

**MOST IMMEDIATE**  
**BY FAX**

Government of Pakistan  
**Benazir Income Support Programme**  
"F" Block, Pak Secretariat  
Islamabad  
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No. 11/BISP/Dir- DC/ADB Project

Islamabad, the 10<sup>th</sup> of September, 2014

**OFFICE MEMORANDUM**


Subject: **LOAN 3049-PAK: SOCIAL PROTECTION DEVELOPMENT PROJECT:**  
**Minor Changes to the Project**

Please refer to ADB's letter dated 10<sup>th</sup> September, 2014 on the above subject (copy enclosed).

2. As recorded in the Aide Memoire of ADB's Inception Mission dated 20<sup>th</sup> June, 2014, BISP and ADB agreed on a transitional arrangement for inclusion of beneficiaries registered since 1<sup>st</sup> July, 2013 (Para 14 of the Aide Memoire) (**Annex-A**).

3. In order to further deliberate on the above mentioned proposal along with some other changes in Schedule 5 of the Loan Agreement, a video conference with ADB Manila was held today in ADB Pakistan Resident Mission office, Islamabad at 10 a.m. During the video conference, BISP and ADB agreed to make the amendments in Schedule 5, paras 3 and 12 of the Loan Agreement signed between the Government of Pakistan and ADB on November 25, 2013 and paras 2 and 9 of the Schedule of Project Agreement signed between BISP and ADB on November 25, 2013 to facilitate the transitional arrangement as confirmed by ADB's letter mentioned above.

4. BISP has no objection to the above stated changes/minor amendments in the Loan and Project Agreements. EAD/Finance Division are requested to take further necessary action in this regard.

  
(Dr. Muhammad Tahir Noor)  
Director (Donor Coordination)

1. Mr. Qumar Sarwar Abbasi,  
Joint Secretary (ADB)  
Economic Affairs Division,  
Islamabad

2. Mr. Naveed Allauddin  
Joint Secretary (EF/ C&B)  
Finance Division,  
Islamabad

SEP 22 '14 PM 2:38



Asian Development Bank

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Pakistan Resident Mission

10 September 2014

Mr. Shabbir Ahmed  
Secretary  
Benazir Income Support Program  
Pakistan Secretariat  
Islamabad, Pakistan

Dear Mr. Ahmed:

SEP 22 '14 PM 2:38

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

1. We refer to the Project Agreement dated 25 November 2013 between Asian Development Bank (“ADB”) and Benazir Income Support Program (“BISP”) 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 between the Islamic Republic of Pakistan (“Borrower”) and ADB for the captioned Project (“Loan Agreement”), unless the context requires otherwise.

2. Following a request from the Borrower dated 7 July 2014 and discussions between the Borrower, BISP and ADB, ADB approved on 10 September 2014, changes in the Project concerning inter alia (a) a transitional arrangement to enable the Project to: (i) include Eligible Families that qualified and were registered with BISP from 1 July 2013 onwards; (ii) recognize payments 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 (iii) recognize payments by BISP at such time from 1 July 2014 onwards when BISP can make payment 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; (b) the increase of the cash transfer amount from Rs. 3,000 per quarter to Rs. 4,500 per quarter; and (c) the change of the deadline for the approval of BISP’s organizational structure and staff arrangement for its Waseela-e-Rozgar (skills development program) and the Waseela-e-Sehet (health insurance program) to within 6 months of the Effective Date. To give effect to the foregoing 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 (a) continue the cash grants to the Eligible Families after such cash grants are financed under Part 1 of the Project for the first 5 quarters (at Rs. 4,500 per quarter) following the selection of the Eligible Families (i.e. BISP shall provide the cash grants for the Eligible Families from the sixth quarter onwards); and (b) make available in a timely manner funds from its budgetary allocations for such cash amount of the quarterly payments, the revised grants. In the event there is any change to the amount of the 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 of 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 9 of the Schedule to the Project Agreement shall be revised to read as follows:

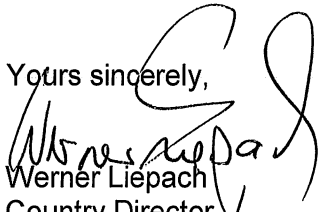
"The Board of BISP shall approve BISP's organizational structure and staff arrangement for its Waseela-e-Rozgar (skills development program) and the Waseela-e-Sehet (health insurance program) within 6 months of the Effective Date."

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 BISP'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

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- A. Accepted and agreed.
- B. Confirmed that the amendment to the Loan Agreement do not contain information falling within the PCP exceptions.

For and on behalf of  
Islamic Republic of Pakistan

Name: Shabbir Ahmed

Designation: SHABBIR AHMED  
Secretary

Date: 10-9-14 Benazir Income Support Programme  
Government of Pakistan  
Islamabad