Mr. Abdul Rehman Buzdar  
Additional Chief Secretary (Development)  
Planning & Development Department  
Government of Balochistan  
Quetta

Dear Mr. Buzdar:

Re: Balochistan Integrated Water Resource Management and Development Project  
IDA Credit No. 5885-PK  
Amendments to the Project Agreement

We refer to the Financing Agreement (“Financing Agreement”) between the Islamic Republic of Pakistan (“Recipient”) and the International Development Association (“Association”) and to the Project Agreement (“Project Agreement”) between the Association and the Province of Balochistan (“Project Implementing Entity”) both dated August 31, 2016, as amended, for the provision of Credit 5885-PK (the “Credit”) for the financing of the above-referenced project ("Project").

We also refer to the letter from the Economic Affairs Division of dated September 23, 2019, and received by the Association on September 25, 2019, requesting the Association to consider the restructuring of the Project. Accordingly, the Association, after due consideration proposes to amend the Project Agreement as set forth below. The Financing Agreement between the Recipient and the Association will be amended by a separate letter.

1. Section 2.01 of the Project Agreement is amended to read as follows:

   “2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall, through its Irrigation Department, carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services, and other resources required for the Project.”

2. Paragraphs 1 and 2 in Sub-section I.A of the Schedule to the Project Agreement are amended to read as follows:

   “1. The Project Implementing Entity shall maintain throughout the period of Project implementation, a Project Steering Committee (“PSC”) with composition and terms of reference satisfactory to the Association. The PSC shall be responsible for, inter alia, providing planning and strategic guidance for Project implementation, ensuring coordination among all stakeholders, reviewing and monitoring the progress of the Project, making policy decisions and suggesting measures to ensure the smooth implementation of Project activities, and resolving complaints brought to it by the chairperson of the Grievance Redress Committee (“GRC”).

   2. The Project Implementing Entity shall maintain throughout the period of Project implementation, a Project Management Unit (“PMU”) under the direction of qualified...
management provided with sufficient resources and staffed with competent personnel in adequate numbers, in each case with qualifications, experience and under terms of reference acceptable to the Association. PMU staffing shall include, but is not limited to, a project director, a financial management specialist, two accountants, a procurement specialist, an environmental safeguards specialist, and a social safeguards specialist. The PMU shall be responsible for day to day implementation of the Project, identifying constraints affecting the execution of Project activities and suggesting measures to overcome them, reviewing audit reports and ensuring adequate financial management of the Project."

3. Paragraph 7 of Sub-section I.A of the Schedule to the Project Agreement is amended to read as follows:

"7. Without limitation to the generality of the provisions of Section 2.01 of this Agreement, Section I.A.3 of this Schedule and Section 4.03 of the General Conditions, before deciding to replace any key management, fiduciary or technical staff member or consultant of the PMU, including without limitation the project director, the financial management specialist, two accountants, the procurement specialist, the environmental safeguards specialist, the social safeguards specialist, the Project Implementing Entity shall exchange views with the Association and the Recipient on: (a) the performance of such staff member; (b) the justification for such replacement; (c) the potential adverse impact of such replacement on the satisfactory implementation of the Project and the achievement of its objective, and (d) proposed mitigation measures of such impact on the Project."

4. Sub-paragraph 3(a) of Sub-section I.E of the Project Agreement is amended to read as follows:

“(a) prepare, prior to commencement of civil works, Site-specific EMPs and Scheme-specific SIAMPs, satisfactory to the Association, and in accordance with the terms of reference in the EA and SIAMP, respectively;”

Except as specifically amended by this amendment letter, all other provisions of the Project Agreement shall remain unchanged and in full force and effect.

The Association will disclose this amendment letter and related information in accordance with the World Bank’s Policy on Access to Information. By agreeing to this amendment letter, the Recipient consents to disclosure of this amendment letter and related information.

Please confirm your acceptance to the foregoing by signing and dating the two originals, retaining one original for your records and returning the other original to the Association. This amendment letter shall become effective upon receipt by the Association of: (1) the duly countersigned copy of this amendment letter; and (2) the fully signed copy of the amendment letter to the Financing Agreement between the Recipient and the Association.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Patchamuthu Illangovan
Country Director, Pakistan
AGREED:
PROVINCE OF BALOCHISTAN

By: Abdul Rehman Buzdar

Authorized Representative
Abdul Rehman Buzdar

Name: ____________________________________________
Title: Additional Chief Secretary (Dev)
Date: 25-Apr-2020

cc:

Government of Pakistan:
Mr. Naveed Kamran Baloch, Secretary, Finance Division, Ministry of Finance
Mr. Mr. Syed Pervaiz Abbas, Secretary, Economic Affairs Division
Mr. Zulfiqar Haider, Additional Secretary, Economic Affairs Division
Ms. Shahnaz Maqbool, Joint Secretary, Economic Affairs Division
Mr. Azam Khan, Deputy Secretary, Economic Affairs Division

Government of Balochistan:
Mr. Ali Akbar Baloch, Secretary, Irrigation Department
Mr. Noor-ul-Amin Mengal, Secretary, Finance Department
Mr. Kambar Dashti, Secretary, Agriculture Department
Mr. Saeed Ahmed Jamali, Secretary, Forest and Wildlife Department
Mr. Abdul Saboor Kakar, Secretary, Environment Department
Mr. Saleh Baloch, Secretary, Public Health Engineer Department
Mr. Barkatullah Kakar, Project Director, Project Management Unit

World Bank:
Mr. Shahid Ashraf Tarar, Executive Director, World Bank