

 Early Warning System

ADB-38456-033

Power Distribution Enhancement Investment Program - Tranche 2



### Quick Facts

Countries	Pakistan
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	B
Voting Date	2010-12-14
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	\$ 172.30 million



### Project Description

#### DESCRIPTION

The immediate priority for investment in the distribution systems is to address the capacity shortfalls that currently result in regular system outages and supply interruptions to customers.

#### PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Electricity customers in Pakistan continue to suffer from prolonged outages. High growth in electricity demand is putting the existing infrastructure under severe stress. Power generation gap remains to be the core problem. Power transmission and distribution system bottlenecks continue to be part of the problem. Financial sustainability is another challenge and is a key part of ADB's policy dialogue and support to the Government. In 2009, the tariffs have been gradually increased, and the Government stopped all subsidies to the power sector. Cost recovery tariffs will enable power distribution companies to strengthen their financial position and attract additional investment for system expansion and rehabilitation.

#### CONSULTING SERVICES

No consulting services requirement under this Loan.

#### PROCUREMENT

Procurement of works and goods will be undertaken in accordance with ADB's Procurement Guidelines (2007, as amended from time to time). International competitive bidding (ICB) will be used for supply contracts estimated to cost more than \$500,000 and for works that cost more than \$5 million. National competitive bidding (NCB) may be used for goods and works above \$100,000 and below their ICB thresholds. Shopping will be used for goods and works equal to or below \$100,000.

Advance Contracting and Retroactive Financing. Advance contracting and retroactive financing of expenditures for the first and subsequent tranches (up to 20% of the proceeds from individual loans under the MFF) has been approved by ADB, provided that those expenditures are incurred in accordance with agreed procedures and during the 12 months before the signing of the corresponding individual Loan Agreement and Loan effectiveness under the MFF. Because of the urgent nature of the Project, retroactive financing will cover eligible expenditures including civil works, and goods. Such financing will be subject to compliance with involuntary resettlement requirements stated in the land acquisition and resettlement plans. The Government and the DISCOs have been informed that approval advanced contracting and retroactive financing does not commit ADB to finance any of the proposed subprojects. DISCOs have also been advised that they must comply with all ADB procurement procedures in order to qualify for retroactive financing.

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### Investment Description

- Asian Development Bank (ADB)

Loan 2727-PAK: MFF Power Distribution Enhancement (Tranche 2)

Ordinary capital resources US\$ 172.30 million



### Contact Information

#### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>

#### CONTACTS

Responsible ADB Officer Khattak, Ehtesham Zafar  
Responsible ADB Department Central and West Asia Department  
Responsible ADB Division Pakistan Resident Mission

#### Executing Agencies

Faisalabad Electric Supply Company Limited  
West Canal Road, Abdullah Pur, Faisalabad, Pakistan  
Gujranwala Electric Power Company  
565-A, Model Town, GT Road Gujranwala, Pakistan

Hyderabad Electric Supply Company  
Wapda Office complex, Hussainabad Hyderabad, Pakistan  
Islamabad Electric Supply Company  
Islamabad, Pakistan

Lahore Electric Supply Company  
22-A, Queens Road Lahore, Pakistan

Multan Electric Power Company  
MEPCO Complex, Khanewal Road Multan, Pakistan

Pakistan Electric Power Company (Pvt.) Limited  
Managing Direct PEPCO  
EDTPEPCO@HOTMAIL.COM  
403-WAPDA House  
Shahra-i-Quaid-i-Azam  
Lahore-54000, Pakistan

Peshawar electric Supply Company  
WAPDA House, Sakhi Chesma, Shami Road Peshawar, Pakistan

Quetta Electric Supply Company  
Zarghoon Road Quetta, Pakistan



### Bank Documents

- [Amendment to Loan Agreement for Power Distribution Enhancement Investment Program - Project 2](#) [Original Source]
- [Amendment to Project Agreement for Power Distribution Enhancement Investment Program - Project 2](#) [Original Source]
- [Amendment to the Loan Agreement for Loan 2727-PAK: Power Distribution Enhancement Investment Program](#) [Original Source]
- [Loan Agreement for Power Distribution Enhancement Investment Program - Project 2 between Islamic Rep](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Environmental Monitoring Rep](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Environmental Monitoring Rep](#) [Original Source]
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- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Environmental Monitoring Rep](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, GE](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, HE](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, HE](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, IE](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, LE](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, LE](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, LE](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, ME](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: Biannual Social Monitoring Report, ME](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranche 2: IESCO Biannual Social Monitoring Repo](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranches 1 and 2](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranches 1, 2, 3 and 4: Social Monitoring Report](#) [Original Source]
- [Power Distribution Enhancement Investment Program - Tranches 1, 2, and 3: Social Monitoring Report \(](#) [Original Source]
- [Project Agreement for Power Distribution Enhancement Investment Program - Project 2 between Asian De](#) [Original Source]



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### Other Related Projects

- ADB-38456-037 Power Distribution Enhancement Investment Program - Tranche 4