



12 January 2016

Mr. Tariq Bajwa
Secretary
Economic Affairs Division
Ministry of Economic Affairs and Statistics
Islamabad

Dear Mr. Bajwa:

**Loan No. 3096-PAK: Power Distribution Enhancement Investment Program – Tranche 4 —
Amendment to Loan Agreement**

1. We refer to the Loan Agreement dated 30 April 2014 ("Loan Agreement") between the Islamic Republic of Pakistan ("Borrower") and Asian Development Bank ("ADB") for the captioned project. All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreement, unless the context otherwise requires.

2. Following a request from the Borrower dated 7 July 2015, ADB approved, on 25 August 2015, changes in the scope of the Project and the allocation of the Loan proceeds. To give effect to the changes, ADB proposes that the Loan Agreement be amended as follows:

(a) In Schedule 1, paragraph 3, a new sub-paragraph shall be added at the end as follows:

"(d) construction of up to 4 new 132 kilovolt grid stations and conversion of up to 2 existing 66 kilovolt grid stations to 132 kilovolt grid stations, along with their associated transmission lines."

The word "and" shall be deleted from the end of sub-paragraph (b) and inserted, instead, at the end of sub-paragraph (c).

(b) In Schedule 3, the Table shall be deleted and replaced with the following:

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Power Distribution Enhancement Investment Program – Tranche 4)				
Number	Item	Total Amount Allocated for ADB Financing (\$)		Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	FESCO	15,860,000		
1A	Equipment and Materials**		11,080,000	100% of total expenditure claimed*
1B	Civil Works**		780,000	100% of total expenditure claimed*
1C	Turnkey**		4,000,000	100% of total expenditure claimed*
2	GEPCO	8,730,000		

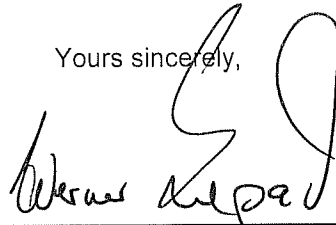
2A	Equipment and Materials**		8,730,000	100% of total expenditure claimed*
3	HESCO	11,000,000		
3A	Equipment and Materials**		8,540,000	100% of total expenditure claimed*
3B	Civil Works**		560,000	100% of total expenditure claimed*
3C	Unallocated		1,900,000	
4	IESCO	17,810,000		
4A	Equipment and Materials**		13,850,000	100% of total expenditure claimed*
4B	Civil Works**		900,000	100% of total expenditure claimed*
4C	Unallocated		3,060,000	
5	LESCO	41,540,000		
5A	Equipment and Materials**		32,190,000	100% of total expenditure claimed*
5B	Civil Works**		2,190,000	100% of total expenditure claimed*
5C	Unallocated		7,160,000	
6	MEPCO	31,820,000		
6A	Equipment and Materials**		17,740,000	100% of total expenditure claimed*
6B	Civil Works**		1,680,000	100% of total expenditure claimed*
6C	Turnkey**		12,400,000	100% of total expenditure claimed*
7	PESCO	23,950,000		
7A	Equipment and Materials**		22,970,000	100% of total expenditure claimed*
7B	Civil Works**		980,000	100% of total expenditure claimed*
8	QESCO	10,350,000		
8A	Equipment and Materials**		9,790,000	100% of total expenditure claimed*
8B	Civil Works**		560,000	100% of total expenditure claimed*
9	Interest and Commitment Charge	6,140,000		100% of amount due
	Total	167,200,000		

*Exclusive of taxes and duties imposed within the territory of the Borrower.

**Subject to the condition for withdrawal described in paragraph 7 of Schedule 3.

3. Save and except to the extent set out above, the Loan Agreement remains unchanged.
4. Pursuant to ADB's Public Communications Policy on disclosure and exchange of information, the amendments to the Loan 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 originals of this letter agreement in the space indicated below. If you countersign, the Loan Agreement is hereby amended as in paragraph 2. Please retain one fully signed original of this letter agreement for your records and return the other to ADB. The amendments shall take effect on the date of receipt by ADB of a fully signed original of this letter agreement.

Yours sincerely,



Werner E. Liepach
Country Director
Pakistan Resident Mission

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

For and on behalf of
ISLAMIC REPUBLIC OF PAKISTAN

Name: Tariq Bajwa

Designation: **TARIQ BAJWA**
Secretary

Date: Economic Affairs Division
Government of Pakistan
Islamabad

cc: Joint Secretary Development, MoW&P
Managing Director, PEPCO
CEO's / Chief Engineers (Dev), All DISCOs

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