

**Mian Asad Hayaud Din**  
Secretary  
Ministry of Economic Affairs  
Islamic Republic of Pakistan  
Islamabad, Pakistan

**Re: IBRD Loan No. 9318-PK (Electricity Distribution Efficiency Improvement Project)  
Disbursement and Financial Information Letter (DFIL).**

Mr. Mian Asad Hayaud Din,

I refer to the Loan Agreement between Islamic Republic of Pakistan (the “Borrower”) and the International Bank for Reconstruction and Development (the “World Bank”) for the Electricity Distribution Efficiency Improvement Project, Loan 9318-PK. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may request withdrawals of Loan funds in accordance with the instructions as the Bank may specify by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter (“DFIL”) may set out Project specific financial reporting requirements. This letter constitutes such DFIL, and as revised from time to time, provides such additional requirements.

**I. Disbursement Arrangements, Withdrawal of Loan Funds and Reporting of Uses of Loan Funds.**

**(i) Disbursement Arrangements.**

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, conditions, information on registration of authorized signatures, processing of withdrawal applications, instructions on supporting documentation, advances, and frequency of reporting.

**(ii) Electronic Delivery-** Section 10.01 (c) of the General Conditions.

The Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the Bank’s web-based portal (<https://clientconnection.worldbank.org>) “Client Connection”. This option may be effected if: (a) the Borrower has designated in writing, its officials who are authorized to sign and deliver Applications and to receive Secure Identification Credentials (“SIDC”) from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank’s public website at <https://worldbank.org> and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

## II. Financial Reports and Audits.

(i) **Financial Reports.** The Borrower shall prepare and furnish to the Bank not later than forth-five (45) days after the end of each calendar semester, interim unaudited financial reports (IFR) for the Project covering the semester, in the format stated in Attachment 2 to this DFIL.

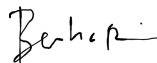
(ii) **Audits.** Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period year.

## III. Other Important Information

(i) **Client Connection.** For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website and "Client Connection". The Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank by email at [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).

(ii) **Communication.** If you have any queries in relation to the above, please contact us at [AskLoans@WorldBank.org](mailto:AskLoans@WorldBank.org) using the reference: **Electricity Distribution Efficiency Improvement Project 9318-PK**.

Yours sincerely,



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Najy Benhassine  
Country Director, Pakistan  
South Asia Region

### Attachments

1. Form of Authorized Signatory Letter
2. Interim unaudited Financial Report (IFR)

**Schedule 1 to DFIL  
Disbursement Arrangements**

<b>Basic Information</b>					
<b>Loan Number</b>	<b>9318-PK</b>	<b>Country</b>	Islamic Republic of Pakistan	<b>Closing Date</b>	Section III.B.2. of Schedule 2 to the Loan Agreement.
		<b>Borrower/Beneficiary</b>	Islamic Republic of Pakistan		
		<b>Name of the Project</b>	Electricity Distribution Efficiency Improvement Project	<b>Disbursement Deadline Date</b>	Four months after the closing date.
<b>Subsection 3.7 **</b>					
<b>Disbursement Methods and Supporting Documentation</b>					
<b>Disbursement Methods</b> <i>Section 2 (**)</i>	<b>Methods</b>	<b>Supporting Documentation</b> <i>Subsections 4.3 and 4.4 (**)</i>			
Direct Payment	Yes	Copies of receipts or supplier's invoices			
Reimbursement	Yes	Interim Unaudited Financial Reports (IFRs) in the format stated in Attachment 2 of this DFIL			
Advance (Designated Account)	Yes	Interim Unaudited Financial Reports (IFRs) in the format stated in Attachment 2 of this DFIL			
Special Commitments	No	Not Available			
<b>Designated Account (Sections 5 and 6 **)</b>					
<b>Type</b>	Segregated		<b>Ceiling</b>	Fixed at USD 23,000,000. Advances will be accessed based on a forecast for 1 semester, as provided in the IFR as follows: - <b>MOE</b> at USD 2,500,000 - <b>HESCO</b> at USD 5,400,000 - <b>MEPCO</b> at USD 6,900,000 - <b>PESCO</b> at USD 8,200,000	
<b>Financial Institution</b>	National Bank of Pakistan (through the State Bank of Pakistan)		<b>Currency</b>	United States Dollar (USD)	
<b>Frequency of Reporting Subsection 6.3 (**)</b>	Semiannual (Same as IFRs)				
<b>Minimum Value of Applications (subsection 3.5 **)</b>					
The minimum value of applications for Reimbursement and Direct payment is USD 1,000,000 equivalent.					
<b>Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</b>					
<b>Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)</b>					
<b>Authorized Signatures</b> – The ASL will be sent to the following address:			<b>The Bank/Association</b> Attention: Loan Operations Unit, WFACS (Pakistan) 20-A Shahrah-e-Jamhuriat, G-5/1 Islamabad, Islamic Republic of Pakistan		
Withdrawal Applications (WAs)- All WAs and its supporting documentation will be electronically sent through the Bank's system <i>ClientConnection</i> .					
<b>Notes</b>					
* Interest During Construction – The financing of IDC will be aligned to the provisions in section III of Schedule 2 to the Loan Agreement.					
** Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.					

**Attachment 1 – Form of Authorized Signatory Letter**

[Letterhead]  
Ministry of Finance  
[Street address]  
[City] [Country]

[DATE]

The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Attention: Mr. Najy Benhassine, *Country Director*

Re: Loan No. 9318-PK **Electricity Distribution Efficiency Improvement Project**

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (the “Bank”) and the Islamic Republic of Pakistan (the “Borrower”), dated \_\_\_\_\_, providing the above Loan. For the purposes of Section 2.02 of the General Conditions as defined in the Agreement, any <sup>1</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal [and applications for a special commitment] under this Loan.

For the purpose of delivering Applications to the Bank, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

<sup>5</sup>[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. In full recognition that the Bank shall rely upon such

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<sup>1</sup> Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>2</sup> Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>3</sup> Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>4</sup> Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

<sup>5</sup> Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Bank.*

representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Borrower represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to this Agreement.

[Name], [position]      Specimen Signature: \_\_\_\_\_

[Name], [position]      Specimen Signature: \_\_\_\_\_

[Name], [position]      Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed /

\_\_\_\_\_  
[Position]

**Attachment 2 – Interim unaudited Financial Reports (IFRs)**

**Ministry of Energy**

<b>P170230: Electricity Distribution Efficiency Improvement Project</b> <b>PMU-Ministry of Energy</b> <b>Interim Financial Report for the semester ended XXXX, 2022</b> <b>STATEMENT OF SOURCES AND USES OF FUNDS</b>			
	For the Semester	Year to Date	Inception to Date
	Pak Rs.	Pak Rs.	Pak Rs.
<b>SOURCES OF FUNDS</b>			
Designated Accounts			
IBRD			
GoP			
Direct Payments			
IBRD			
<b>Total Receipts</b>			
<b>USES OF FUNDS</b>			
Category 1			
<i>Component 1a: [Goods, works, non-consulting services, consulting services, Incremental Operating Costs, Training and Workshops for MoE's Respective Parts of the Project (but excluding Land Expenditures)]</i>			
Goods, works and services			
Incremental operating cost			
Training and workshop			
Category 2			
Front End Fee			
Category 3			
Interest			
<b>Total Expenditure</b>			
<b>SURPLUS / (DEFICIT)</b>			
<b>OPENING BALANCE</b>			
<b>CLOSING BALANCE</b>			
<b>Breakup of Opening and Closing Cash Balance</b>			
Cash in Hand			
Designated Account			
IBRD			

**P170230: Electricity Distribution Efficiency Improvement Project**  
**PMU- Ministry of Energy**  
**Interim Financial Report for the semester ended XXXXX, 2022**  
**DESIGNATED ACCOUNT ACTIVITY STATEMENT - IBRD Loan**

	Note	US\$	US\$
1. Cumulative Advances to the end of last semester			
2. Cumulative Expenditure to the end of last semester			
3. Outstanding Advances to be accounted for (Line 1 minus Line 2)			
4. DA balance at beginning of quarter			
5. Add/Subtract: Cumulative Adjustments (if any)			
6. Advances from IBRD during the quarter			
7. Sub total of Advances and Adjustments			
8. Outstanding Advances to be accounted for (Line 4 plus Line 7) *			
9. DA balance at end of quarter			
10. Add/Subtract: Cumulative Adjustments (if any)			
11. Expenditure for current reporting period			
a) Disbursement Category 1			
b) Disbursement Category 2			
12. Sub total of Adjustments and Expenditure			
13. Advances accounted for (Add Line 9 and Line 12)			
14. Difference if any (Line 8 minus Line 13)			
15. Total forecasted amount to be paid by IBRD			
16. Less: Closing DA balance			
17. Forecasted Direct Payments			
18. Sub total of closing DA balance and forecasted payments (Line 16 plus Line 17)			
19. Cash requirement from IBRD for the next reporting period (Line 15 minus Line 18)			

\* Unadjusted advances from designated account

Note: Bank reconciliation statement and copy of the bank statement for the period should be attached

**P170230: Electricity Distribution Efficiency Improvement  
PMU-MoE**

**Interim Financial Report for the semester ended XXXX, 2022  
VARIANCE ANALYSIS OF USE OF FUNDS**

	Semester (Pak Rupees)				Cumulative for the Year (Pak Rupees)				Cumulative - Inception to Date (Pak Rupees)			
	Planned	Actual	Variance		Planned	Actual	Variance		Planned	Actual	Variance	
			Amount	%age			Amount	%age			Amount	%age
<i>Component 1a</i>												
Goods												
Works												
Cosulting and non-cosulting services												
Incremental operating cost												
Training and workshops												
<b>Interest</b>												
<b>Front end fee</b>												
<b>Total</b>												

**P170230: Electricity Distribution Efficiency Improvement  
PMU - MoE**

**Interim Financial Report for the semester ended xxxx, 2022  
CASH FORECAST FOR THE 6 MONTHS ENDING xxxx, 2022**

	Cash Requirements		Cash Requirements for Next Six Months	
	Quarter ended June 30, 2022	Quarter ended September 30, 2020	Pak Rs.	USD
	Pak Rs.	Pak Rs.		
<i>Category 1a</i>				
<b>TOTAL</b>				

1 USD=100 PKR



**Peshawar Electric Supply Company Limited**

<b>P170230: Electricity Distribution Efficiency Improvement Project</b> <b>PESCO</b> <b>Interim Financial Report for the semester ended XXXX, 2022</b> <b>STATEMENT OF SOURCES AND USES OF FUNDS</b>			
	For the Semester	Year to Date	Inception to Date
	Pak Rs.	Pak Rs.	Pak Rs.
<b>SOURCES OF FUNDS</b>			
Designated Accounts			
IBRD			
GoP			
Direct Payments			
IBRD			
<b>Total Receipts</b>			
<b>USES OF FUNDS</b>			
Category 1			
<i>Component 1d: [Goods, works, non-consulting services, consulting services, Incremental Operating Costs, Training and Workshops for MoE's Respective Parts of the Project (but excluding Land Expenditures)]</i>			
Goods, works and services			
Incremental operating cost			
Training and workshop			
Category 2			
Front End Fee			
Category 3			
Interest			
<b>Total Expenditure</b>			
<b>SURPLUS / (DEFICIT)</b>			
<b>OPENING BALANCE</b>			
<b>CLOSING BALANCE</b>			
<b>Breakup of Opening and Closing Cash Balance</b>			
Cash in Hand			
Designated Account			
IBRD			

**P170230: Electricity Distribution Efficiency Improvement Project  
PESCO  
Interim Financial Report for the semester ended XXXXX, 2022  
DESIGNATED ACCOUNT ACTIVITY STATEMENT - IBRD Loan**

	Note	US\$	US\$
1. Cumulative Advances to the end of last semester			
2. Cumulative Expenditure to the end of last semester			
3. Outstanding Advances to be accounted for (Line 1 minus Line 2)			
4. DA balance at beginning of quarter			
5. Add/Subtract: Cumulative Adjustments (if any)			
6. Advances from IBRD during the quarter			
7. Sub total of Advances and Adjustments			
8. Outstanding Advances to be accounted for (Line 4 plus Line 7) *			
9. DA balance at end of quarter			
10. Add/Subtract: Cumulative Adjustments (if any)			
11. Expenditure for current reporting period			
a) Disbursement Category 1			
b) Disbursement Category 2			
12. Sub total of Adjustments and Expenditure			
13. Advances accounted for (Add Line 9 and Line 12)			
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19. Cash requirement from IBRD for the next reporting period (Line 15 minus Line 18)			

\* Unadjusted advances from designated account

Note: Bank reconciliation statement and copy of the bank statement for the period should be attached

**P170230: Electricity Distribution Efficiency Improvement**  
**PESCO**  
**Interim Financial Report for the semester ended XXXX, 2022**  
**VARIANCE ANALYSIS OF USE OF FUNDS**

	Semester (Pak Rupees)				Cumulative for the Year (Pak Rupees)				Cumulative - Inception to Date (Pak Rupees)			
	Planned	Actual	Variance		Planned	Actual	Variance		Planned	Actual	Variance	
			Amount	%age			Amount	%age			Amount	%age
<i>Category Id</i>												
Goods												
Works												
Consulting and non-consulting services												
Incremental operating cost												
Training and workshops												
<b>Interest</b>												
<b>Front end fee</b>												
<b>Total</b>												

**P170230: Electricity Distribution Efficiency Improvement**  
**PESCO**  
**Interim Financial Report for the semester ended xxxx, 2022**  
**CASH FORECAST FOR THE 6 MONTHS ENDING xxxx, 2022**

<i>Category Id</i>	Cash Requirements		Cash Requirements for Next Six Months	
	Quarter ended June 30, 2022	Quarter ended September 30, 2020	Pak Rs.	USD
	Pak Rs.	Pak Rs.		
<b>TOTAL</b>				

I USD=100 PKR

**Hyderabad Electric Supply Company Limited**

<b>P170230: Electricity Distribution Efficiency Improvement Project</b> <b>HESCO</b> <b>Interim Financial Report for the semester ended XXXX, 2022</b> <b>STATEMENT OF SOURCES AND USES OF FUNDS</b>			
	For the Semester	Year to Date	Inception to Date
	Pak Rs.	Pak Rs.	Pak Rs.
<b>SOURCES OF FUNDS</b>			
Designated Accounts			
IBRD			
GoP			
Direct Payments			
IBRD			
<b>Total Receipts</b>			
<b>USES OF FUNDS</b>			
<b>Category 1</b>			
<i>Component 1b: [Goods, works, non-consulting services, consulting services, Incremental Operating Costs, Training and Workshops for MoE's Respective Parts of the Project (but excluding Land Expenditures)]</i>			
Goods, works and services			
Incremental operating cost			
Training and workshop			
<b>Category 2</b>			
Front End Fee			
<b>Category 3</b>			
Interest			
<b>Total Expenditure</b>			
<b>SURPLUS / (DEFICIT)</b>			
<b>OPENING BALANCE</b>			
<b>CLOSING BALANCE</b>			
<b>Breakup of Opening and Closing Cash Balance</b>			
Cash in Hand			
Designated Account			
IBRD			

**P170230: Electricity Distribution Efficiency Improvement Project  
HESCO  
Interim Financial Report for the semester ended XXXXX, 2022  
DESIGNATED ACCOUNT ACTIVITY STATEMENT - IBRD Loan**

	Note	US\$	US\$
1. Cumulative Advances to the end of last semester			
2. Cumulative Expenditure to the end of last semester			
3. Outstanding Advances to be accounted for (Line 1 minus Line 2)			
4. DA balance at beginning of quarter			
5. Add/Subtract: Cumulative Adjustments (if any)			
6. Advances from IBRD during the quarter			
7. Sub total of Advances and Adjustments			
8. Outstanding Advances to be accounted for (Line 4 plus Line 7) *			
9. DA balance at end of quarter			
10. Add/Subtract: Cumulative Adjustments (if any)			
11. Expenditure for current reporting period			
a) Disbursement Category 1			
b) Disbursement Category 2			
12. Sub total of Adjustments and Expenditure			
13. Advances accounted for (Add Line 9 and Line 12)			
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15. Total forecasted amount to be paid by IBRD			
16. Less: Closing DA balance			
17. Forecasted Direct Payments			
18. Sub total of closing DA balance and forecasted payments (Line 16 plus Line 17)			
19. Cash requirement from IBRD for the next reporting period (Line 15 minus Line 18)			

\* Unadjusted advances from designated account

Note: Bank reconciliation statement and copy of the bank statement for the period should be attached

