Ms. Nargis Sethi  
Secretary  
Economic Affairs Division  
Government of Pakistan  
Islamabad

Mr. Imtiaz Inayat Elahi  
Secretary  
Ministry of National Health Services Regulation and Coordination  
Government of Pakistan  
Islamabad

Excellencies,

PAKISTAN: Amendment of the Second Additional Financing for the Third Partnership for Polio Eradication Project  
IDA Financing Cr. 5169-PK

I refer to the Financing Agreement dated October 24, 2012 between the Islamic Republic of Pakistan (the Recipient) and the International Development Association (the Association), for the financing of the Second Additional Financing for the Third Partnership for Polio Eradication Project (the Project), Credit 5169-PK (the Financing Agreement). I also refer to the discussions and communications between the Recipient and the Association during the course of Project preparation about the possibility of a buy-down of the Credit.

I am pleased to inform you that the Association is now in a position to provide for the possibility of a partial buy-down of the Credit.

For this purpose, the Association hereby amends the Financing Agreement as follows:

1. A new Section 2.09 is added in Article II of the Financing Agreement as follows:

   "2.09. The Association shall:

   (a) as administrator of the GPEP Trust Fund and on behalf of the Recipient, pay the Commitment Charge, the Service Charge and the Interest Charge, as they fall due under this Agreement, up to the earlier of: (i) the Partial Buy-Down Deadline Date; or (ii) the Partial Buy-Down Completion Date;"
(b) upon the achievement of the Assignment Trigger, and pursuant to the terms of the Partial Assignment and Release Agreement substantially in the form set forth in Schedule 4 to this Agreement: (i) acting in its capacity as lender, assign its rights, title and interest in the Partial Buy-Down Debt to the Association as administrator of the GPEP Trust Fund upon receipt of the Charges Subsidy Amount and the Partial Repayment Amount; and (ii) as administrator of the GPEP Trust Fund, release and discharge the Recipient from its payment obligations in relation to the Partial Buy-Down Debt and cancel such indebtedness;

(c) following the Partial Buy-Down Completion Date, acting in its capacity as lender, waive its right, title and interest to the payment of any Service Charge and Interest Charge by the Recipient under this Agreement, with respect to any amount of the Credit remaining outstanding after the Partial Buy-Down; provided always that the Association, acting in its capacity as lender, shall be entitled to payment of Service Charge and Interest Charge in respect of any principal amount of the Credit remaining outstanding after the Partial Buy-Down that is not repaid on due date as provided by the terms of this Agreement;

(d) acting in its capacity as lender, notify the Recipient of the revised repayment schedule for the principal amount of the Credit remaining outstanding after the Partial Buy-Down;

(e) acting in its capacity as lender, be entitled to retain the full amount of any Charges Subsidy Amount that it receives in respect of any portion of the Credit that is subsequently prepaid by the Recipient in accordance with the terms of this Agreement.”

2. A new Schedule 4 to the Financing Agreement, Form of Partial Assignment and Release Agreement, is added as follows:

“SCHEDULE 4

Form of Partial Assignment and Release Agreement

Partial Assignment and Release Agreement

AGREEMENT, dated ________________, between ISLAMIC REPUBLIC OF PAKISTAN (the Recipient) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association acting in its capacity as lender and as administrator of the Global Program to Eradicate Poliomyelitis Trust Fund.

WHEREAS: (A) the Recipient has been determined to be eligible for assistance from the Global Program to Eradicate Poliomyelitis Trust Fund (the Trust Fund) upon
successful completion of the Second Additional Financing for the Third Partnership for Polio Eradication Project (the Project) as described in Schedule 1 to the Financing Agreement between the Recipient and the Association dated __________________ , (the Financing Agreement), through the transfer of the Partial Buy-Down Debt to the Association as administrator of the Trust Fund;

(B) the Association has received a performance audit report from an entity selected by the Association, stating that the Project has been successfully carried out; and

(C) upon payment of the Charges Subsidy Amount and the Partial Repayment Amount, the Association in its capacity as lender is prepared to transfer its claim for payment of the Partial Buy-Down Debt to the Association as administrator of the Trust Fund, following which the Association, as administrator of the Trust Fund, shall cancel such claims and release and discharge the Recipient from such debt to the extent of such payment.

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Financing Agreement, in the Preamble to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Partial Assignment

Section 2.01. In consideration of the payment of the Charges Subsidy Amount of __________________ United States Dollars (US$__________) and the Partial Repayment Amount of __________________ United States Dollars (US$__________), receipt of which is hereby acknowledged, the Association in its capacity as lender hereby transfers, assigns and sets over the Partial Buy-Down Debt and all the Association’s rights, title and interest therein to the Association as administrator of the Trust Fund, and its successors and assigns.

Section 2.02. Notwithstanding the transfer and assignment of the Partial BuyDown Debt to the Association as administrator of the Trust Fund, the Association acknowledges and agrees that the Association as administrator of the Trust Fund, does not assume and shall not be responsible for any of the liabilities or obligations of the Association in its capacity as lender under, or in respect of, the Financing Agreement.
ARTICLE III

Representations and Warranties

Section 3.01. The Association hereby represents and warrants that:

(a) it is the sole beneficial owner of the Partial Buy-Down Debt with good and marketable title thereto free and clear of any liens, mortgages, security interests, charges, encumbrances or rights of others (except for the rights of the Association as administrator of the Trust Fund under this Agreement) and is exclusively entitled to possess and dispose of the Partial Buy-Down Debt in accordance with this Agreement;

(b) it has all necessary power and authority to enter into, execute and deliver this Agreement and to carry out its obligations hereunder;

(c) the execution and delivery of this Agreement and the consummation of the transactions evidenced and contemplated hereby or hereunder have been duly authorized by all necessary action on its part;

(d) this Agreement constitutes its valid and binding agreement and obligation enforceable and effective in accordance with its terms; and

(e) the performance of its obligations under this Agreement does not and will not conflict with: (i) any applicable law or regulation or any judicial order in effect at the date hereof; (ii) its constitutive documents; or (iii) any agreement or document to which it is a party or which is binding on it.

Section 3.02. For the purpose of this Agreement, the Recipient represents and warrants that:

(a) it is obligated to make payments to the Association in its capacity as lender with respect to the Partial Buy-Down Debt under the terms of the Financing Agreement;

(b) its liabilities in respect of the Partial Buy-Down Debt are not subject to reduction or diminution in any manner whatsoever including, without limitation, by way of set-off, compensation, counterclaim, defense, damages or otherwise; and

(c) it hereby irrevocably consents to the transfer and assignment of the Partial Buy-Down Debt to the Association, as administrator of the Trust Fund, pursuant to this Agreement.

ARTICLE IV

Partial Release
Section 4.01. Save as provided in Section 4.02 below, the Association, as administrator of the Trust Fund, having become the owner under this Agreement of the Partial Buy-Down Debt, hereby irrevocably and unconditionally releases and forever discharges the Recipient from any and all liabilities and payment obligations of whatsoever nature, whether present or future, arising in relation to the Partial Buy-Down Debt, which are hereby irrevocably cancelled.

Section 4.02. Notwithstanding the provisions of Section 4.01 above, the liabilities and payment obligations of the Recipient with respect to any portion of the Credit which is not comprised in the Partial Buy-Down Debt, including without limitation all Service Charge and Interest Charge that may accrue on any portion of the Withdrawn Credit Balance that is not repaid on due date in accordance with the terms of the Financing Agreement, shall not be affected by the execution of this Agreement.

ARTICLE V
Enforceability of Agreement; Failure to Exercise Rights; Arbitration

Section 5.01. The rights and obligations of the Recipient and the Association under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any State or political subdivision thereof to the contrary. Neither the Recipient nor the Association shall be entitled in any proceeding under this Article to assert any claim that any provision of this Agreement is invalid or unenforceable because of any provision of the Articles of Agreement of the Association.

Section 5.02. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 5.03. (a) Any controversy between the parties to this Agreement, and any claim by either such party against the other party arising under this Agreement which has not been settled by agreement of the parties shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

(b) The parties to such arbitration shall be the Association and the Recipient.

(c) The Arbitral Tribunal shall consist of three (3) arbitrators appointed as follows: one arbitrator shall be appointed by the Association, a second arbitrator shall be appointed by the Recipient, and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice or, failing appointment by said President, by the Secretary-General of the United Nations. If either of the parties shall fail to appoint an arbitrator, such arbitrator shall be appointed by the Umpire. In case any
arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator, and such successor shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought, and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty (30) days after such notice, the other party shall notify the party instituting such proceeding the name of the arbitrator appointed by such other party.

(e) If within sixty (60) days after the notice instituting the arbitration proceeding, the parties shall not have agreed upon an Umpire, either party may request the appointment of an Umpire as provided in paragraph (c) of this Section.

(f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(g) The Arbitral Tribunal shall decide all questions relating to its competence and shall, subject to the provisions of this Section and except as the parties shall otherwise agree, determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(h) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to this Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(i) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the Arbitral Tribunal shall convene, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the parties. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

(j) The provisions of arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to this Agreement or of any claim by either party against the other party arising hereunder.
(k) The Association shall not be entitled to enter judgment against the Recipient upon the award, to enforce the award against the Recipient by execution or to pursue any other remedy against the Recipient for the enforcement of the award, except as such procedure may be available against the Recipient otherwise than by reason of the provisions of this Section. If, within thirty (30) days after counterparts of the award shall have been delivered to the parties, the award shall not be complied with by the Association, the Recipient may take any such action for the enforcement of the award against the Association.

(l) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section shall be made in the manner provided in Section 6.01 of this Agreement. The parties to this Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE VI

Miscellaneous

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party’s address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Recipient:

The Secretary to the Government of Pakistan
Economic Affairs Division
Islamabad, Pakistan

Cable address: ECDIV
Telex: 92 51 9205971
Facsimile: 92 51 9218976

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telephone (92 51) 2279641-6 FAX (92 51) 2279648-9
Section 6.02. This Agreement may be executed in several counterparts, each of which shall be an original.

Section 6.03. This Agreement shall become effective upon its execution by the parties.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in Islamabad, Pakistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF PAKISTAN

By

[Signature]

Authorized Representative

Name: MUHAMMAD ASIF

Additional Secretary

Economic Affairs Division

Government of Pakistan

Islamabad

INTERNATIONAL DEVELOPMENT ASSOCIATION

(acting in its capacities as lender and as Administrator of the Global Program to Eradicate Poliomyelitis Trust Fund)

By

[Signature]

Authorized Representative

Name: Rachid Benmessaoud

Title: Country Director – Pakistan

3. Section 3.01 of Article III of the Financing Agreement is amended as follows:

"The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through the Expanded Program on Immunization Unit of the MoNHSRC, in accordance
Second Additional Financing for the Third Partnership for Polio Eradication Project

with the provisions of Article IV of the General Conditions and the Program Implementation Plan.”

4. Section I of the Appendix to the Financing Agreement is amended as follows:

“APPENDIX

Section I. Definitions


2. “Assignment Trigger” means the receipt by the Association of the Performance Audit Report, satisfactory to the Association.

3. “Category” means the category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “Charges Subsidy Amount” means an amount (as reasonably determined by the Association using prevailing exchange and interest rates) to be paid to the Association under Section 2.09(b) of this Agreement, being the Dollar equivalent of the net present value of the Service Charge and the Interest Charge payable by the Recipient to the Association on the Credit for its full maturity under the terms of this Agreement.

5. “Departments of Health” means each Department of Health within a district of the Recipient’s territory, or any successor thereto.

6. “District Coordination Committees” means the committees set up in each of the Districts of the Recipient pursuant to the national emergency action plan for poliomyelitis, under the chair of the District Coordination Officers.

7. “Expanded Program on Immunization Unit” means the unit within the MoNHSRC entrusted with the implementation of the PEI and the coordination of the SIA (as hereinafter defined), as notified pursuant to Economic Affairs Division’s letter No. 3(1091/2011 —Japan-II, dated August 16, 2012.

8. “First Additional Financing Agreement” means the financing agreement for the first additional financing for the Third Partnership for Polio Eradication Project, between the Recipient and the Association dated June 2, 2011 (Credit No. 4927-PK).

9. “General Conditions” means the “International Development Association’s General Conditions for Credits and Grants”, dated July 31, 2010 with the modifications set forth in Section II of this Appendix.
"Global Program to Eradicate Poliomyelitis Trust Fund" or "GPEP Trust Fund" means the trust fund consisting of funds contributed to or to be contributed by donors, including the Bill and Melinda Gates Foundation and the United Nations Foundation and administered by the Association, for the purpose of reducing the cost to borrowers of credits provided by the Association for polio eradication purposes.

"MoNHSRC" means the Recipient’s Ministry of National Health Services, Regulation and Coordination, and/or any successor thereto.

"National Immunization Days" and the acronym “NIDs” mean the dates selected under the PEI for the Recipient’s nationwide administration of OPV.

"National Task Force" means the committee established pursuant to Annexure 3-A of the Recipient’s national emergency plan of action for polio eradication under the chair of the Recipient’s Prime Minister, responsible, *inter alia*, for providing inter-provincial and inter-sectoral coordination for the Polio Eradication Initiative.

"OPV" means the oral polio vaccine.

"OPV Procurement Agreement" means the agreement entered into between the Recipient’s government and UNICEF, for the procurement of OPV under the Project, and to be a nended pursuant to Section 5.01 of this Agreement.

"Original Financing Agreement" means the financing agreement for a Third Partnership for Polio Eradication Project between the Recipient and the Association, dated July 3, 2009 (Credit No. 4616-PK).

"Original Project" means the Project described in the Original Financing Agreement.

"Partial Assignment and Release Agreement" means the agreement referred to in Section 2.09 of this Agreement, to be entered into between the Recipient and the Association (in its capacity as lender and as administrator of the Trust Fund) upon the successful completion of the Project.

"Partial Buy-Down” means the transfer to the Association as administrator of the Trust Fund under and in accordance with this Agreement of the Partial Buy-Down Debt as set out in the Partial Assignment and Release Agreement.

"Partial Buy-Down Completion Date” means the date on which the Partial Buy-Down becomes effective as provided in the Partial Assignment and Release Agreement, which date shall be no later than the Partial Buy-Down Deadline Date.
21. "Partial Buy-Down Deadline Date" means the date falling six (6) months after the Closing Date (or such later date as the Association shall establish by notice to the Recipient).

22. "Partial Buy-Down Debt" means an amount (as reasonably determined by the Association) equal to the aggregate of: (i) the Service Charge and the Interest Charge payable by the Recipient to the Association on the Credit for its full maturity under this Agreement; and (ii) a portion of the principal amount of the Credit.

23. "Partial Repayment Amount" means an amount (as reasonably determined by the Association using prevailing exchange and interest rates) to be paid to the Association under Section 2.09(b) being the Dollar equivalent of the net present value of a portion of the principal amount of the Credit as at the Partial Buy-Down Completion Date.

24. "Performance Audit Report" means the report to be furnished by an entity selected by the Association stating that the Project has been successfully carried out based upon the results of its independent performance audit on the agreed indicators set out in paragraph 1(b)(i) and 1(b)(ii) of Section II. A of Schedule 2 to this Agreement.

25. "Polio Eradication Initiative" and the acronym "PEI" mean the Recipient’s initiative to eradicate poliomyelitis, which consists of: (i) the procurement, supply and use of OPV; (ii) the SIAs; and (iii) the implementation of a disease surveillance system to detect poliomyelitis cases or outbreaks, and the monitoring and evaluation of SIAs.


27. "Program Implementation Plan" means the program implementation plan dated January 14, 2011, as amended to the date of this Agreement, setting out the details of the implementation arrangements for the PEI and the Project for the period 2011 to 2013, as the same may be amended and/or extended from time to time with the agreement of the Association.

28. "Provincial Steering Committees" means collectively the committees established pursuant to Annexure 3-C of the Recipient’s national emergency plan of action for polio eradication under the chair of the respective Chief Ministers/Chief Secretary, of the provinces and territories of the Recipient, responsible, inter alia, for reviewing and monitoring the progress made in the implementation of the Polio Eradication Initiative in their respective jurisdictions.
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29. “Sub-National Immunization Days” and the acronym “SNID” mean the dates selected under the PEI for the Recipient’s administration of OPV in selected (targeted) areas.

30. “Supplemental Immunization Activities” and the acronym “SIA/SIAs” mean the Recipient’s immunization activities which are supplementary to its routine immunization activities, consisting of, inter alia, maintenance of the cold chain for the OPV, social mobilization, training, NIDs, SNIDs and mop-up operations conducted under the PEI.

31. “Technical Advisory Group” means an independent group called by the Regional Director of WHO, comprised of global experts (national and international) on poliomyelitis eradication and child health immunization, responsible inter alia, for reviewing the progress towards interrupting the poliovirus transmission, and more precisely, overseeing the performance of the PEI and providing technical advice and strategic planning for the PEI.


33. “WHO” means the World Health Organization, a United Nations specialized agency, established pursuant to its constitution adopted by the International Health Conference held in New York on June 19-22, 1946, and in force since April 7, 1948.”

All terms and conditions of the Financing Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this Amendment to the Financing Agreement and returning it to the Association.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

<Signature>
Iachid Benmessoud
Country Director, Pakistan
South Asia Region

Telephone: 92 51) 2279641-6 FAX (92 51) 2279648-9
AGREED AND CONFIRMED:

ISLAMIC REPUBLIC OF PAKISTAN

By

Name — MUHAMMAD ASIF
Title — Additional Secretary
Economic Affairs Division
Government of Pakistan
Islamabad

Date ————

Telephone: 92 51) 2279641-6 FAX (92 51) 2279648-9
From: Section Officer (WB-III)
Ph: 9202061
Fax: 9103821

SUBJECT: Third Partnership for Polio Eradication Project Implementation Support Mission – October 8-10, 2013

Dear Sir,

Kindly refer to the World Bank’s letter dated 13th September, 2013 on the above subject.

The amendment letter in respect of the subject project duly signed by the competent authority (in origina) is hereby forwarded for further necessary action please.

With regards,

Sincerely,

(Muhammad Saleh)

Mr. Rachid Benmesaoud
Country Director,
World Bank.
Islamabad.