

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 Number:8998-PK)
Amendments to the Loan Agreement***

1. We refer to: (a) the Loan Agreement dated November 26, 2019 (“Agreement”) between the 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”). We also refer to your letter dated September 8, 2022 (No. 5(24)WB-III/17), requesting for amendments to the Loan Agreement.

2. We are pleased to inform you that the Bank agrees to your request and consequently the Loan Agreement is amended to add the Contingent Emergency Response as set forth below:

3. Part 5 of the Project is added in Schedule 1 to the Loan Agreement as follows:

“Part 5. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.”

4. Section I.C of Schedule 2 to the Loan Agreement is added as the following:

“C. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Borrower shall ensure that:

- (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for

- the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.
2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.
3. The Borrower shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.”
5. The withdrawal table in Section III.A of Schedule 2 to the Loan Agreement shall be deleted and replaced with the one shown in Annex to this amendment letter.
6. Section III.B.1 is deleted and replaced with the following:
- “1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made;
- (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$46,000,000 may be made for payments made prior to this date but on or after January 1, 2019, for Eligible Expenditures under Categories (1) and (2); or
 - (b) for Emergency Expenditures under Category (5), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (5); and (B) the Bank

has agreed with such determination, accepted said request and notified the Borrower thereof; and

- (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.”

7. The following definitions have been added to the Definitions in the Appendix, and all the subsequent definitions are re-numbered accordingly.

“‘Contingent Emergency Response Part’ means any activity or activities to be carried out under Part xxx of the Project to respond to an Eligible Crisis or Emergency.

‘CERC Manual’ means the manual referred to in Section I.C of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the PIM.

‘Eligible Crisis or Emergency’ means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.

‘Emergency Action Plan’ means the plan referred to in Section I.C of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

‘Emergency Expenditures’ means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.C of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.”

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

9. The Bank will disclose this amendment letter and related information on this Loan 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.

10. 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.


Yours sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Najy Benhassine

Najy Benhassine
Country Director, Pakistan

**CONFIRMED AND AGREED:
ISLAMIC REPUBLIC OF PAKISTAN**

By: 
_____ Kazim Niaz
Name: _____
Secretary Ministry of Economic Affairs
Title: _____
26-Sep-2022
Date: _____

Government of Pakistan:

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

Government of Sindh:

Mr. Syed Hasan 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. Bilal Ahmed Memon, Secretary, Sindh Investment Department
Mr. Raja Khurram Shehzad Umar, Secretary, Excise, Taxation and Narcotics Control Department
Mr. Agha Khalid, Additional Secretary, Excise, Taxation and Narcotics Department

The World Bank:

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

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<i>Category</i>	<i>Amount of the Loan Allocated (expressed in USD)</i>	<i>Percentage of Expenditures to be financed (inclusive of Taxes)</i>
(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	140,000,000	100%
(2) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project, except Part 1.1	89,425,000	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	0	100%
TOTAL AMOUNT	230,000,000	