

CONFORMED COPY

February 22, 2001

Mr. P. A. Laptev
President
Russian Foundation for Legal Reform
Moscow
Russian Federation

*Re: Loan No. 4035-RU (Legal Reform Project)
Amendments to the Project Agreement*

Dear Mr. Laptev:

We refer to the Project Agreement dated June 21, 1996 for the Legal Reform Project (the Project) between the International Bank for Reconstruction and Development (the Bank) and the Russian Foundation for Legal Reform (the Project Entity). We also refer to Mr. V.D. Mazaev's letter to the Bank Reference No. 3490i-11/00 dated November 27, 2000, and to Mr. S.I. Koloutoukhin's letter to Mr. V.D. Mazaev, Reference No. 27-00-06/1403 dated November 27, 2000 requesting certain amendments to the Project Agreement.

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

1. Schedule 1 of the Project Agreement (Procurement and Consultants' Services) is hereby amended. The revised Schedule 1 is attached hereto as Annex 1.
2. A new Section VIII in Schedule 2 of the Project Agreement (Implementation Program) is hereby added to read as follows:

"Section VIII: Implementation of Training Programs

1. Regarding the training programs to be carried out by other means except through a consultants services contract under Parts A, C, D and E of the Project, the Borrower, through RFLR, shall:

(a) furnish to the Bank for approval the objective and content of each such program as well as the schedule for its implementation;

(b) select the beneficiaries of such training programs in accordance with criteria satisfactory to the Bank;

(c) not later than June 30 and December 31 of each year, furnish to the Bank a report of such scope and detail as the Bank shall reasonably request, on the results of each training program and the benefits to be derived therefrom; and

(d) not later than June 30 and December 31 of each year, exchange views with the Bank on the training programs to be carried out in the following calendar year.”

Please confirm your agreement by signing, dating and returning to us the attached copy of this letter. These amendments will become effective upon receipt by the Bank of the copy of this Amendment Letter countersigned by you.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

/s/ Julian F. Schweitzer
Country Director for Russia
Europe and Central Asia Region

CONFIRMED:

RUSSIAN FOUNDATION FOR LEGAL REFORM

By: /s/ Mr. S.I. Kolotoukhin
Authorized Representative

Date: April 27, 2001

Schedule 1

Procurement and Consultant's Services

Section I: Procurement of Goods and Works

Part A: General

Goods shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits dated January 1995, revised in January and August 1996, September 1997 and January 1999.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods 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 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. National Competitive Bidding

- Contracts for the printing of books under Part C, D and E estimated to cost from \$50,000 equivalent to \$200,000 equivalent per contract up to an aggregate amount not to exceed \$700,000 equivalent may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. International Shopping

- Contracts for office and computer equipment estimated to cost less than \$100,000 equivalent per contract up to an aggregate amount not to exceed \$500,000 equivalent may be awarded on the basis of comparison of price quotations obtained from at least three suppliers in at least two different countries in accordance with the provisions of the Guidelines.

3. National Shopping

Contracts for office and computer equipment, office supplies and books estimated to cost less than \$50,000 equivalent per contract up to an aggregate amount not to exceed \$1,800,000 equivalent may be awarded on the basis of comparison of price quotations obtained from at least three suppliers in accordance with the provisions of the Guidelines.

4. Procurement of Small Works

Eligible works estimated not to exceed \$75,000 equivalent per contract, and not to exceed \$600,000 in the aggregate, shall be procured and awarded on the basis of quotations obtained from three qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to successfully complete the contract.

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: (a) the first two contracts under Parts C.1 and C.2 hereof; and (b) each contract under Parts B and C.3 hereof, 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

Part A: General

Consultants' services shall be procured under contracts in accordance with the provisions of Section I (Introduction) and Section IV (Types of Contracts and Important Provisions) of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997, revised in September 1997 and January 1999 (the Consultants Guidelines) and the following provisions of Section II of this Schedule.

Part B: Quality-and-Cost Based Selection

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 Consultants Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality-and-cost based selection of consultants.

Part C: Other Procedures for Selection of Consultants

1. Quality Based Selection

Contracts for certain complex assignments for which it is difficult to define, precise Terms of Reference (TOR) and required consultants inputs or assignments that can be carried out in substantially different ways may subject to a case-by-case agreement with the Bank be awarded in accordance with the provisions of paragraphs 3.2 through 3.4 of the Consultants Guidelines applicable to quality-based-selection of consultants.

2. Fixed-Budget Selection

Contracts for certain assignments which are simple and can be precisely defined and for which a budget has been fixed may subject to a case-by-case agreement with the Bank be procured in accordance with the provisions of paragraph 3.5 of the Consultants Guidelines applicable to fixed budget selection of consultants.

3. Individual Consultants

Services related to activities under the Project that meet the requirements set forth in paragraph 5.1 of the Consultants Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultants Guidelines.

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

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for selection of consultants under 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 Consultants Guidelines. Selection of consultants' services shall be undertaken in accordance with such selection 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 the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2 (A)) and paragraph 5 of Appendix 1 to the Consultants Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, 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 said approval shall have been given.

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 Consultants Guidelines shall apply.

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