Mr. Abdul Wajid Rana  
Secretary  
Economic Affairs Division  
Ministry of Economic Affairs and Statistics  
Government of Pakistan  
Islamabad, Pakistan

Dear Mr. Rana,

Re: PAKISTAN: Canada’s Support for the Punjab Education Sector Project / Canadian International Development Agency (CIDA) Grant Agreement (TF098382) – Amendment No. 1

I refer to the CIDA Grant Agreement dated January 31, 2011, (the “Grant Agreement”) between the Islamic Republic of Pakistan (the “Recipient”) and the International Development Association, acting as administrator of grant funds provided by the Government of Canada, through the Canadian International Development Agency (the “World Bank”), for the financing of the Punjab Education Sector Project (the “Project”).

I am pleased to inform that in light of the recent contributions received from Canadian International Development Agency, the World Bank would like to increase to an additional five million forty-five thousand two hundred seventy-five United States Dollars (US$5,045,275), the amounts made available to the Recipient under the Grant Agreement. To this end, the World Bank hereby proposes to amend the Grant Agreement as follows:

1. Section 3.01 of the Grant Agreement shall read:

“The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to eighteen million four hundred eighty-two thousand seven hundred ninety United States Dollars (USD$18,482,790) (“Grant”) to assist in financing the Project.”

2. The table in Section IV.A, paragraph 2, of Schedule 2 to the Grant Agreement shall read:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Eligible Expenditures Program pursuant to the following timetable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Telephone: (92 51) 2279641-6  FAX (92 51) 2279648-9
<table>
<thead>
<tr>
<th>(b) Second scheduled disbursement (on or about June 15, 2011)</th>
<th>7,482,790</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>18,482,790</strong></td>
<td></td>
</tr>
</tbody>
</table>

Except as specifically amended by this letter, all other existing provision of the Grant Agreement shall remain in full force and effect.

Please confirm your agreement to the amendment set out above by having an authorized representative of the Recipient sign the form of confirmation set forth herein below, and returning one fully executed original of this letter to us at your earliest convenience. Please retain the other original copy for your records.

The foregoing proposed amendment shall enter into force and effect on the date of countersignature herein below, once the signed copy has been received by the World Bank.

With best regards,

INTERNATIONAL DEVELOPMENT ASSOCIATION  
(acting as administrator of the grant funds provided by the Government of Canada Acting through the Canadian International Development Agency)

By/s Rachid Benmessaoud

Rachid Benmessaoud  
Country Director, Pakistan

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**CONFIRMED and AGREED**  
On behalf of the **ISLAMIC REPUBLIC OF PAKISTAN**

By/s Abdul Wajid Rana

Title: Secretary, Economic Affairs Division  
Government of Pakistan

Date: June 9, 2011

Telephone: (92 51) 2279641-6  FAX (92 51) 2279648-9
Cc: Mr. Ahsam Kamboh  
Secretary, School Education Department  
Civil Secretariat  
Government of Punjab  
Lahore, Punjab  
Islamic Republic of Pakistan  

Ms. Farah Masood  
Project Director  
Program Monitoring and Implementation Unit  
22-B, New Muslim Town, Near Ayubia Market  
Lahore, Pakistan