Mr. Javed Iqbal  
Secretary  
Economic Affairs Division  
Ministry of Economic Affairs and Statistics  
Islamabad, Pakistan

Dear Mr. Iqbal:

Re: Pakistan: Additional Financing for Sindh On-Farm Water Management Project  
(Cr. No. 4629-PK)  
Amendment to Financing Agreement

We refer to the Financing Agreement, dated September 15, 2009, between the Islamic Republic of Pakistan and the International Development Association (the Association) for the above-referenced additional financing (the Agreement). We also refer to the Economic Affairs Division’s letters, dated June 21, 2012, requesting certain amendments to the Agreement.

We are pleased to inform you that, after due consideration, the Association concurs with the request, and consequently the Agreement is hereby amended as set forth below.

1. Section 2.01 is amended to read as follows (emphasis added):

   “2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty two million nine hundred sixty one thousand Special Drawing Rights (SDR 22,961,100) (variously, “Credit” and “Financing”) to assist in financing the Project’s additional activities described in Schedule 1 to this Agreement (the “Additional Activities”).”

2. Part D.1 (a) of Schedule 1 is amended to read as follows (emphasis added):

   “(a) Improvement of approximately one thousand four hundred (1,400) additional watercourses within the geographical areas under the purview of the Nara, Left Bank, and Ghotki Feeder AWBs, including earthen improvements, lining of selected sections, and installation of pucca nuccas (concrete turnouts), culverts, community structures, buffalo baths, and cattle-crossings.”

3. A new Part D.1 (c) as follows is introduced in Schedule 1:

   “(c) Provision of approximately one hundred and thirty (130) water storage tanks to farmers located at the tail end of watercourses for purposes of ensuring sufficient outflow capacity for effective irrigation, minimizing excessive conveyance losses, and improving water application efficiency.”
4. Part D.2 (a) of Schedule 1 is amended to read as follows (emphasis added):

“(a) Provision of approximately **four hundred (400)** laser-guided precision land leveling (PLL) equipment units for the carrying out of land leveling activities.”

5. A new Part D.4 as follows is introduced in Schedule 1:

“4. Carrying out of a feasibility study for purposes of a follow-on operation.”

6. The table in Section IVA.2 of Schedule 2 is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works (other than works under Part D.1 (a) of the Project), consultants’ services, payments under Cost Sharing Agreements, Training, and Incremental Operating Costs under Part D of the Project</td>
<td>11,322,000</td>
<td>100</td>
</tr>
<tr>
<td>(2) Standard Fixed Price per watercourse improvement under Part D.1 (a) of the Project</td>
<td>11,639,000</td>
<td>100</td>
</tr>
<tr>
<td>Su:-Total Amount</td>
<td>22,961,000</td>
<td></td>
</tr>
<tr>
<td>Amount Cancelled as of June 21, 2012</td>
<td>9,339,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>32,300,000</td>
<td></td>
</tr>
</tbody>
</table>

All other provisions of the Agreement, except as amended herein, remain unchanged.

Please confirm your agreement to the foregoing by signing the form of confirmation set forth below and returning one fully executed original of this amendment letter to us and retaining one original for your records. This amendment letter shall become effective as of the date of countersignature.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Rachid Benmessaooud
Country Director, Pakistan
South Asia Region
AGREED
ISLAMIC REPUBLIC OF PAKISTAN

By: 

Name: Iqbal
Title: Secretary, FA
Date: July 31, 2012

Cc: Mr. Mr. Malik Asrar Hussain, Additional Chief Secretary (Development), Planning and Development Department, Government of Sindh