

CASE STUDIES ON DISBURSEMENT PROCEDURES

1. DIRECT PAYMENT

Attached is a copy of an invoice submitted by the supplier to Director of PIU for delivery and supply of school equipment and furniture under Loan 1645-KGZ, Social Services Delivery and Finance. The contract (PCSS 0032) falls under Category 03A which is financed by ADB for 89% of total cost. Payment was due on 30 June 2003 and this was the first payment.

Prepare a withdrawal application together with summary sheet for submission to ADB so the supplier could be paid.

2. REIMBURSEMENT

Under the Ganzhou-Longyan Railway Project (Loan 1850- PRC), the Foreign Capital & Technical Import Center of the Ministry of Railways, Executing Agency, is preparing to submit a withdrawal application to ADB for reimbursement of funds for payments made under civil works category (01), financed by ADB for 32%. Details are as follows:

Contractor	Contract /PCSS Nos.	Total Payment Made
China Railway Wuju Group Corporation	02CN01GTE31WT0005/0004	RMB 4,261,968.00
Joint Venture of Fujian Railway Construction Co. and Shanghai Railway Construction Group	03CN01GTE31WT0006/0040	RMB 4,402,276.25
China Railway Wuju Group Corporation	03CN01GTE31WT0005/0039	RMB 4,353,469.00

Based on the attached supporting documents, prepare a withdrawal application, together with summary sheet, for reimbursement by ADB to the EA's account with China Construction Bank, Beijing Branch, East Road, Pentai District, Beijing China, account no. 0000XXX1111.

3. COMMITMENT

A contract (# REDSRP-9/2004)/PCSS # 0015) was entered into between the Nepal Electricity Authority and M/S RRP Enterprises, Nepal, for the supply of MCCBS and panel boards, under the Electrification, Distribution and Transmission Project (Loan 1732-NEP). As provided for in the contract, 80% of the invoice value will be paid through Letter of Credit (L/C). An L/C was therefore issued to cover payment and EA decided to use ADB's Commitment Letter procedure for payment of the L/C.

Attached is a copy of the approved L/C issued by the Everest Bank Limited to the bank, which will negotiate the L/C. Based on this document, prepare an application to ADB, together with summary sheet, for Commitment Letter to be issued by ADB to the designated negotiating Bank.

Assigned from copies of the L/C, what other documents should be submitted to ADB?

4. IMPREST FUND

The PIU of the Education Sector Development Project (Loan 1555-KGZ) is preparing to submit a withdrawal application for replenishment to ADB for expenses incurred using the Imprest Account (I/A) procedure. A Statement of Expenditures (SOE) has already been prepared (see attached). Outstanding amount advanced to the I/A amounts to \$500,000. As of the end of April 2004, the I/A has a balance of \$ 11,025.07 inclusive of earned interest of \$14.36. Applications already submitted to ADB but not yet credited to the bank statement amounts to \$ 189,338.55.

The I/A is maintained with the Kyrgyz IC Bank, ABC Blg, Bishkek City in the name of the PIU, Education Sector Development Project, with account no. 12345678. Kyrgyz IC Bank is a correspondent bank of Deutsche Bank Trust Co., New York with which it maintains a US dollar account, no. 98765432.

Prepare an Imprest Account Reconciliation Statement to be submitted to ADB together with the withdrawal application for replenishment.