

Dr. Kazim Niaz  
Secretary  
Ministry of Economic Affairs  
Islamic Republic of Pakistan  
Islamabad, Pakistan

**Re: IDA Credit No. 7253-PK (Sindh Flood Emergency Housing Reconstruction Project)  
Additional Instructions: Disbursement and Financial Information Letter**

Dear Dr. Niaz:

I refer to the Financing Agreement between Islamic Republic of Pakistan (“Recipient”) and the International Development Association (“Association”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time-to-time request withdrawals of Financing amounts from the Financing Account in accordance with the Disbursement and Financial Information Letter (“DFIL”), and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter and may be revised from time to time.

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

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”), are available on the Association’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the [Credit] [Grant] [Financing] is specified below.

**(i) Disbursement Arrangements**

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, information on registration of authorized signatories, processing of Withdrawal Applications (including the minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.
- **Special Provision**. Projects in situations of urgent need of assistance or capacity constraints: Disbursements under contracts for goods, works, non-consulting services, and consulting services procured or selected through international open or limited competition or Direct Selection, as set out in the procurement plan for the project, must be made only through Direct Payment and/or Special Commitment disbursement methods

**(ii) Withdrawal Applications (Electronic Delivery)**

The Recipient shall deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effective after the officials designated in writing by the Recipient, who are authorized to sign and deliver Applications, have registered as users of “Client Connection.” The designated officials shall deliver Applications electronically by completing Form 2380, which is accessible through “Client Connection.” By signing the Authorized Signatory Letter, which can be delivered manually or electronically, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by these means. The Recipient may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and deliver the Applications electronically, the Recipient 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 the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank’s public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

## **II. Financial Reports and Audits**

### ***(i) Financial Reports***

The Recipient shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter interim unaudited financial reports (“IFRs”) for the Project covering the quarter.

### ***(ii) Audits***

Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, 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 by the Recipient not later than six (6) months after the end of such period.

## **III. Other Important Information**



For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website at <https://www.worldbank.org> and "Client Connection" at <https://clientconnection.worldbank.org>, the Bank recommends that you register as a user of "Client Connection." From this website, you will be able to prepare and deliver Authorized Signatory Letters and Withdrawal 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, or if you have any queries in relation to the above, please contact the Bank by email at [askloans@worldbank.org](mailto:askloans@worldbank.org) using the loan name and number: ***Sindh Flood Housing Reconstruction Project, 7253-PK***.

Yours sincerely,

*Najy Benhassine*

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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)

With copies:

Chief Secretary Sindh  
New Secretariat Building, Sindh Secretariat  
Karachi, Pakistan  
[chiefsecretarysindh@gmail.com](mailto:chiefsecretarysindh@gmail.com)

### Schedule 1: Disbursement Provisions

Basic Information			
<b>IDA Credit No.</b>	7253-PK	<b>Country</b>	Islamic Republic of Pakistan
		<b>Borrower</b>	Islamic Republic of Pakistan
		<b>Name of the Project</b>	<b>Sindh Flood Emergency Housing Reconstruction Project</b>
		<b>Closing Date</b>	Section III.B.2 of Schedule 2 to the Financing Agreement.
		<b>Disbursement Deadline Date</b>	Four months after the closing date
Disbursement Methods and Supporting Documentation			
Disbursement Methods	Methods	Supporting Documentation	
Direct Payment	Yes	Copy of records (e.g., invoices and receipts)	
Reimbursement	Yes	Interim unaudited Financial Report (IFR) in the format provided in Attachment 2 of the DFIL	
Advance (into a Designated Account)	Yes	Interim unaudited Financial Report (IFR) in the format provided in Attachment 2 of the DFIL	
Special Commitments	No	Not applicable	
Designated Account			
<b>Type</b>	Segregated		<b>Ceiling</b> Variable
<b>Financial Institution - Name</b>	National Bank of Pakistan		<b>Currency</b> USD
<b>Frequency of Reporting</b>	Same as IFR: Quarterly		<b>Amount</b> Based on six-monthly cash forecast provided in the quarterly interim unaudited financial reports (IUFs)
Minimum Value of Applications (subsection 3.5)			
The minimum value of applications for Reimbursement and Direct Payment is USD 20,000 equivalent.			
Authorized Signatures			
<i>Withdrawal and Documentation Applications</i>			
<i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter</i>			
<p>The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.</p> <p>The ASL and all Withdrawal Applications with their supporting documentation will be submitted electronically via the Bank's "Client Connection" system.</p>			
Additional Information			
<ol style="list-style-type: none"> <li>1. The Designated Account (DA) shall be established as per the procedure of Revolving Fund Assignment Account (RFAA) issued by Ministry of Finance, Government of Pakistan for World Bank funding</li> <li>2. Initial advances to the DA will be based on projected sources and application of funds for the project for the first six months period following the date of the request.</li> <li>3. Subsequent advances to the DA will be based on settlement of previous advances through expenditure reports and withdrawal applications for recoupment of utilized funds.</li> <li>4. Funds covering retroactive financing will be provided to the Government of Sindh's Treasury Account</li> </ol>			

5. Direct payments method will only be used for Foreign Currency (FCY) payments outside Pakistan; Direct Payments within the country are not allowed.  
The Designated Account shall be used for in-country FCY and local currency payments

**Other**

\*\*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]

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Attention: Mr. Najy Benhassine, Country Director

Dear Mr. Benhassine:

**Re: IDA Credit No. 7253-PK (Sindh Flood Emergency Housing Reconstruction Project)**

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and the Islamic Republic of Pakistan (“Recipient”), providing the above Financing. For the purposes of Section 2.03 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 Recipient to sign Withdrawal Applications (“Application”) [and applications for a special commitment] under this Financing.

For the purpose of delivering Applications to the Association, including by electronic means, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, 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 Association.

This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association shall rely upon such 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 Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.

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<sup>1</sup> Instruction to the Recipient: 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 the final letter that is sent to the Association.*

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

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

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

This Authorization replaces and supersedes any Authorization currently in the Association 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 Statements]**

P180008 - Sindh Flood Emergency Housing Reconstruction Project (SFEHRP)							
IDA No. XXX-PK							
Interim Financial Report for the quarter ended XXXX							
STATEMENT OF SOURCES AND USES OF FUNDS							
Serial No	Particulars	For the Semester ended XXX	Year to Date	Inception to Date	For the Semester ended XXX	Year to Date	Inception to Date
				Pak Rupees			
				US Dollars			
<b>A</b>	<b>SOURCES OF FUNDS:</b>						
	<i>Advance to Designated/Assignment Account</i>						
	DA Account xxx	-	-		-	-	
	Cash Available (Opening Cash Balance + Advance)						
	Direct Payment						
	Reimbursement						
	<b>Total Receipts (Total of A)</b>	-	-	-	-	-	-
<b>B</b>	<b>USES OF FUNDS:</b>						
	<b>Component 1</b>						
1.1	<i>Reconstruction Grants</i>	-	-	-	-	-	-
1.2	<i>Consultants' Services</i>						
1.3	<i>Non-Consulting Services</i>						
1.4	<i>Trainings/Workshops</i>						
1.5	<i>Goods</i>						
1.6	<i>Works</i>						
1.7	<i>IOC</i>						
	<b>Component 2</b>						
1.1	<i>Consultants' Services</i>						
1.2	<i>Non-Consulting Services</i>						
1.3	<i>Trainings/Workshops</i>						
1.4	<i>Goods</i>						
1.5	<i>Works</i>						
1.6	<i>IOC</i>						
	<b>Component 3</b>						
1.1	<i>Consultants' Services</i>						
1.2	<i>Non-Consulting Services</i>						
1.3	<i>Trainings/Workshops</i>						
1.4	<i>Goods</i>						
1.5	<i>Works</i>						
1.6	<i>IOC</i>						
	<b>Total Use of Funds (Total of B)</b>						
<b>C</b>	<b>SURPLUS / (DEFICIT) Total of A minus B</b>	-	-	-	-		
<b>D</b>	<b>OPENING BALANCE (As per Break Up given Below)</b>						
<b>E</b>	<b>CLOSING BALANCE (As per Break up given below)</b>						





**P180008 - Sindh Flood Emergency Housing Reconstruction Project (SFEHRP)**

**IDA No. XXX-PK**

**For Account Number XXXX maintained at NBP xxxx**

**CASH FORECAST FOR THE 6 MONTHS ENDING XXX**

<b>Particulars</b>	<b>Cash Requirements for Next Six Months</b>	
	<b>Pak Rs.</b>	<b>US Dollars*</b>
<b><i>Component 1</i></b>		
<i>Reconstruction Grants</i>		
<i>Consultants' Services</i>		
<i>Non-Consulting Services</i>		
<i>Trainings/Workshops</i>		
<i>Goods</i>		
<i>Works</i>		
<i>IOC</i>		
<b><i>Total Component 1</i></b>		
<b><i>Component 2</i></b>		
<i>Consultants' Services</i>		
<i>Non-Consulting Services</i>		
<i>Trainings/Workshops</i>		
<i>Goods</i>		
<i>Works</i>		
<i>IOC</i>		
<b><i>Total Component 2</i></b>		
<b><i>Component 3</i></b>		
<i>Consultants' Services</i>		
<i>Non-Consulting Services</i>		
<i>Trainings/Workshops</i>		
<i>Goods</i>		
<i>Works</i>		
<i>IOC</i>		
<b><i>Total Component 3</i></b>		
<b>TOTAL</b>		

<b>P180008 - Sindh Flood Emergency Housing Reconstruction Project (SFEHRP)</b>			
<b>IDA No. XXX-PK</b>			
<b>Interim Financial Report for the quarter ended XXXX</b>			
<b>DESIGNATED ACCOUNT ACTIVITY STATEMENT</b>			
	<b>I</b>	<b>II</b>	<b>III</b>
	Note	US\$	US\$
<b>PART I</b>			
1. Cumulative Advances to the end of current quarter			
2. Cumulative Expenditure to the end of last quarter			
3. Outstanding Advances to be accounted for (Line 1 minus Line 2)			
<b>PART II</b>			
4. DA balance at beginning of quarter			-
5. Subtract: Cumulative Adjustments (if any)	1		
6. Advances from IDA during the quarter			
7. Sub total of Advances and Adjustments (5+6)			-
8. Outstanding Advances to be accounted for (Line 4 plus Line 7)			-
9. DA balance at end of quarter			-
10. Subtract: Cumulative Adjustments (if any)	2		
11. Expenditure for current reporting period			
Disbursement Category 1			
12. Sub total of Adjustments and Expenditure (10+11)			
13. Advances accounted for (Add Line 9 and Line 12)			
14. Difference if any (Line 8 minus Line 13)		Should be Zero	-
<b>PART III</b>			
15. Total Forecasted amount to be paid by IDA			-
16. Less - Closing DA balance after adjustments		-	
17. Imprest Petty Cash		-	
18. Forecast Direct / Special Commitment payments		-	
19. Sub total (Line 16 plus Line 17 and Line 18)			-
20. Cash Requirement from IBRDA for next 6 months(Line 15 minus Line 19)			-
Note: Bank reconciliation statement and copy of the NBP stamped bank statement for the period should be attached			
<b>Note 1: Cumulative Adjustments (if any) - Line 5</b>			
21. Petty Cash as at dd/mm/yyyy			
22. Advances with partnering institution as at dd/mm/yyyy			
23. Total petty cash balance and Advance at the start of the semester			
<b>Note 2: Cumulative Adjustments (if any) - Line 10</b>			
24. Petty Cash as at dd/mm/yyyy			
25. Advances with partnering institution as at dd/mm/yyyy			
26. Total petty cash balance and Advance at the end of the semester			

Government of Sindh  
 Project Implementation Unit, Sindh Flood Emergency Housing Reconstruction  
 Project (SFEHRP),  
 Dated XXX

Description	PKR	USD
Op Balance as per Cashbook		
Add: Amount Received From the World Bank during the quarter		
Less: Expenditure for the Reporting period		
<b>Closing Balance as per Cashbook</b>		
<b>Unpresented Cheques</b>		
		-
		-
		-
		-
Adjusted Cash Book Balance	-	-
<b>Closing Balance as per Bank Statement</b>	-	-
Difference	-	-



