obligations of the parties hereunder shall terminate and the CDR Project Agreement shall continue in full force and effect, as if this Amending CDR Project Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Amending CDR Project 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.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Kemal Dervis

Regional Vice President
Middle East and North Africa

COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION

By /s/ Nabil A. El Jisr
Authorized Representative

SCHEDULE

Procurement and Consultants' Services

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 1996 (the Guidelines) and the following provisions of this Section, as applicable.

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 and works 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 prequalify or 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. Limited International Bidding

Goods estimated to cost up to an aggregate amount not to exceed \$2,200,000 equivalent and those which the Bank agrees can only be purchased from a limited number of suppliers may be procured under contracts awarded in accordance with the provisions of paragraph 3.2 of the Guidelines.

2. National Competitive Bidding

Works estimated to cost \$3,000,000 equivalent or less per contract and \$32,500,000 equivalent or less in the aggregate, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

3. International Shopping

Goods estimated to cost less than \$500,000 equivalent per contract, up to an aggregate amount not to exceed \$2,000,000 equivalent, may be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

4. Direct Contracting

Goods which are proprietary or must be compatible with installed equipment and costing \$6,300,000 equivalent or less in the aggregate,

and works for the repair of water and waste water and power facilities under Part A and B of the Project costing \$3,500,000 or less in the aggregate, may, with the Bank's prior approval, be procured in accordance with the provisions of paragraph 3.7 of the Guidelines.

Part D: Review by the Bank of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for 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

With respect to each contract estimated to cost the equivalent of \$250,000 or more, the procedures set forth in paragraphs 2 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

1. Consultants' services shall be procured under contracts awarded in accordance with the provisions of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981. For complex, time-based assignments, such contracts shall be based on the standard form of contract for consultants' services issued by the Bank, with such modifications thereto as shall have been agreed by the Bank. Where no relevant standard contract documents have been issued by the Bank, other standard forms acceptable to the Bank shall be used.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Bank review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to: (a) contracts for the employment of consulting firms estimated to cost less than \$100,000 equivalent each; or (b) contracts for the employment of individual consultants estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Bank review shall not apply to: (a) the terms of reference for such contracts; (b) single-source selection of consulting firms; (c) assignments of a critical nature, as reasonably determined by the Bank; (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above; or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent or above.

