

Dr. Kazim Niaz
Secretary
Ministry of Economic Affairs
Government of Pakistan
Islamabad

Dear Dr. Niaz:

***Re: Pakistan: Competitive and Livable City of Karachi Project
Loan Agreement (Loan Number: 8998-PK)
Amendments to the Loan Agreement following the Activation of the Contingent Emergency Response
Component (CERC)***

1. We refer to: (a) the Loan Agreement dated November 26, 2019 (“Agreement”) between Islamic Republic of Pakistan (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”), as amended; and (b) the Project Agreement of the same date between the International Bank for Reconstruction and Development (“Bank”) and the Province of Sindh (“Project Implementing Entity”) (“Project Agreement”), as amended, for the above-mentioned Project (“Project”).

2. We also refer to (a) your letter dated September 8, 2022, requesting inclusion of the contingent emergency response component of the Project (“CERC”) through restructuring and re-allocation of funds to the CERC in response to the recent floods to support the immediate needs of the flood emergency response in Karachi; (b) the CERC Emergency Operation Manual (“CERC EOM”) dated October 17, 2022; (c) Emergency Action Plan (“EAP”) dated October 17, 2022; and (d) the Bank’s letter dated October 24, 2022, notifying the Borrower of the activation of the CERC and the fulfilment of the conditions precedent to disbursement relevant to the disbursement Category for Emergency Expenditures under the CERC under Section I.C of Schedule 2 to the Agreement.

3. We are pleased to inform you that the Bank agrees to your request and consequently the Loan Agreement is amended to restructure the Project as set forth below:

(a) The development objective of the Project in Schedule 1 to the Agreement is amended to state as follows:

“The objective of the Project is to improve urban management, service delivery and the business environment in Karachi and provide immediate and effective response to an Eligible Crisis or Emergency.”

(b) The withdrawal table in Section III.A of Schedule 2 to the Agreement shall be deleted and replaced with the one shown in Annex to this amendment letter.

4. Except as specifically amended in this amendment letter, all other terms and conditions of the Agreement shall remain in full force and effect.

5. The Bank will disclose this amendment letter and related information on this Agreement in accordance with the World Bank’s Policy on Access to Information. By entering into this amendment letter, the Borrower consents to disclosure of this amendment letter and related information.

6. Please confirm your agreement to the foregoing on behalf of the Borrower by countersigning and dating the form of confirmation set forth below and returning one fully countersigned original of this amendment letter to us and retaining one original for your records. Upon receipt by the Bank of the countersigned original of this amendment letter, this amendment letter shall become effective as of the date of the countersignature of this amendment letter.


Your sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Najy Benhassine

Najy Benhassine
Country Director, Pakistan
South Asia Region

CONFIRMED AND AGREED:
ISLAMIC REPUBLIC OF PAKISTAN

By: 
Name: Dr. Kazim Niaz
Title: Secretary Ministry of Economic Affairs
Date: 03-Feb-2023

Cc:

Government of Pakistan:

Mr. Muhammad Humair Karim, Additional Secretary, Ministry of Economic Affairs
Mr. Adil Akbar Khan, Senior Joint Secretary, Ministry of Economic Affairs
Mr. Azam Khan, Deputy Secretary, Ministry of Economic Affairs

Government of Sindh

Mr. Syed Hassan Naqvi, Chairman Planning and Development Board
Mr. Faisal Ahmed Uqaili, Secretary, Planning and Development Board
Mr. Sajid Jamal Abro, Secretary, Finance Department
Mr. Najam Shah, Secretary, Local Government, Housing and Town Planning Department
Mr. Syed Mansour Abbas Rizvi, Secretary, Sindh Investment Department
Ms. Naila Sarfaraz, Assistant Chief Foreign Aid, Planning and Development Department
Mr. Asif Jan Siddiqui, Project Director, Project Implementation Unit, Local Government Department
Mr. Anwar Ali Shar, Project Director, Sindh Investment Department.

The World Bank:

Mr. Kamran Naveed Baloch, Executive Director, Pakistan
Mr. Abdelhak Bedjaoui, Alternate Executive Director, Pakistan

Category	Amount of the Loan Allocated (expressed in US\$)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Works, goods, consulting services, non-consulting services and Training, excluding the cost of land acquisition and payments in accordance with the RAP, for the financing of Sub-projects under Part 1.1 of the Project	121,000,000	100%
(2) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project, except Part 1.1	81,425,000	100%
(3) Front-end Fee	575,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
(5) Emergency Expenditures	27,000,000	100%
TOTAL AMOUNT	230,000,000	