Re: ISLAMIC REPUBLIC OF PAKISTAN
Dasu Hydropower Stage I Project – Credit Numbers 5498-PK and 5497-PK
Amendment No. 2 to the Financing Agreement

Dear Mr. Khan:

We refer to the Financing Agreement (the “Agreement”) dated August 25, 2014, for the above-mentioned Project, between the Islamic Republic of Pakistan (the “Recipient”) and the International Development Association (the “Association”). We also refer to the letter from the Recipient, dated November 15, 2017, requesting an amendment to the withdrawal schedule of the Financing Agreement to provide for utilization of funds under Category (2) up to November 20, 2018. Capitalized terms used in this amendment letter and not otherwise defined herein have the meaning ascribed to them in the Agreement.

We are pleased to inform you that the Association accedes to your request and proposes to amend the Agreement as follows (“Amendment No. 2”):

1. The table at Section IV A.2 of Schedule 2 to the Agreement is amended as shown below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of Part A of the Credit Allocated (expressed in SDR)</th>
<th>Amount of Part B of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services, non-consulting services, Training and Workshops, and Incremental Operating Costs under Components A, C, D, E, F and G of Project</td>
<td>185,270,000</td>
<td>122,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Land Acquisition &amp; Resettlement Compensations under Component D and E.1 of the Project</td>
<td>71,630,000</td>
<td>0</td>
<td>100% until November 20, 2018, and 0% thereafter</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>256,900,000</td>
<td>122,800,000</td>
<td></td>
</tr>
</tbody>
</table>

November 17, 2017
All other provisions of the Agreement except as amended herein, shall remain in full force and effect. Please confirm your agreement to the amendment by countersigning, dating and returning to us the enclosed copy of this letter, while keeping one original for your records. This amendment shall become effective on the date of its countersignature by the Recipient's authorized representative.

Yours Sincerely,

Patchamuthu Illangovan
Country Director, Pakistan

CONFIRMED AND AGREED:

ISLAMIC REPUBLIC OF PAKISTAN

By: 
Mr. Arif Ahmed Khan
Secretary
Economic Affairs Division

Date: 20th November, 2017

cc:

Government of Pakistan:
Mr. Shamail Ahmad Khawaja, Secretary, Ministry of Water Resources
Mr. Yousaf Naseem Khokar, Secretary, Ministry of Energy, Power Division
Dr. Aamir Ahmed, Additional Secretary Power, Ministry of Energy, Power Division
Mr. Adil Akbar Khan, Joint Secretary, Economic Affairs Division
Mr. Mehr Ali Shah, Joint Secretary, Ministry of Water Resources
Mr. Zafar Abbas, Joint Secretary Transmission, Ministry of Energy, Power Division
Mr. Azam Khan, Deputy Secretary, Economic Affairs Division
Ms. Shaista Gul, Section Officer, Economic Affairs Division

Water and Power Development Authority (WAPDA)
Lt. Gen. (R) Muzammil Hussain, Chairman
Mr. Riaz Ali Shah, Member (Water)
Mr. Muhammad Arshad Chaudhry, Member (Power)
Mr. Muhammad Ikram Khan, Member (Finance)
Mr. Javed Akhtar, Project Director, Dasu Hydropower Project

National Transmission and Despatch Company (NTDC)
Mr. Zafar Abbas, Managing Director
Mr. Zafar Iqbal Khan Niazi, Project Director, Dasu Transmission Line