



Asian Development Bank

Pakistan Resident Mission

1 September 2015

Mr. Shahid Ashraf Tarar  
Chairman  
National Highway Authority  
27, Mauve Area  
G-9/1 Islamabad  
Islamabad, Pakistan

Dear Mr. Tarar:

**Subject: Loan 3121-PAK: National Trade Corridor Highway Investment Program,  
Project 2 – Amendment to the Project Agreement**

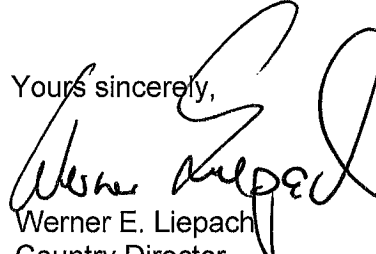
1. We refer to the Loan Agreement (Ordinary Operations) 3121-PAK for the National Trade Corridor Highway Investment Program – Project 2, dated 17 September 2014 (the “Loan Agreement”) between the Islamic Republic of Pakistan (“Pakistan”) and the Asian Development Bank (“ADB”) and the related Project Agreement dated 17 September 2014 between National Highway Authority (“NHA”) and ADB. Under the Loan Agreement, ADB made a loan of \$200,000,000 (the “Loan”) to Pakistan for the purposes of the project described in Schedule 1 to the Grant Agreement (the “Project”).
2. Defined terms used in this letter shall have the same meanings as set out in the Loan Agreement.
3. Pakistan has requested the Government of United Kingdom of Great Britain and Northern Ireland acting through the Department of International Development (“DFID”) for a grant, to be administered by ADB, for the purposes of cofinancing expenditures under investment projects under DFID’s Pakistan Economic Corridors Program, including expenditures under the Project. Part of the DFID grant, together with the Loan, will provide financing for the Project. A partial cancellation of the Loan in the amount of \$82,400,000 has been made effective on 31 July 2015 so that the total amount of financing to Pakistan for the Project remains the same.
4. To reflect such partial cancellation of the Loan, we propose the following amendments be made to the Project Agreement:
  - (i) Recital paragraph (B) shall be re-numbered as Recital paragraph (C), and the words “and the Grant Agreement” shall be inserted after “the Loan Agreement”;
  - (ii) the following shall be added as new Recital paragraph (B):
  - (iii) “(B) by a Grant Agreement dated on or about 1 September 2015 between the Islamic Republic of Pakistan and ADB (“Grant Agreement”), ADB has agreed to

make a grant in the amount of \$82,400,000 (as adjusted to from time to time to account for currency fluctuations, such that the amount of the Grant, denominated in Dollars, shall be equivalent to fifty one million six hundred thousand Pounds (£51,600,000) at the time that ADB converted the resources made available to ADB by DFID) for the purposes of the Project (the "Grant"), and accordingly, the Loan was reduced from \$200,000,000 to \$117,600,000; and";

- (iv) In Section 1.01, the words "the Loan Agreement and in the Loan Regulations (as so defined)" shall be deleted and replaced with "the Loan Agreement and in the Loan Regulations (as so defined in the Loan Agreement) and the Grant Agreement and in the Grant Regulations (as so defined in the Grant Agreement), as applicable".
  - (v) In Sections 2.01(b), 2.13, 2.14, 4.02, the words "and the Grant Agreement" shall be inserted after the words "Loan Agreement".
  - (vi) In Sections 2.02, 2.03(b), 2.06, 2.07, 2.08, 2.09, 2.13, the words "and the Grant" shall be inserted after the reference to "the Loan".
  - (vii) In Section 3.01, the following sentence shall be inserted at the end:

"This Project Agreement and all obligations of the parties hereunder shall terminate on the later of the date on which the Loan Agreement and the Grant Agreement, respectively, shall terminate in accordance with its terms."
  - (viii) In Section 3.02, the words "or the Grant Agreement" shall be inserted after the words "the Loan Agreement".
5. Except as amended, all other terms and conditions of the Project Agreement shall remain in full force and effect and binding upon Pakistan.
6. Please indicate the agreement of Pakistan to the proposed amendment by countersigning the 2 original counterparts of this letter. Please retain one signed counterpart of this letter for your record and return the other signed counterpart to ADB. The amendment shall take effect from the date of receipt by ADB of the signed counterpart of this letter.
7. Please be advised that according to ADB's Public Communications Policy ("PCP") on disclosure and exchange of information, the amendments to the Loan Agreement will be publicly disclosed within 2 weeks after their effectiveness, unless ADB is advised by return mail that the amendment contains information or data of a sensitive or confidential nature falling under the PCP exceptions.

Yours sincerely,



Werner E. Liepach  
Country Director  
Pakistan Resident Mission

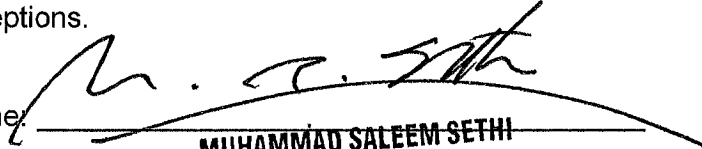
CONFIRMED

Pakistan concurs with the amendments proposed in this letter. The proposed amendments do not contain information or data of a sensitive or confidential nature falling within the PCP exceptions.

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_



**MUHAMMAD SALEEM SETHI**  
Secretary  
Economic Affairs Division  
Government of Pakistan  
Islamabad

cc: Director CWTC

CONFIRMED

National Highway Authority concurs with the amendments to the Project Agreement as proposed in the letter dated 1 September 2015, in relation for Loan 3121-PAK: National Trade Corridor Highway Investment Program, Project 2. The proposed amendments do not contain information or data of a sensitive or confidential nature falling within the PCP exceptions.

Name: 

Designation: Chairman NHA

Date: Sept, 9<sup>th</sup>, 2015