

27 September 2016

Secretary
Benazir Income Support Program
Pakistan Secretariat
Islamabad
Islamic Republic of Pakistan

Dear Ms. Masood:

**Subject: Loan No. 3049-PAK (SF): Social Protection Development Project
 – Amendments to Project Agreement**

1. We refer to the Project Agreement dated 25 November 2013, as amended, between Benazir Income Support Program ("BISP") and Asian Development Bank ("ADB") for the captioned project ("Project Agreement"). All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreement dated 25 November 2013, as amended, between the Islamic Republic of Pakistan ("Borrower") and ADB for the Captioned Project ("Loan Agreement"), unless the context requires otherwise.

2. Following requests from the Borrower dated 18 February 2016 and 3 May 2016 and discussions between the Borrower, BISP and ADB, ADB approved, on 9 May 2016, changes in the Project, inter alia, to: (i) include Eligible Families that were qualified and were registered with BISP (a) from 1 July 2013 to 30 June 2016 as determined by the 2009/10 survey and (b) from 1 July 2016 onwards to be recertified by the 2016/17 survey; and (ii) increase the quarterly payments of cash grants to Eligible Families from the first 5 quarters to the first 10 quarters (at Rs. 4,500 per quarter from 1 July 2014 to 30 June 2015 and at Rs. 4,700 per quarter from 1 July 2015 onwards). To give effect to these changes, ADB proposes that the Project Agreement be amended as follows:

(a) Paragraph 2 of the Schedule to the Project Agreement shall be revised to read as follows:

"BISP shall ensure that Counterpart Funds of SDR219,996,000 equivalent are only used for Part 1 of the Project. BISP shall continue the cash grants to the Eligible Families after such cash grants are financed under Part 1 of the Project for the first 10 quarters (at Rs. 4,500 per quarter from 1 July 2014 to 30 June 2015, and Rs. 4,700 per quarter from 1 July 2015 onwards) following the selection of Eligible Families (i.e. BISP shall provide the cash grants for the Eligible Families from the eleventh quarter onwards); and (b) make available in a timely manner funds from their budgetary allocations for such cash grants. In the event there is any change to the amount of the

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quarterly payments, the revised amount and frequency of payments shall be agreed between the Borrower and ADB. Without limiting the generality of the foregoing, BISP shall implement the following transitional arrangement to enable the Project to: (a) include Eligible Families that qualified and were registered with BISP from 1 July 2013 onwards; (b) recognize cash grants made by BISP from 1 July 2014 onwards to Eligible Families that qualified and were registered with BISP between 1 July 2013 and 30 June 2014; and (c) recognize cash grants made by BISP at such time from 1 July 2014 onwards when BISP can provide cash grants to Eligible Families that qualified and were registered with BISP between 1 July 2013 and 30 June 2014 but had not received any payment as they had not been issued with a debit card or physically located by Pakistan Post (as such Eligible Families need to be issued with a debit card or physically located by Pakistan Post before they can receive the cash grants)."

(b) Paragraph 3 of the Schedule to the Project Agreement shall be revised to read as follows:

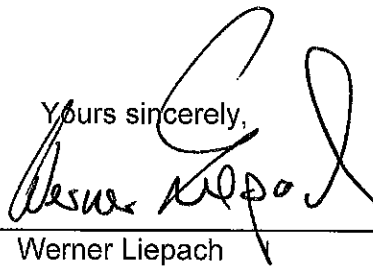
"BISP shall use the cut-off score of the nation-wide poverty scorecard surveys held on 2009/10 and 2016/17 for identifying and recertifying, respectively, potential Eligible Families."

3. Save and except to the extent set out above, the Project Agreement remains unchanged.

4. Pursuant to ADB's Public Communications Policy on disclosure and exchange of information, the amendments to the Project Agreement will be posted on ADB's website within 2 weeks from the date that the amendments become effective, after removing any information that falls within the PCP exceptions as specified by the Borrower.

5. Please indicate the Borrower's concurrence to the amendments set out in paragraph 2 of this letter agreement and to the terms of this letter agreement by countersigning each of the two original of this letter agreement in the space indicated below. Please retain one signed original of this letter agreement for your records and return the other to ADB. The proposed amendments shall take effect on the date of receipt by ADB of a signed original of this letter agreement.


Yours sincerely,



Werner Liepach
Country Director
Pakistan Resident Mission

A. Accepted and agreed.

B. Confirmed that the amendments to the Project Agreement do not contain information falling within the PCP exceptions.


For and on behalf of
Benazir Income Support Program

(Yasmin Masood)
Secretary
Name: Benazir Income Support Programme
Designation: Government of Pakistan
Islamabad.
Date: 28th Oct 2016

cc: