Provided that:

- The Ministry of Planning and International Cooperation carries the mission of guiding and coordinating governmental socio-economic policies, Programs and priorities as well as enhancing international cooperation for addressing these goals.
- The Ministry of Tourism and Antiquities carries the mission of the sustainable tourism development towards economic prosperity.
- The Ministry of Municipal Affairs carries the mission of providing all assistance to municipalities to build their institutional capacities and to support them in their provision of the infrastructure needed for sustainable development and better services for local communities.
- The Governorate is responsible for maintaining security and public safety, coordinating the work done by the various government departments and institutions in the Governorate and making available the requirements for the economic and social development of the Governorate.
- Greater Karak Municipality as the representative of the local community is the principal beneficiary of the city revitalization program and the guarantor of its sustainability.

The parties listed hereto (the “Institutions”) have agreed upon the following

**KARAK CITY REVITALIZATION PACT**

**TITLE I – OBJECTIVES OF THE PACT**

1. The objective of this City Revitalization Pact (the “Pact”) is to ensure the efficient and effective implementation of a sustainable City Revitalization Program (the “Program”) by agreeing on the roles and responsibilities of the above Institutions concerning:

   (1) defining and budgeting the financial commitments of the parties involved;
   (2) management and monitoring of the Program;
   (3) defining the implementation responsibilities and commitments.
   (4) allowing the Institutions, particularly the Municipality, to achieve improved management practices at handover of operations and overall by the end of the Program in order to ensure its sustainability.

2. The Pact has been contracted amongst the signatory Institutions on the basis of the urban, social, economic and institutional analysis of the city. It has been discussed with the representatives of the Institutions, in the presence and with the contribution of the civil society, during the City Consultation Workshop held in Karak on December 9th, 2004.

3. By signing the Pact, the signatory Institutions have engaged themselves formally, in their own areas of responsibility as described henceforth, to fulfill their commitments to achieve the objectives of the Program.

4. The Ministry of Tourism and Antiquities shall be responsible for the coordination and monitoring of the Program. Given the innovative nature of the Program, the limited implementation capacity of the Municipality itself and the ability of Ministry to satisfy the fiduciary requirements of the international donors, it has been agreed that the Ministry of Tourism and Antiquities shall be the designated project and contract manager on behalf of the Municipality for the whole Program and for every project action, including the capacity building.

5. The Institutions have recognized that the main challenge that the historic core of Karak is facing is to recover its central role within the city and the surrounding region. Therefore, the objectives of the Program include: to reconstruct the social cohesion amongst the population; to improve the quality of the public space for the benefit of residents and visitors; and to increase the existing local economy, tourism activities and local products.

**DESCRIPTION OF THE CITY REVITALIZATION PROGRAM**

6. To achieve the objectives above, the Institutions have agreed upon a Program including three main components:

   (1) Regulatory actions. The component will implement a special regulation to control urban growth and changes to the urban fabric, introducing criteria of conservation, integral recovery and comprehensive urban improvement.
Physical actions. This component includes a number of urban rehabilitation project actions that would comprehensively upgrade the historic core of Karak, to develop to develop high quality open public multi-purpose space and community and commercial facilities. The component will finance: (a) Upgrading of the street network and of the public space; (b) the creation of a new “heritage trail” along the eastern side of Karak; and (c) the redevelopment of the bus station.

Capacity building. This component will strengthen the capacity of Greater Karak Municipality to ensure successful implementation of the CRP. The component will support hiring supplementary staff for GMM, providing appropriate training on urban and heritage management, providing technical tools and equipment, and technical assistance, including a traffic management program.

### PROJECT ACTIONS

<table>
<thead>
<tr>
<th>Project Description</th>
<th>JD</th>
<th>US$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>K.01 Upgrading of the city core street network</td>
<td>1,913,394</td>
<td>2,700,621</td>
<td>31.16%</td>
</tr>
<tr>
<td>K.01a Rehabilitation of al Malk al Hussaym Street</td>
<td>151,246</td>
<td>213,473</td>
<td>2.46%</td>
</tr>
<tr>
<td>K.01b Rehabilitation of Salah Ad-din Al Ayyubi Street</td>
<td>1,112,435</td>
<td>1,570,124</td>
<td>18.11%</td>
</tr>
<tr>
<td>K.02 The new “heritage walk” along the eastern side of Karak</td>
<td>1,308,560</td>
<td>1,846,941</td>
<td>21.31%</td>
</tr>
<tr>
<td>K.03 Redevelopment of the bus station</td>
<td>1,331,216</td>
<td>1,878,918</td>
<td>21.68%</td>
</tr>
<tr>
<td>Capacity building</td>
<td></td>
<td>457,650</td>
<td>5.28%</td>
</tr>
</tbody>
</table>

Total cost of Karak CRP US$ 8,667,727 100.00%

1 JOD = $1.41

7. Karak historic core regulation. The historic core regulation is designed to control the building activities and ensure that these respect and are compatible with the historic character of Karak core city. The regulation provides also for the protection of monuments, traditional buildings, green areas and open spaces (especially those that fit within a clearly identified archaeological/historical con-text), giving clear indications about the forms of intervention applicable to each context, the restrictions introduced and the level of protection to be achieved in the different cases.

8. Upgrading of the city core street network. This action will reinforce the grid of primary, secondary, and tertiary streets in the project perimeter, with a hierarchy of intervention levels. Moreover, the action is focused on the solution of some site-specific issues, that include the rationalization and beautification of the street sections of Al Malik Al Husayn Street and Al Mujamma’ Street; the landscape enhancement of the street section of Salah Ad-Din Al Ayyubi Street; and the rationalization and beautification of the Salah Al Ayyubi Al-Madeenah street junction.

9. The new “heritage trail” along the eastern side of Karak. The action will create a new urban axis based on a pedestrian path along the southeastern portion of the city wall, linking the Ottoman School to the renovated main Bus Station, passing by the Mameluke towers up to the Castle. Below-grade infrastructural refurbishment will be provided in connection to the proposed road works including the provision of an efficient storm water drainage system.

10. The redevelopment of the bus station. The bus station is located in the southeast quadrant of the historic core, and accommodates most of the local and all the inter-city services to Karak. This action will redevelop the bus terminal area to create the necessary public space and a pole of activities. The action will include the development of a medium-size quality hotel, to improve the tourism facilities supply, and will complement the cultural attraction of the rehabilitated public space of the plaza in front of the Castle. The implementation of this project will take the form of a public-private partnership, in which the public partner will provide the integral redevelopment of the bus station, while the private partner will ensure the development and management of the new hotel.

11. Capacity building. To ensure the appropriate capacity for the Municipality to fulfill the role established in this Pact, a capacity building action shall be put in place, including:

1. recruitment of personnel for the creation of a “technical support unit” and the reinforcement of capacities of the municipality in urban planning and management in the historic core;
2. training on: (a) Historic core regulations and conservation and restoration of historic buildings; (b) the use of GIS and other tools for urban planning and management; (c) appropriate maintenance and management of urban services and spaces;
3. “Adressage” for the improvement of urban planning and management of the historic core;

KARAK - ATTACHMENT B - ED. A - CR PACT Page 3 of 10
(4) technical assistance for: (a) the enforcement of the new Historic Core Regulation; (b) the improvement of the urban management of the historic core; (c) Conception of the “Addressage”; and (d) setting up of indicators and procedures for the monitoring and evaluation of the urban service delivery.

(5) delivery of IT equipment (hardware and software) for the department of Urban Planning and Technical Support Unit.

12. For the financing of the Program, the Institutions have agreed upon the financial plan hereinafter.

<table>
<thead>
<tr>
<th>IMPLEMENTATION PERIOD</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financing Required</td>
<td>687,822</td>
<td>2,744,803</td>
<td>3,996,975</td>
<td>1,103,248</td>
<td>134,880</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest during construction</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Financing</td>
<td>687,822</td>
<td>2,744,803</td>
<td>3,996,975</td>
<td>1,103,248</td>
<td>134,880</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATIONAL PERIOD</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Financing Required</td>
<td>0</td>
<td>0</td>
<td>3,600</td>
<td>16,200</td>
<td>47,880</td>
<td>106,680</td>
<td>128,880</td>
<td>245,880</td>
<td>137,880</td>
<td>137,880</td>
</tr>
<tr>
<td>Interest during construction</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Financing</td>
<td>0</td>
<td>0</td>
<td>3,600</td>
<td>16,200</td>
<td>47,880</td>
<td>106,680</td>
<td>128,880</td>
<td>245,880</td>
<td>137,880</td>
<td>137,880</td>
</tr>
</tbody>
</table>

Financing
- Central Gov: 630,322 | 2,738,083 | 3,435,900 | 261,636 | 54,000 | 0 | 0 | 0 | 0 | 0 |
- Municipalities: 57,500 | 6,720 | 13,440 | 20,160 | 80,880 | 0 | 0 | 0 | 0 | 0 |
- Privates: 0 | 0 | 547,634 | 821,452 | 0 | 0 | 0 | 0 | 0 | 0 |

Total Project Financing: 687,822 | 2,744,803 | 3,996,975 | 1,103,248 | 134,880 | 0 | 0 | 0 | 0 | 0 |

Amounts in US$. 

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THE SIGNATORY INSTITUTIONS

For the Ministry of Planning and International Cooperation

For the Ministry of Tourism and Antiquities

For the Ministry of Municipal Affairs

For the Governorate of Karak

For Greater Karak Municipality

Date and place
TITLE II - EXECUTION OF THE CITY REVITALIZATION PACT

REFERENCE DOCUMENTS

13. The Institutions have acknowledged that the complete description of the overall city revitalization Program and of the project actions described herein is to be found in the following technical reference documents, which shall be considered as integral part of this Pact:

1. Karak – City revitalization Program – Annex 1 – Detailed description of the City Revitalization Program

MANAGEMENT

14. The Ministry of Tourism and Antiquities shall be responsible and accountable for the financial management of the Program.

COORDINATION AND MONITORING OF THE PROGRAM

15. The Institutions have agreed that the coordination and monitoring of the implementation of the Program shall be managed by a joint coordination and monitoring committee (Lajnat tansik wa Ishraf). The meetings of the committee shall be called by the Ministry of Tourism and Antiquities, to inform the municipality and the other Institutions and facilitate the solution of problems, at critical stages of the Program implementation, including the finalization of public/private partnership agreements, the approval of designs before tendering for works and the handover of operations to the Municipality. The meetings shall be organized according to the following procedure:

1. Not less than thirty days before the date of the meeting, the Ministry of Tourism and Antiquities will inform in writing all the Institutions on the place, date and agenda for the gathering. At the same time, the Ministry of Tourism and Antiquities will send hard copies of all the related technical documents to the Institutions for their preliminary analysis.

2. The Institutions may ask only once to postpone the meeting, for no more than fifteen days.

3. On the day agreed, the Institutions will participate at the meeting, which shall be moderated by Ministry of Tourism and Antiquities. The Institutions shall express their advice concerning the points under discussion, with their suggestions for the addressing of any issue that could have been raised. All the participating Institutions shall be committed in finding solutions that could be agreed upon for any problems that could have been individuated.

4. Upon completion of the meeting, the Ministry of Tourism and Antiquities shall circulate within the Institutions (even those that did not, for any reasons, take part to the conference) the minutes of meeting within no more than seven days from the conference itself;

5. If the Institutions did not reach an agreement on the subject of the meeting, the Ministry of Tourism and Antiquities shall work to address the issues, find a reasonable solution and call a new meeting with the same procedure described hereto.

6. If even this second meeting does not reach a satisfactory agreement, the final decision shall be referred to the Ministry of Planning and International Cooperation, which shall notify its decision to all the Institutions within thirty days from the second meeting.

Any decision taken following the procedure described hereto shall be considered as ratified, confirmed and binding for all the Institutions, with no further objection.

MUNICIPAL UTILITIES

16. Acknowledging the particular situation of the historic core, the Institutions have agreed that a pre-condition for the achievement of the objectives of the Program is to put in place an appropriate coordination with the providers of utilities including water, sewerage, electrical power, telecommunications, etc. The coordination above shall be part of the pro-
ject/contract management commitments of the Ministry of Tourism and Antiquities, acting on behalf of all the Institutions. The other Institutions shall facilitate and give support to achieve the most effective collaboration and coordination with the providers.

LAND ACQUISITION

17. The Municipality and the other Institutions have acknowledged that the acquisition of some lands/buildings, as described in the following table, is an essential pre-condition for the execution of the Program. The Municipality shall be responsible and accountable for the acquisition, by any means including expropriation, within the deadline established by the implementation plan. The cost of the acquisitions shall be met with the funds of the Program.

<table>
<thead>
<tr>
<th>PROJECT ACTION</th>
<th>ACQUISITION OF</th>
<th>ESTIMATED COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>The upgrading of Salah Ad-din al Ayyubi Street</td>
<td>Land</td>
<td>500,000 JD</td>
</tr>
<tr>
<td>The new “heritage walk” along the eastern side of Karak</td>
<td>Buildings to be demolished</td>
<td>270,000 JD</td>
</tr>
</tbody>
</table>

TITLE III - DURATION, CANCELLATION, REVISION OF THE PACT

18. The effectiveness of the Pact shall begin at the date of the signature and shall continue until the end of the Program.

19. In case of inactivity of the Municipality or of any other of the Institutions, the Ministry of Tourism shall call a meeting of the coordination and monitoring committee (Lajnat tansik wa Ishraf) to address the situation. If after the meeting the situation of inactivity will continue, the Program will be cancelled, and the inactive Institution shall be held economically responsible of the damages deriving from their neglect.

20. No revision or modification to this Pact shall be effective, unless approved and subscribed by all the Institutions.

TITLE IV – SUMMARY OF COMMITMENTS

GENERAL COMMITMENTS OF THE INSTITUTIONS

21. By signing the Pact, the Institutions have engaged themselves in:

(1) facilitating, by any means, the achievement of the objectives of the Pact;

(2) participating in the meetings of the coordination and monitoring committee (Lajnat tansik wa Ishraf) called for the implementation of the city revitalization Program, and accepting the results of the conferences as ratified and confirmed with no further objection;

(3) undertaking any other action appropriate for the achievement of the objectives of the Pact;

(4) the Institutions have agreed and engage themselves to implement the actions listed hereto as described hereinafter and in the reference documents, within the timeframe established by the implementation plan and respecting the related technical details.

SPECIFIC COMMITMENTS OF THE MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION

22. In the framework of this Pact, the Ministry of Planning and International Cooperation engages itself in the fulfillment of the following activities.

(1) …
SPECIFIC COMMITMENTS OF THE MINISTRY OF TOURISM AND ANTIQUITIES

23. The Ministry of Tourism and Antiquities shall be the delegated project and contract manager on behalf of any other party, while the other Institutions are engaged to facilitate the achievement of the objectives of the Program and the resolution of the problems.

24. For the fulfillment of the objectives of the Program, the Ministry of Tourism and Antiquities shall provide and be accountable for the following activities:

   (1) overall coordination of the Program, including the operation of the coordination and monitoring committee (Lajnat tansik wa Ishraf);
   (2) financial coordination and management of the Program;
   (3) monitoring and six-monthly reporting activities, in compliance with the approved monitoring and performance indicators;
   (4) quality control of technical services and works;
   (5) ensuring appropriate operational levels of the Technical Development Department for the duration of the Program;
   (6) promoting effectively the tourism activity and image of Karak, within the framework of the national tourism development policy;

25. For the implementation of the physical actions described herein, the Ministry of Tourism and Antiquities shall provide and be accountable for the following activities:

   (1) management of the agreements with appropriate private partner(s) for the public/private partnership actions;
   (2) putting in place an appropriate coordination with the providers of utilities including water, sewerage, electrical power, telecommunications, etc.
   (3) technical activities needed for the realization of the project actions listed herein, including, but not limited to: (a) preparation of Terms of reference for the surveys, architectural and engineering design and works supervision; (b) award of technical services; (c) management of the design stage; (d) final approval of the design.
   (4) procurement of works needed for the realization of the project actions listed herein, including but not limited to: (a) tendering procedures, in compliance with the reference World Bank regulations and standards; (b) award the construction contract; (c) manage the execution of works; (d) handover the works to the Municipality or the private partner(s), as required.

26. For the implementation of the “Capacity building” action, the Ministry of Tourism and Antiquities shall provide and be accountable for the following activities:

   (1) general management and coordination of the capacity building action;
   (2) procurement of goods and equipment, including but not limited to: (a) tendering procedures, in compliance with the reference World Bank regulations and standards; (b) award the procurement contract; (c) manage the execution of works; (d) handover the works to the Municipality or the private partner(s), as required.
   (3) procurement of technical services to deliver to the Municipality the training and technical assistance described in the project;

SPECIFIC COMMITMENTS OF THE MINISTRY OF MUNICIPAL AFFAIRS

27. The Ministry of Municipal Affairs shall contribute to the financing of the Program by making available the funds for the acquisition, as described in paragraph 17. above.

28. For the fulfillment of the objectives of the Program, the Ministry of Municipal Affairs shall provide and be accountable for the following activities:

   (1) immediately passing of the decree for the approval of the new Karak Historic Core regulation;
   (2) collaborating with the Municipality to improve the current fiscal, budgeting, staffing, and other relevant issues for empowering the Municipality to assume the management of the renewed assets upon handover from the Ministry of Tourism and Antiquities;
(3) collaborating with the Municipality to ensure financial and budgeting stability during the implementation period of the Program, also by appropriate management of transfers.

29. By signing the Pact, the Ministry of Municipal Affairs declares that the financial engagement of the Municipality (paragraph 32.) and the organizational measures (paragraph 38.) shall be considered immediately and expressly approved and ratified with no further objection.

SPECIFIC COMMITMENTS OF THE GOVERNORATE OF KARAK

30. The Governorate of Karak shall ensure the mobilization of the companies and Institutions responsible for providing goods and services to the city (as the Water Authority and the Electricity Company) so to ensure their active collaboration to the Program, their participation to the service conferences, when needed, and the coordination of their actions and activities on the municipal territory with the Municipality.

SPECIFIC COMMITMENTS OF GREATER KARAK MUNICIPALITY

31. The Municipality shall be the principal owner of the Program on behalf of the population.

32. The Municipality shall contribute to the financing of the Program with the following provisions (expressed in US $):

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>57,500</td>
<td>6,720</td>
<td>13,440</td>
<td>20,160</td>
<td>80,880</td>
</tr>
</tbody>
</table>

The provisions stated above shall cover 50% of cost of the equipment that the program shall deliver to the Municipality itself in the framework of the capacity building action as described at paragraph 11. (5), and a progressive share of the cost of the new personnel recruited as described at paragraph 11. (1), as per the following table.

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>25%</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
</tr>
</tbody>
</table>

33. The Municipality shall develop and implement, under the supervision of the Ministry of Municipal Affairs, an action plan to progressively improve, within the timeframe of the project, the collection the tax and fees of which as the right to collect, particularly the taxes and fees related to:

(1) building and construction licensing;

(2) planning and development, and specially those connected to the improvement of the historic core.

34. For the implementation of the historic core regulation described herein, immediately after the Ministry of Municipal Affairs has passed the new “Karak Historic Core Regulation”, the Municipality shall immediately mobilize itself to ensure strict application and immediate enforcement of the new historic core regulation.

35. For the implementation of the pilot parking meters plan, the Municipality shall:

(1) in strict coordination with the executions of works in King Tallal Street, provide for the installation of the parking meters in the area indicated in the project documents;

(2) after the handover of the works from the Ministry of Tourism and Antiquities, ensure the management and enforcement of parking meters, according to the pilot parking management plan described in the project;

36. For the implementation of the traffic management program, the Municipality shall collaborate with MOTA for the preparation of the program. Immediately after the final approval of the program, the Municipality shall immediately mobilize itself to ensure strict application and immediate enforcement of the new traffic management program.

37. For the implementation of the physical actions described herein, the Municipality shall:

(1) ensure, through any means including expropriation, the acquisition of the land and/or of the buildings required for the implementation of the project actions, as summarized at paragraph 17. above;

(2) receive the handover of the renewed public assets from the Ministry of Tourism and Antiquities and immediately mobilize itself to ensure proper maintenance and management.
38. For the implementation of the capacity building action, the Municipality shall:

   (1) establish the cross-departmental municipal unit and mobilize the concerned municipal services;
   
   (2) establish the local committee of consultation and follow-up of revitalization with the local stakeholders and civil society.
   
   (3) recruit the personnel required for the creation of the “technical support unit” and for the reinforcement of capacities of the municipality in urban planning and management.
   
   (4) ensure the implementation of the “Adressage” action, namely: phase (I) - establishment of (a) coordination arrangements between TSU and urban planning dept.; and (b) establishment of the work methodology. Phase II: surveys, codification, cartography, construction of a database. Phase III: installation of signs with names of streets and buildings.
   
   (5) actively collaborate with the Ministry of Tourism and Antiquities to ensure the successful implementation of the capacity building action as described herein and in the project.

39. Recognizing its role as the principal owner of the Program, Greater Karak Municipality has committed itself in the continuous and measurable improvement of the delivery of urban services, recognizing that the highest priority is to be attributed to the following areas of responsibility:

   (1) management, maintenance and cleaning of the renewed public spaces;
   
   (2) management and maintenance of the public utilities networks;
   
   (3) solid waste collection and management;
   
   (4) traffic and parking management;
   
   (5) control of private building activities, including restoration, alteration and new buildings (if allowed);
   
   (6) technical and administrative management of building permits;
   
   (7) implementation and management of an appropriate geographic information system;
   
   (8) control of commercial activities;
   
   (9) control of signage, billposting, shop windows and showcases;
   
   (10) sanitary and food control of restaurants, cafes, etc.