May 21, 2010

Mr. George Turkington
Head, DFID Pakistan,
c/o British High Commission
Diplomatic Enclave
Ramna 5
PO Box 1122
Islamabad, Pakistan

Amendment to the Memorandum of Understanding between the Government of the United Kingdom of Great Britain and Northern Ireland, through its Department for International Development and the International Bank for Reconstruction and Development and the International Development Association concerning the Grant to support the Islamic Republic of Pakistan’s Tax Administration Reform Project (TF 054392).

Dear Mr. Turkington:

1. We refer to the Memorandum of Understanding between the Government of the United Kingdom of Great Britain and Northern Ireland, through its Department for International Development ("DFID") and the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) (collectively, the "Bank") regarding the Grant to support the Islamic Republic of Pakistan’s Tax Administration Reform Project (TF 054392) effective February 18, 2005 (the "MOU").

2. Pursuant to recent discussions between the Bank and DFID, the Bank proposes to amend paragraphs 4.1 and 11.1 of the MOU to read as follows:

Paragraph 4.1:

"4.1 DFID shall deposit the Contribution into the International Bank for Reconstruction and Development’s (IBRD’s) Cash Account (Bank account information suppressed), or other such bank that the Bank may designate in writing to DFID in accordance with the following schedule:"
• DFID has made and will make further deposits into the “T” Account in accordance with the following payment schedule subject to receiving a payment request from the Bank and satisfactory financial reports which show the need for further funding:

- £2,480,000 (By March 17, 2005)
- £2,480,000 (By Oct 02, 2008)
- £3,100,000 (By Dec 30, 2009)
- £3,000,000 (By Nov 30, 2010)
- £1,340,000 (By March 18, 2011)

"DFID will disburse these tranches upon request from the Bank, subject to DFID receipt of up-to-date FBR procurement plans. Subject to satisfactory performance of the Project, the payment schedule above may be amended as necessary in accordance with this MOU."

Paragraph 10.1

The Bank shall provide DFID with quarterly reports on the progress of activities financed by the Contribution. Within six (6) months of the final disbursement date specified in paragraph 11.1, the Bank shall furnish to DFID a final report on the Project activities.

Paragraph 11.1:

“11.1 The project closing date will be 31 December 2011. It is expected that the Contribution funds will be fully accounted for by the Bank in accordance with the provisions of this MOU by June 30, 2012 (the end disbursement date). IDA shall only disburse Contribution funds for the purposes of this Agreement after such date with the written approval of DFID."

3. All other terms of the MOU shall remain the same.

4. It is the Bank’s policy to make publicly available the MOU and any information related thereto, including this Amendment. By confirming its agreement below, DFID consents to disclosure of this Amendment after it has become effective.
5. We propose that this letter shall constitute an amendment to the MOU between the Bank and DFID. Please confirm your acceptance to the foregoing, on behalf of DFID, by signing and dating the two originals, retaining one original for your records and returning the other original to the Bank. Upon receipt by the Bank of the original Amendment countersigned by you, this Amendment will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ John Wall
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John Wall
Country Manager, Pakistan
South Asia Region

CONFIRMED AND AGREED:

Government of the United Kingdom of the Great Britain and Northern Ireland, through its Department for International Development

By/s/ WG. Turkington Date: _26 July 2010________________

Name: _George Turkington________________

Title: __Head, DFID, Pakistan____