The Secretary to the Government of Pakistan
Economic Affairs Division
Ministry of Economic Affairs and Statistics
Islamabad, Pakistan

Excellency:

Re: IBRD Loan 7956-PK (Karachi Port Improvement Project)
Additional Instructions: Disbursement

I refer to the Loan Agreement between the Islamic Republic of Pakistan (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced project, dated January 24, 2011. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 7956-PK (“Loan”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of this Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Loan:

- Reimbursement
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Loan Agreement. Any changes to this date will be notified by the Bank.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1).
An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:
The World Bank Office in Islamabad
20-A, Shahrah-e-Jamhuriat
Ramna 5, Sector G-5/1
Islamabad, Pakistan

Attention: Country Director, Pakistan

**(ii) Applications (subsections 3.2 - 3.3).** Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank Office in Islamabad
20-A, Shahrah-e-Jamhuriat
Ramna 5, Sector G-5/1
Islamabad, Pakistan

Attention: Disbursement Management Unit
Anwar Ali Bhatti

**(iii) Electronic Delivery (subsection 3.4)** The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices ("Tokens") 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. If the Bank agrees, the Bank will provide the Borrower with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). 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.

**(iv) Terms and Conditions of Use of Tokens to Process Applications.** By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens") provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

**(v) Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications for reimbursement, direct payment and special commitment is USD 200,000.

III. Reporting on Use of Loan Proceeds

**Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:
- **For requests for Reimbursement:** Interim Unaudited Financial Report in the form attached (Attachment 4).

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

**IV. Other Important Information**


If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). 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. All Borrower officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Chau-Ching Shen, Senior Finance Officer at loa-sar@worldbank.org, or Anwar Ali Bhatti at the Bank’s office in Islamabad using the above reference.

Yours, sincerely,

By/s/ Raja Rehan Arshad

Authorized Representative
International Bank for Reconstruction and Development

**Attachments**

2. Form for Authorized Signatures
4. Form of Interim Unaudited Financial Report
cc with copies: Mr. Ahmad Farooq
Joint Secretary
Economic Affairs Division
Government of Pakistan
Block “C”, Pakistan Secretariat
Islamabad, Pakistan

Brig. Jamshed Zaidi
General Manager (Planning and Development)
Karachi Port Trust
Eduljee Dinshaw Road
Karachi 74000, Pakistan
Email: gmpdkpt@gmail.com

Ms. Shama Ehsan Khan
General Manager (Finance)
Karachi Port Trust
Eduljee Dinshaw Road
Karachi 74000, Pakistan
Email: sek71@hotmail.com