

Mr. Mohammad Akram Malik  
Secretary  
Economic Affairs Division  
Ministry of Economic Affairs and Statistics  
Islamabad, Pakistan

8 March 2007

Dear Mr. Malik:

**Loan No. 2213/Grant No. 0029-PAK (SF): Earthquake Emergency Assistance Project – Amendments to the Financing Agreement**

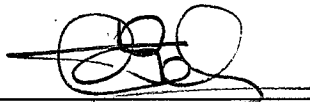
1. We refer to the Financing Agreement (Special Operations) for the Earthquake Emergency Assistance Project (the Project) between the Islamic Republic of Pakistan (the Beneficiary) and Asian Development Bank (ADB), dated 23 December 2005 and amended on 13 February 2006.
2. On 8 December 2006, ADB approved an increase in the grant financing for the Project in the amount equivalent to \$27,500,000 arising from the contributions made by the Government of Finland (\$12,500,000 equivalent) and the Government of Australia (\$15,000,000 equivalent) to the Pakistan Earthquake Fund. On 8 January 2007, ADB approved changes in scope and financing plan due to cofinancing provided by the European Commission in the amount equivalent to \$37,500,000 and the above-mentioned contributions by the Government of Finland and the Government of Australia.
3. To reflect these changes, the Financing Agreement shall be amended as set forth in the attachment to this letter (the Appendix).
4. Except as amended, all the terms and conditions of the Financing Agreement shall remain in full force and effect and binding upon the Beneficiary.
5. Please indicate the agreement of the Beneficiary to the amendments set forth in the Appendix by countersigning the two (2) original counterparts of this letter in the space indicated below. One (1) signed original counterpart of this letter should be returned to ADB and the other signed original counterpart should be retained by the Beneficiary for records. The amendments shall take effect from the date of receipt by ADB of the signed counterpart of this letter.



6. Please be advised that according to the ADB's Public Communications Policy (PCP) on disclosure and exchange of information, the amendments set forth in the Appendix will automatically be publicly disclosed within two (2) weeks after their effectiveness, unless ADB is advised by return mail that the amendments contain any information or data of a sensitive or confidential nature falling under the PCP exceptions.

Very truly yours,

**ASIAN DEVELOPMENT BANK**



Juan Miranda  
Director General  
Central and West Asia Department

Agree to the amendments in the Appendix and confirm that such amendments do not contain any information or data of a sensitive or confidential nature falling under the PCP exceptions:

**ISLAMIC REPUBLIC OF PAKISTAN**

By: 

Mr. Mohammad Akram Malik  
Secretary  
Economic Affairs Division  
(Authorized Representative)

Date: 14-04-2007.

Amendments to the Financing Agreement - Loan No. 2213/Grant No. 0029-PAK (SF):  
Earthquake Emergency Assistance Project

1) A new Recital shall be added after Recital C as below:

“(D) The European Commission has agreed to provide a cofinancing grant in the amount equivalent to \$37,500,000, which will be administered by ADB, for the Project. The Government of Finland has made a contribution to the Pakistan Earthquake Fund in the amount equivalent to \$12,500,000 and the Government of Australia has made a contribution to the Pakistan Earthquake Fund in the amount equivalent to \$15,000,000, both for the Project; and”;

2) Recital D shall be accordingly renumbered as (E);

3) Section 2.01 (b) shall be replaced with the following:

“(b) an amount of one hundred and seven million five hundred thousand dollars (\$107,500,000) (the “Grant”).”

4) In Schedule 1, paragraph 2, subparagraph (i) under Education Sector Subcomponent the number of schools shall be changed from “550” to “328”;

5) In Schedule 1, paragraph 2, a new subparagraph (iv) shall be added under Health Sector Subcomponent as follows:

“(iv) Provision of necessary works and equipment to 29 Basic Health Units and 1 Regional Health Center.”

6) Attachment 1 to Schedule 3A and Attachment to Schedule 3B shall be replaced with the following Attachments, respectively:

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS				
(Earthquake Emergency Assistance Project)				
CATEGORY				ADB FINANCING
Number	Item	Amount Allocated		Percentage and Basis for Withdrawal From the Loan Account*
		Category	Subcategory	
1	Equipment and Materials	19,741,000		
1A	Education		708,000	36 percent of total expenditure
1B	Health		3,583,000	90 percent of total expenditure
1C	Transport		350,000	100 percent of total expenditure
1D	Power		15,100,000	100 percent of total expenditure
2	Civil Works	109,950,000		
2A	Education		16,400,000	33 percent of total expenditure
2B	Health		8,400,000	53 percent of total expenditure
2C	Transport		79,650,000	75 percent of total expenditure
2D	Power		5,500,000	75 percent of total expenditure
3	Quick Disbursing	24,536,000		
<b>Total</b>		154,227,000		

\* Exclusive of taxes and duties.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Earthquake Emergency Assistance Project 0029)				
CATEGORY				ADB FINANCING
Number	Item	Amount Allocated		Percentage & Basis for Withdrawal From the Grant Account*
		US\$		
		Category	Subcategory	
1	Legal Assistance, Governance and Institutional Building	3,600,000		100 percent of total expenditure
2	Incremental Administrative Support	8,820,000		
02A	Inc. Admin Support- Education		930,000	46 percent of total expenditure
02B	Inc. Admin Support-ERRA		3,160,000	100 percent of total expenditure
02C	Inc. Admin Support-Power & Transport		3,690,000	100 percent of total expenditure
02D	Inc. Admin Support- Health		1,040,000	100 percent of total expenditure
3	Consulting Services	14,830,000		
03A	Consulting Services - Education		2,680,000	55 percent of total expenditure
03B	Consulting Services - Health		3,600,000	100 percent of total expenditure
03C	Consulting Services - Power & Transport		8,550,000	100 percent of total expenditure
4	Quick Disbursing	65,000,000		100 percent of total expenditure
5	Equipment and material	910,000		
05A	Equipment and material Education		350,000	12 percent of total expenditure
05B	Equipment and material Health		560,000	10 percent of total expenditure
6	Civil Works	13,790,000		
06A	Civil Works - Education		7,000,000	10 percent of total expenditure
06B	Civil Works - Health		6,790,000	30 percent of total expenditure
7	Unallocated	550,000		100 percent of total expenditure
<b>Total</b>		<b>107,500,000</b>		

\* Exclusive of taxes and duties.