Dear Sirs and Mesdames:

In connection with the Loan Agreement of even date between Islamic Republic of Pakistan (Member Country) and International Bank for Reconstruction and Development (Bank) providing a loan (Loan) for the above-captioned Project (Loan Agreement) and the General Conditions (International Bank for Reconstruction and Development (IBRD) General Conditions) made applicable to the Loan Agreement, and the Financing Agreement of even date between the Member Country and International Development Association (the Association) for the above-captioned Project (Financing Agreement) and the General Conditions (International Development Association (IDA) General Conditions) made applicable to the Financing Agreement, I am writing on behalf of the Member Country to set forth the following:

1. We understand and agree that, for purposes of Section 6.01 of the IBRD General Conditions and Section 5.01 of the IDA General Conditions, the Member Country is required by the Bank and the Association, respectively, to report “long-term external debt” (as defined in the World Bank’s Debtor Reporting System Manual, dated January 2000 (DRSM)), in accordance with the DRSM, and in particular, to notify the Bank and the Association, respectively, of new “loan commitments” (as defined in the DRSM) not later than thirty (30) days after the end of the quarter during which the debt is incurred, and to notify the Bank and the Association, respectively, of “transactions under loans” (as defined in the DRSM) once a year, not later than March 31 of the year following the year covered by the report.

2. We represent that no Liens (as defined in the IBRD General Conditions), other than those excluded pursuant to Section 6.02 (c) of the IBRD General Conditions, exist on any Public Assets (as defined in the IBRD General Conditions) as security for any External Debt (as defined in the IBRD General Conditions). We represent that no defaults exist in respect of any external public debt (as defined in the DRSM).
3. It is our understanding that, in making the Loan and the Credit, the Bank and the Association, respectively, may rely on the representations set forth or referred to in this letter.

Please confirm your agreement to the foregoing by having a duly authorized representative of the Bank and the Association sign in the space provided below.

Very truly yours,

ISLAMIC REPUBLIC OF PAKISTAN

By

Authorized Representative

AGREEED:

International Bank for Reconstruction and Development
International Development Association

By

Authorized Representative