

15 November 2007

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

Dear Mr. Malik,


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

1. We refer to the Financing Agreement (Special Operations) for the Earthquake Emergency Assistance Project (the Project or EEAP) between the Islamic Republic of Pakistan (the Beneficiary) and Asian Development Bank (ADB) dated 23 December 2005, as amended.
2. On 5 October 2007, ADB approved (i) an increase in the grant financing for the Project in the amount equivalent to \$30,000,000 arising from the contributions made by the Government of Norway and the Government of Belgium to the Pakistan Earthquake Fund for the Project; and (ii) change in scope and implementation arrangements of the Project.
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,

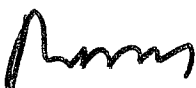
ASIAN DEVELOPMENT BANK



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: 
M. Akram Malik 10/12/2007
Secretary
Economic Affairs Division
(Authorized Representative)

Date:

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

- 1) Recital D shall be revised 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. The Government of Finland has made a contribution to the Pakistan Earthquake Fund in the amount equivalent to \$12,500,000, the Government of Australia has made a contribution to the Pakistan Earthquake Fund in the amount equivalent to \$15,000,000, the Government of Norway has made a contribution to the Pakistan Earthquake Fund in the amount equivalent to \$20,000,000, and the Government of Belgium has made a contribution to the Pakistan Earthquake Fund in the amount equivalent to \$10,000,000, all for the Project; and”;

- 2) Section 2.01 of the Financing Agreement shall be revised as follows:

Section 2.01. ADB agrees to provide to the Beneficiary from ADB's Special Funds resources, on terms and conditions set forth in this Financing Agreement:

(a) an amount in various currencies equivalent to one hundred sixty two million five hundred eight thousand nine hundred thirty Special Drawing Rights (SDR162,508,930); and

(b) an amount of one hundred thirty seven million five hundred thousand Dollars (\$137,500,000) (the “Grant”).

- 3) In Schedule 1, paragraph 2, the description of Education Sector Subcomponent shall be revised as below:

Education Sector Subcomponent

Subprojects under this Subcomponent, which will be implemented in AJK and NWFP, will cover:

(i) Repair and reconstruction, according to improved seismic designs, of about 454 (328 in AJK and 126 in NWFP) partly and completely damaged government middle schools buildings, latrines, office accommodation;

(ii) Provision of all essential furniture and equipment for all the middle schools reconstructed and repaired;

(iii) Provision of training of master trainers for teachers training; and

(iv) Provision of school health services for physical and physiological health assessment and advice.

4) In Schedule 6, paragraph 3 shall be revised as follows:

3. EAs and IAs responsible for implementation of the Project shall be as below:

Component	EA	IA
Quick Disbursing Component	MOF	
Transport Sector Component	ERRA	AJK RA, Local Government and Rural Development Department and the Public Works Department of AJK; NWFP RA, line departments of NWFP; district governments; and FHA
Power Sector Component	ERRA	PESCO, IESCO, SHYDO and Department of Electricity of AJK
Social Sector Component Education Sector Subcomponent	ERRA	AJK RA, Education Department of AJK; Department of Education of NWFP; and Department of Works and Services
Health Sector Subcomponent	ERRA	AJK RA, Health Department of AJK
Implementation Assistance Component	ERRA	
Legal Assistance, Governance and Institutional Building subcomponent	ERRA	

TABLE

**Allocation and Withdrawal of Grant Proceeds
(Earthquake Emergency Assistance Project)
GRANT 0029**

CATEGORY			ADB FINANCING	
Number	Item	Amount Allocated \$		Percentage and Basis for Withdrawal From the Loan Account*
		Category	Subcategory	
1	Legal Assistance, Governance and Institutional Building	3,600,000		100 percent of total expenditure*
2	Incremental Administrative Support	11,030,000		
02A	Inc. Admin Support-Education		930,000	46 percent of total expenditure
02B	Inc. Admin Support-ERRA		3,360,000	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*
02E	Inc. Admin Support-Education NWFP		2,010,000	100 percent of total expenditure*
3	Consulting Services	16,330,000		
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*
03D	Consulting Services - Education NWFP		1,500,000	100 percent of total expenditure*
4	Quick Disbursing	65,000,000		100 percent of total expenditure*
5	Equipment and material	3,890,000		
05A	Equipment and material Education		350,000	12 percent of total expenditure
05B	Equipment and material Health		560,000	10 percent of total expenditure
05C	Equipment and material ERRA		500,000	100 percent of total expenditure*
05D	Equipment and material Education-NWFP		2,480,000	100 percent of total expenditure*
6	Civil Works	36,500,000		
06A	Civil Works - Education		7,000,000	10 percent of total expenditure
06B	Civil Works - Health		6,790,000	30 percent of total expenditure
06C	Civil Works Education NWFP		22,710,000	95 percent of total expenditure
7	Service Charges	1,150,000		100 percent of amount due
Total		137,500,000	137,500,000	

*Exclusive of taxes and duties