

ASIAN DEVELOPMENT BANK MEMBER COUNTRIES

Country Name	ADB'S Country Code	COUNTRY Numeric Code	CURRENCY Mnemonic Code	Currency
Afghanistan, Is. Rep. of	AFG	01	AF	afghani
Armenia, Rep. of	ARM	64	AMD	dram
Australia	AUS	02	AUD/A\$	Australian dollar
Austria	AUT	03	EUR	euro
Azerbaijan, Rep. of	AZE	58	AZM	Azerbaijani manat
Bangladesh	BAN	38	TK	taka
Belgium	BEL	04	EUR	euro
Bhutan	BHU	45	NU	ngultrum
Brunei Darussalam	BND	65	BND	Bruneian dollar
Cambodia	CAM	05	KR	riel
Canada	CAN	06	C\$	Canadian dollar
China, People's Rep. of	PRC	47	CHY/RMB	Renminbi yuan
Cook Islands	COO	42	NZ\$	New Zealand dollar
Denmark	DEN	09	DKR	Danish krone
Fiji Islands, Rep. of	FIJ	34	F\$	Fiji dollar
Finland	FIN	10	EUR	euro
France	FRA	35	EUR	euro
Germany	GER	11	EUR	euro
Hong Kong, China	HKG	33	HK\$	Hong Kong dollar
India	IND	12	RS*	Indian rupee
Indonesia	INO	13	RP*	Indonesian rupiah
Ireland	IEP	75	EUR	euro
Italy	ITA	14	EUR	euro
Japan	JPN	15	Y/JPY*	yen
Kazakhstan	KAZ	54	T	tenge
Kiribati	KIR	41	A\$	Australian dollar
Korea, Rep. of	KOR	16	W*	won
Kyrgyz Republic	KGZ	55	SOM	som
Lao People's Democratic Republic	LAO	17	KL/KN	kip
Luxembourg	LUX	62	EUR	euro
Malaysia	MAL	18	MYR/M\$/RM	ringgit
Maldives	MLD	43	MRS/RF	rufiyaa
Marshall Islands	RMI	48	USD/US\$	US dollar
Micronesia	FSM	49	USD/US\$	US dollar
Mongolia	MON	50	MNT	togrog
Myanmar	MYA	39	BK	kyat
Nauru, Republic of	NAU	52	AUD/A\$	Australian dollar
Nepal	NEP	19	NRS	Nepalese rupee
Netherlands, The	NET	20	EUR	euro
New Zealand	NZL	21	NZ\$	New Zealand dollar
Norway	NOR	22	NKR/NOK	Norwegian kroner
Pakistan	PAK	23	PRS	Pakistan rupee
Palau	PAL	63	USD/US\$	US dollar
Papua New Guinea	PNG	36	PK/K	kina
Philippines	PHI	24	P	peso
Portugal	POR	60	EUR	euro
Samoa	SAM	31	ST	tala
Singapore	SIN	25	SGD/S\$	Singapore dollar
Solomon Islands	SOL	40	SI\$	Solomon Islands dollar
Spain	SPA	46	EUR	euro
Sri Lanka	SRI	07	SRS	Sri Lanka rupee
Sweden	SWE	26	SEK/SKR	Swedish kronor
Switzerland	SWI	32	SWF/CHF/SFR	Swiss franc
Taipei, China	TAP	08	NTD/NT\$/TWD	New Taiwan dollar
Tajikistan, Rep. of	TAJ	57	TJS	somoni
Thailand	THA	27	B	baht
Timor-Leste	TIM	61	USD/US\$	US dollar
Tonga	TON	37	T\$	pa'anga
Turkey	TUR	51	LT	Turkish lira
Turkmenistan, Rep. of	TKM	59	TMM	Turkmen manat
Tuvalu	TUV	53	AUD/A\$	Australian dollar
United Kingdom	UKG	28	GBP/L/STG	pound sterling
United States	USA	29	USD/US\$	US dollar
Uzbekistan, Rep. of	UZB	56	SUM	sum
Vanuatu	VAN	44	VT	vatu
Viet Nam, Socialist Rep. of	VIE	30	VD*	dong

Note: The above codes, acronyms and names are adopted by since June 1987.

* denotes round off to whole numbers, decimals not allowed

ORDINARY CAPITAL RESOURCES (OCR)

I. Introduction

OCR public sector loans carry near-market terms and are generally made to middle-income developing member countries (DMCs) which attain a higher level of economic development. In OCR public sector loan portfolio, there are various loan products outstanding that are listed below.

Currently, LIBOR-based loan (LBL) and Local Currency Loan (LCL) are the available loan products for OCR public and private sector borrowers.

II. OCR Public Sector Legacy Loan Products

A. Fixed Rate Multi-currency Loan (FMCL)

FMCL is denominated in US dollar, but disbursed and repaid in multicurrencies at ADB's choice and carries interest rates that are fixed for the life of the loan. Under each loan multiple amortization schedules by currency. ADB ceased offering FMCL in 1983.

B. Pool-based Single Currency Loan in Japanese yen (PSCL in JPY)/Pool-based Multi-currency Loan (PMCL)

ADB offered PMCL in 1983. PMCL carries variable interest rate that is based on the average cost of ADB's outstanding borrowings in various currencies undertaken to fund PMCLs plus a lending spread. The interest rate is adjusted semiannually. PMCL is denominated in US dollar. Loan accounts and amortization schedule are in US dollar, but disbursed and repaid in multicurrencies. ADB ceased offering PMCL in 2001.

To simplify loan accounting, servicing and financial reporting, ADB transformed all outstanding PMCLs into PSCLs in JPY in 2004. After the transformation, loan accounts and amortization schedule are converted to Japanese yen. While the accounting method is changed, loan terms remain the same.

C. Pool-based Single Currency Loan in US dollar (PSCL in USD)

ADB offered PSCL in 1992. PSCL in USD is single currency loan and carries variable interest rate that is based on the average cost of ADB's outstanding US dollar borrowings undertaken to fund PSCLs plus a lending spread. The interest rate is adjusted semiannually. ADB ceased offering PSCL in 2002.

ADB transformed the undisbursed balances of some eligible PSCL to LBL terms in 2002. Each transformed loan has two portions: (i) PSCL portion and (ii) LBL portion with separate loan accounts and amortization schedules. Commitment charge is calculated together, interest and lending spread waiver are calculated separately and rebate is applied to LBL portion only.

D. Market-based Loan (MBL)

ADB offered MBL in 1994. MBL is single currency loan in US dollar or Japanese yen or Swiss francs, and carries either floating or fixed interest rate at borrower's choice. Floating interest rate is based on the 6-month LIBOR of the loan currency plus a lending spread. Fixed interest rate is based on the swap fixed-rate equivalent of the 6-month LIBOR of the loan currency plus a lending spread. ADB ceased offering MBL in 2001.

III. OCR Public Sector Available Loan Products

A. London Interbank Offered Rate (LIBOR)-based Loan (LBL)

ADB became a full-fledged LIBOR-based lender on 1 July 2001 due to the following reasons:

- To provide borrowers with a wider choice of original loan terms,
- To provide borrowers with flexibility to change original loan terms and facilitate their asset liability management, and
- To provide borrowers with greater access to risk management and financial instruments.

Main Features

1. Currencies

Initially, LBL borrower has a choice in three currencies: euro, Japanese yen, or US dollar.

2. Amortization Schedule

Options for amortization schedule

- Fixed at loan signing
- Linked to actual disbursements for financial intermediary borrowers

Fixed at loan signing

Repayment schedule in the loan agreement is expressed in percentage or installment share. Installment share is determined using the annuity basis with 10% discount rate. The original schedule in loan agreement is adjusted if disbursement continues after grace period. The amortization schedule is also adjusted for currency conversion of disbursed amount and partial interest rate conversion.

Linked to actual disbursement

This option is available to financial intermediary borrowers only. Each disbursed amount during a semester comprises a subloan with its own specified amortization schedule. Principal installments are in equal amount and each disbursed amount has the same grace period and repayment period. Grace period begins when actual disbursement takes place. Principal repayments for each disbursement begin and end at different points in the life of the loan. However, final maturity date is specified in the Loan Agreement and cannot be extended even if the loan closing date is extended during project implementation.

3. Loan Charges

OCR loan charges include front-end fee, commitment charge, interest, premium on prepayment, transaction fees, and liquidated damages, if applicable.

Front-end Fee

ADB charged 1% of loan amount for public sector front-end fee. For loans approved starting 1 January 2004, entire front-end fee have been waived. Waiver on front-end fee is approved by the Board on an annual basis.

Commitment Charge

Commitment charge is levied on undisbursed portion of the loan, payable in the currency in which the loan is denominated. Accrual commences 60 days after loan signing date unless otherwise stated in the loan agreement. This charge can be collected or capitalized based on the loan agreement when the loan becomes effective.

(i) Flat commitment charge

Flat commitment charge of 0.75% p.a. is applied on the full undisbursed balance of a public sector program loan.

(ii) Staggered commitment charge

Staggered commitment charge of 0.75% p.a. is applied on the undisbursed balance of a public sector project loan based on the following schedule:

- 15% of loan amount less cumulative disbursements and pro-rated cancellation in the first year
- 45% of loan amount less cumulative disbursements and pro-rated cancellation in the second year

- 85% of loan amount less cumulative disbursements and pro-rated cancellation in the third year
- 100% of undisbursed balance after the third year

Interest

Interest is levied on disbursed and outstanding amount of a loan. Interest and other charges shall be computed based on 360-day year of twelve 30-day months. Interest rate consists of cost base rate, rebate/surcharge, lending spread and waiver, if applicable.

(i) Cost base rate

Cost base rate of a floating rate loan is 6-month London Interbank Offered Rate (LIBOR) for Japanese yen and US dollar or 6-month Euro Interbank Offered Rate (Euribor) for euro. LBL initially carries a floating rate that is adjusted every 6 months.

(ii) Lending spread

Lending spread is fixed for the life of public sector LBL (currently 0.60% p.a.).

(iii) Rebate/Surcharge

Following the cost pass-through principle, ADB returns to LBL public sector borrowers its actual sub-LIBOR funding cost margin. This is calculated and announced twice a year on 1 January and 1 July, and applied to relevant interest period.

In case of surcharge, ADB will recoup from LBL public borrowers if funding cost is higher than LIBOR. This situation is unlikely to happen.

(iv) Lending spread waiver/surcharge

Currently, for all public sector OCR borrowers that do not have arrears with ADB, 0.20% p.a. of the lending spread on public sector loans shall be waived. Lending spread waiver applies to all eligible OCR public sector loans that carry a lending spread of 0.60% p.a. The waiver is announced by ADB every 12 months.

Premium on Prepayment

Prepayment premium or redeployment cost is the difference between the rate at which the proceeds from the prepayment could be reinvested and ADB's funding cost for the prepaid amount from prepayment date to next interest payment date (IPD). No premium if prepayment is made on

IPD for floating rate LBLs. For fixed rate or floating rate loans that involve conversions and the corresponding hedge transactions have to be terminated, the borrowers will be charged the unwinding cost of the hedge transaction, if ADB incurs such cost.

Transaction Fee for Loan Conversions

Transaction fee is charged on certain conversions or early termination of conversion options. This fee is payable not later than 60 days after the execution date or the early termination date, as applicable and may be revised from time to time. A table showing details of the transaction fee is available in ADB's website.

Transaction Fees for Conversions (expressed as percentage of the principal amount involved)	
Transaction Type	Fees (%)
Currency Conversion	
Of undisbursed loan amounts	1/16
Of disbursed loan amount	1/8
Interest Rate Conversion	
Initial Rate fixings for up to the full maturity of the loan for amounts up to the outstanding loan amount	No charge ^a
Additional rate fixing/unfixing	1/16
Interest Rate Caps and Collars	1/16

^a Except for interest rate fixing described in paragraph 6.4.

4. Conversion Options

ADB offers flexibility to LBL borrowers to alter some original LBL terms during the life of the loan for financial risks management. The borrower can use the conversion provisions in LBL agreement any time after loan effectiveness subject however to the relevant provisions of the Loan Regulations applicable to LBL and the Conversion Guidelines. Conversion options available are:

- Interest rate conversion
- Interest rate cap and collar
- Currency conversion

Interest Rate Conversion

Borrower may request ADB to convert the floating rate on loan outstanding balance to fixed rate at any time during the life of the loan. Interest rate fixing may be applied for whole or part of the outstanding loan balance or future withdrawals by period or by amount (Specified Rate Fixing).

Interest rate conversion is subject to a minimum of \$3 million and maximum of \$500 million in a single request.

Interest Rate Cap and Collar

Borrower may purchase caps or collars at any time during the life of the loan for whole or part of disbursed amount.

Caps allow borrower to set an upper limit on the floating interest rate. Collars allow borrower to set a band, defining upper and lower limits on floating interest rate. Interest rate cap and collar is subject to a minimum of \$3 million and maximum of \$500 million in a single request.

Premium on caps and collars is payable upfront. Borrowers have options to settle the premium in (1) cash payment, or (2) out of loan proceeds (capitalization) if specified in loan agreement.

Currency Conversion

Borrower may change the loan currency of all or part of the undisbursed and/or disbursed loan amounts at any time during the life of the loan by requesting a currency conversion.

Currency Conversion of Undisbursed Balance

- Use screen exchange rate (market exchange rate displayed by established information vendors)
- Converted amounts subsequently disbursed initially have a floating lending rate applicable to the new loan currency
- No minimum or maximum amount per request.

Currency Conversion of Disbursed Balance

- Exchange rate and lending rate will reflect the terms of ADB's hedge transaction in the swap market
- Converted amounts may carry a floating or fixed lending rate, at borrower's choice
- Subject to maturity of 10 years or longer depending on market
- Currency conversion of disbursed balance is subject to a minimum of \$3 million and maximum of \$300 million in a single request.

For interest rate conversion, currency conversion of disbursed/ outstanding balance, and purchase of cap and collar, CTLA-LA1 coordinates with the Treasury Department (TD) for the execution of the conversion.

For currency conversion of undisbursed balance, concerned CTLA Disbursement Unit coordinates with the Sector Division concerned and with CTLA-BS to segment/partition the loan.

For more details on conversion options, refer to ADB's Conversion Guidelines that is available in ADB's website www.adb.org/Documents/Guidelines/LIBOR.

B. Multitranche Financing Facility (MFF)

ADB offered MFF under LBL terms in 2005. MFF is applicable to large, stand-alone projects with discrete, sequential components but is essentially suited to sector investment programs and financial intermediary credit lines (and guarantees). Approved amount under MFF extends over a longer time period. Actual availability of funds is related to requests or commitments by the client, and the execution or effectiveness of loan agreements with ADB. Commitment charge is applicable only to signed loan agreement(s).

C. Local Currency Loan (LCL)

ADB offered LCL to private sector borrowers in selected currencies in 2003 and to public sector borrowers in selected currencies in 2005. LCL is introduced to reduce currency mismatches for projects that earn revenues mostly in local currency and contribute to local capital market development.

ADB follows two approaches regarding its local currency funding: (i) back-to-back funding, defined as raising local currency financial resources to exclusively finance a specific project; and (ii) pool funding where ADB maintains a pool of liquidity in certain local currency. LCL initially carries floating rate based on the underlying currency benchmark plus a fixed lending spread for public sector loans. Rate fixings are subject to ADB being able to enter into appropriate hedging transactions in the local market. Rebate, surcharge, waiver, and interest rate conversion would apply to public sector LCLs.

Borrowers are allowed to prepay all or part of the disbursed and outstanding balance during the life of the loan. However, prepayment charges would apply based on the costs, if any.

Borrowers are allowed to cancel all or part of the undisbursed balance at any time. No cancellation charge applies if ADB follows a pool-based funding approach. For back-to-back funding, if ADB has agreed with the borrower to pre-fund the local currency requirement for the loan and the borrower later decides to wholly or partially cancel the loan, a cancellation charge may apply to compensate ADB for any costs incurred as a result of the cancellation.

IV. Loan Servicing

Loan service payments (principal installment, commitment charge, interest, and other charges, where applicable) are made every 6 months. The payment can fall in any month of the year but must be on the 1st or 15th of the month. Semiannual payment dates are fixed during loan negotiations and specified in the loan agreement.

A. Capitalization of Loan Charges

Capitalization of loan charges means that borrower is not required to pay for loan charges during the implementation period of the project before the loan account is closed for disbursement. The loan charges are financed by loan proceeds and treated as disbursement, if there is a budget for capitalization in the loan agreement (normally, in Schedule 3).

Loan charges can be capitalized only on interest payment date including commitment charge, interest (net of rebate and waiver), and premium on interest rate cap and collar, if applicable.

ADB provides borrowers with Capitalization Statement and ledgers for each 6-month interest period. This statement shows details of amount capitalized, budget and available funds for capitalization.

Each Capitalization Statement consists of:

- Capitalization Statement
- Facility Transaction History
- Loan Transaction History

B. Billing Statement for Loan Charges and Principal

Billing Statement is processed based on transactions 60 days before interest payment date to give borrowers enough time to arrange payment.

The Billing Statement is ADB's formal collection advice to the borrower and designated recipient(s) to remit the total amount due in the currency payable to ADB's depository bank(s).

Each Billing Statement consists of:

- Billing Statement
- Summary Statement
- Facility Transaction
- Loan Transaction History

Basis of Billing Statement

- OCR Loan Regulations states that principal amount of the loan withdrawn from the loan account shall be repayable in accordance with the provisions of the loan agreement.
- Loan charges are calculated based on loan agreement.
- Rebate is based on OCR Loan Regulations and financial policy.
- Waiver of front-end fee and lending spread is based on ADB's financial policy.

Nonbusiness Day

Nonbusiness day is determined based on the bank holiday in the country of ADB's depository bank for each currency. If the interest payment date is a nonbusiness day, payment should be made on the first business day after the interest payment date. No additional interest is charged from the interest payment date to the payment day.

Application of OCR Payments

- i. Liquidated damages on
 - Others (applicable to private sector)
 - Commitment charge
 - Interest
 - Principal
- ii. Commitment charge
- iii. Other fees (applicable to private sector)
 - Conversion fee
 - Administrative fee
 - Resetting fee
- iv. Interest
- v. Principal

Sanction Policy on Overdue Payment

Monitoring		Sanctions
Overdue by	Action	
30 days	Delay is reported to the Executive Director representing the borrowing country in the Board of Directors	Warning notice. No further loans to or guaranteed by the country will be proposed to the Board or signed if the overdue amount is not settled within the next 30 days.
60 days	Delay is reported to the Board of Directors	Warning notice. Disbursements will be suspended on all loans of the borrower. Copy of the notice will be sent to the Board and co-financiers will be informed if the overdue amount is not settled within the next 30 days.

Prepayment

Borrowers have the right to repay principal in advance of maturity, as of a date acceptable to ADB by sending a written notice not less than 45 days before the prepayment. However, undisbursed balance should be fully cancelled and loan account should be closed before requesting for prepayment.

A. LOAN TERMS AND CONDITIONS FOR SELECTED OCR PUBLIC SECTOR LEGACY LOAN PRODUCTS

	Pool-based Single Currency Loan in Japanese yen (PSCL in JPY)/Pool-based Multi-currency Loan (PMCL)	Pool-based Single Currency Loan in US dollar (PSCL in US\$)	Market-based Loan (MBL)
Currencies	Transformed to Japanese yen from multiple currencies in 2004	US dollar	US dollar Japanese yen or Swiss francs
Lending Rate	Variable lending rate that is reset semiannually on 1 January and 1 July and is equal to the average cost of all outstanding borrowings undertaken for funding pool-based loans plus a lending spread.		Floating rate loans: 6 month US dollar, Japanese yen or Swiss francs LIBOR with reset dates of either 15 March and 15 September or 15 June and 15 December, plus a lending spread. Fixed-rate loans: the cost of the Bank's fixed-rate borrowing of US dollars, Japanese yen, or Swiss franc at the time of each disbursement plus a lending spread. Resetter loans: same as fixed-rate loans for the initial period, which could be tailored to the needs subject borrower's to a minimum of 5 years. At the time of rate resetting, either a floating rate or a new fixed rate will be set using the prevailing market rates.
Lending Spread	0.60 % per annum *		0.60 % per annum *
Commitment Charge	Progressive commitment charge of 0.75% per annum		Progressive commitment charge of 0.75% per annum
Front-end Fee	1% of loan amount (with option to capitalize)		1% of loan amount (with option to capitalize)
Maturity	15-30 years, including a grace period of 3-8 years	15-30 years, including a grace period of 3-7 years	15-25 years, including a grace period of 3-5 years

* Currently, all OCR public sector loans that carry a lending spread of 0.60% p.a. and do not have arrears with ADB are subject to 0.20% p.a. waiver.

	Pool-based Single Currency Loan in Japanese yen (PSCL in JPY)/Pool-based Multi-currency Loan (PMCL)	Pool-based Single Currency Loan in US dollar (PSCL in US\$)	Market-based Loan(MBL)
Interest Rate Conversion	Not applicable		A one-time option to convert floating-rate loans into fixed-rate loans or vice-versa is available where appropriate in a case-by-case basis, subject to a one-time fee of 0.125% and an annual charge of 0.125% to be added into the original lending spread. In the case of conversion of fixed-rate loans into floating, an additional fee may be charged if the market interest rate has declined between the earlier setting of the loan fixed rate and the time of conversion.
Prepayment/ Cancellation	Loans may be prepaid/canceled subject to a prepayment premium as specified in the loan agreement		Loans may be prepaid, subject to a 0.125% administrative fee. For fixed-rate loans, an additional prepayment premium may be charged on the basis of the present value of the difference between the interest rates prevailing at the time of the original loan pricing and those prevailing at the time of prepayment/cancellation. No premium is charged for floating-rate loans.
Disbursement	Amount and timing of loan disbursement are flexible and depend on the specific needs of the project		Floating-rate loans; amount and timing are flexible and depend on the specific needs of the project. Fixed-rate loans: only 4 times a year on 15 March, 15 June, 15 September, and 15 December, except disbursements involving an amount of \$2 million or more or those covered under the "commitment procedure".
Repayment	Annuity repayments		Annuity repayments
Payment Dates	Payments of interest and principal are due on the 1 st or 15 th of the month at regular 6-month intervals		Payments of principal and interest are due either on 15 March and 15 September or 15 June and 15 December.

B. LOAN TERMS AND CONDITIONS FOR OCR PUBLIC SECTOR LIBOR-BASED LOAN PRODUCT

Currencies	euro, Japanese yen or US dollar
Lending rate	Floating-rate: Initially, all LBLs will have a floating rate until borrowers request for fixing. The lending rate will consist of a cost base rate, rebate/surcharge, lending spread and waiver, if applicable. The cost base rate is the 6-month LIBOR for the US dollar and Japanese yen; and 6-month EURIBOR for the euro. The lending rates will be reset every six months on each interest payment date. Fixed-rate: equivalent to the swap rate of six-month LIBOR in the currency that corresponds to the maturities of the disbursed amount plus a lending spread. Interest rate fixing is done, either (i) fixing by period, or (ii) fixing by amount, i.e. upon reaching certain levels of disbursements. Prior to fixing, the lending rate will be floating.
Lending Spread	Floating-rate: Set at the time of loan signing and fixed for the entire life of the loan; the fixed spread is equivalent to ADB's prevailing basic lending spread. Currently, all OCR public sector loans that carry a lending spread of 0.60% p.a. and do not have arrears with ADB is subject to 0.20% p.a. waiver.
Commitment Charge	0.75% p.a. is applied on progressive amounts of project loan or on full undisbursed loan balance of program loan
Front-end Fee	1.0% of the loan amount (may be capitalized over the life of the loan). For loans approved starting 1 January 2004, entire front-end fee have been waived.
Maturity	15-32 years, including a grace period of 3-8 years
Prepayment/ Cancellation	All or part of the disbursed and outstanding balance may be prepaid at any time during the life of the loan. Borrowers may cancel all or part of the undibursed balance at any time. For floating rate loans, no prepayment premium is charged for borrowers who will prepay any outstanding amounts on the interest payment due date. However, if prepayment date is other than the interest payment dates, a prepayment premium will be charged based on the difference, if any, between the rate at which the proceeds from the prepayment could be reinvested and ADB's funding cost for the period up to the next interest payment date. In the event of prepayment of fixed-rate loans or floating-rate loans that involve conversions and the corresponding hedge transactions have to be terminated, the borrowers will be charged the unwinding costs of the hedge transactions, if any.
Disbursement	Amount and timing of loan disbursement are flexible and depend on the specific needs of the project.
Repayment	Annuity repayments but the financial intermediary borrowers can opt for repayment schedules linked to actual disbursement.
Payment Dates	Payments of commitment charge, interest and principal are due on the 1 st or 15 th of the month at regular 6-month intervals or as specified in the Loan Agreement.
Rebate/Surcharge	ADB may grant rebate or impose surcharge if there are future changes in the basis of lending spread and/or ADB's funding cost margin relative to the interest rate references.

Loan Conversion Option	Option of the borrower at anytime during the life of the loan.
a. Currency Conversion	Undisbursed Amount: All or part of the undisbursed balance maybe converted into one of the three offered currencies. Disbursed Amount: All or part of the disbursed balance maybe converted into one of the three offered currencies for the full or part of the loan's residual life.
b. Interest Rate Conversion	The floating lending rate on all or part of the disbursed balance maybe converted into a fixed rate or vice versa. No fee for the first series of interest rate conversions from floating interest rate into a fixed rate, for up to the full amount and maturity of the loan. All subsequent interest swaps undertaken to reverse the initial conversions into a floating rate, and thereafter to convert the floating rate into a fixed-rate, will be charged a fee of 0.0625% of the transacted amount.
c. Interest Rate Caps and Collars	A cap or collar on the floating rate may be purchased for up to the entire disbursed amount, for the full or part of the residual maturity. Conversion Guidelines Conversions will be executed in accordance with ADB procedures prevailing at the time of conversion request. The guidelines document will set out the procedures for requesting, accepting, and effecting conversions; information on conversion limitations and restrictions; illustration of financial cost of conversions; and transactions fees.
Transactions Fees for Conversions and for Caps and Collars	
a. Currency Conversions	0.125% on the transacted amount for the disbursed loan amount. 0.0625% of the transacted amount for the undisbursed loan amount.
b. Interest Rate Conversions	No fee for the first series of interest rate conversions (convert floating into fixed-rate) for up to the full amount and maturity of the loan. All subsequent interest rate swaps undertaken to reverse the initial conversions to a floating rate, and thereafter to convert the floating rate into a fixed-rate, will be charged a fee of 0.0625% of the transacted amount.
c. Interest Caps and Collars	0.0625% of the transacted amount.

ASIAN DEVELOPMENT FUND (ADF)

Terms of ADF Loans

ADF loans for which formal loan negotiations are completed on or after 1 January 1999 have the following terms:

- a. ADF project loans have a maturity of 32 years, including an 8-year grace period, with equal amortization.
- b. ADF program loans have a maturity of 24 years, including an 8-year grace period, with equal amortization.
- c. Both types of loans carry an interest charge of 1.0% during the grace period and 1.5% for the remaining life of the loans.
- d. ADF emergency assistance loans have a maturity of 40 years, with 10-year grace period, and 1.0% interest rate.

ADF Loans Invited for Negotiations before 1 January 2006

A. Loan Commitment

ADF loan commitment is denominated in Special Drawing Rights (SDR) for loans approved on or after 1 January 1983.

B. Disbursement

The borrower can request ADB to remit any currencies based on the procurement contracts. ADB purchases currencies requested with currencies available in ADF's liquidity pool, which is referred to as cost currency.

Upon each disbursement, the actual amount of the cost currency used by ADB is recorded as the principal outstanding (the borrower's liability).

For monitoring the undisbursed committed loan amounts and for other reporting purposes, US dollar and SDR equivalent of the cost currency is recorded for each disbursement. The translation into US dollar and SDR is made at ADB's book rates on the value date of the transaction.

C. Capitalization of Interest Charges

For ADF loans with provision for capitalization of interest charges, ADB withdraws from the loan accounts the funds required to settle the interest charges on the due dates, instead of requesting the borrower to remit the funds.

As interest charges are due in the cost currencies, the withdrawals from the loan accounts are made in such currencies. Those amounts are then translated into SDR at ADB's book rate to reduce the undisbursed committed loan amounts.

ADB sends the Statement of Amounts Capitalized and related loan transaction history to the borrower. The statement shows in detail the amounts capitalized in various currencies and the balance of funds available for capitalization.

Once the allocation for interest category as specified in the loan agreement has fully been consumed or when the loan closing date has passed, interest charges will be billed to the borrower.

D. Billing

Loan service payments are due in the cost currencies.

ADB prepares billing statements 2 months before the semiannual loan service payment dates (Billing Cutoff Date).

Based on the loan principal outstanding balances on the Billing Cutoff Date, the amounts due on the due date are estimated.

The difference between the billed amounts and the actual amounts due on the due date is carried forward to the next billing. The differences are caused by transactions during the 2-month interim period.

E. Option for the Borrowers to Make Loan Service Payment in a Single SDR Currency

ADB offers a single currency payment arrangement to the borrowers so that the borrower can make their loan service payments in one of the SDR basket of currencies, rather in various cost currencies.

The borrower needs to send a confirmation on the terms and conditions of the single currency payment arrangement, and specify one of the SDR basket currencies for loan service payments.

In the billing statement, the estimated amounts due in various cost currencies are translated into the single currency at ADB's book rate on the Billing Cutoff Date.

Upon receipt of the payment in the single currency, ADB translates the amount into the various cost currencies due at ADB's book rate on the value date of the fund receipt. Any shortage/surplus due to the exchange rate fluctuation and transactions during the 2-month interim period is carried forward to the next billing.

New ADF Full-Fledged SDR Loan Product

From 1 January 2006, ADB adopted a new ADF currency management framework to provide flexibility in repayment currencies and to enable developing member countries to manage exchange risk exposures with SDR.

Loans invited for negotiations on or after 1 January 2006 are full-fledged SDR-denominated loans, i.e., commitment, loan principal outstanding, interest accrual, amortization schedule, and loan service payments are recorded in SDR.

F. Loan Commitment

ADF loan commitment continues to be denominated in SDR.

G. Disbursement

Currency requested and paid to the borrower can be in any currency based on the procurement contracts (unchanged from the existing ADF loans).

To purchase the currency requested by the borrower, ADB will use any of the four SDR currencies, i.e., US dollar, euro, Japanese yen, and pound sterling.

The liability currency of the borrower is the SDR. The cost currency is converted into SDR in ADB's book on the value date of the disbursement. Interest charges and principal repayments are due in SDR.

H. Capitalization of Loan Charges

Capitalization of interests is recorded in SDR.

I. Billing

On the Billing cutoff date, the amount due in SDR is translated into one of the SDR currencies specified in the loan agreement (changeable by the borrower by sending a request at least 3 months in advance of the due date) at ADB's book rate.

J. Collection

Upon receipt of payment in one of the SDR currencies, the amount is translated into SDR in ADB's book rate on value date of receipt. Any shortage/surplus due to the exchange rate fluctuation and transactions during the 2-month interim period is carried forward to the next billing.

SAMPLE OF A DISBURSEMENT LETTER

Name of the Borrower
Address

Dear Sir/Madam:

Loan No. ____ : (Project name)

1. We draw your attention to the Loan Agreement and other related documents dated _____ of the above loan. The loan account will be credited with US\$/SDR _____ when the Loan Agreement becomes effective.

Withdrawal of Loan Proceeds

2. Expenditures are normally eligible for financing from the date the Loan Agreement becomes effective. We enclose our *Loan Disbursement Handbook* and hope it will assist you when making withdrawals from the loan account. For disbursements using the SOE procedure and/or the imprest fund procedure which normally require ADB approval, please refer to Chapters 9 and 10 of the Handbook. Sample withdrawal application forms are in the Appendixes of the Handbook.¹ Incomplete withdrawal applications which do not substantially meet the criteria requirements for disbursement, will be returned to you.
3. We wish to draw your particular attention to the following disbursement arrangements.
 - (i) **Imprest Fund Procedure**
Under paragraph _____ of Schedule 3 of the Loan Agreement, when ADB's imprest fund procedure is used, a portion of the loan proceeds is deposited by ADB into an imprest account from which you may draw ADB's share of eligible Project expenditures. Detailed procedures for establishing and operating the imprest fund are set out in Annex _____ of this letter.
 - (ii) **Statement of Expenditures (SOE) Procedure**
Under paragraph _____ of Schedule 3 of the Loan Agreement, you may apply the SOE procedure to reimburse, liquidate, or replenish the imprest account for expenditures or contracts amounting to _____. Details of the SOE procedure and formats to be used are in the Handbook. Under SOE procedure you should retain all supporting documents and produce them for examination by ADB's representative whenever needed. Furthermore, SOE

¹ Please ensure that each withdrawal application is numbered sequentially with a five-character numeric identification, such as 00001. Assign an alpha identification for each executing agency (EA) (province) if there is more than one EA and submission of withdrawal applications is done separately by the EA (province).

records are periodically audited, as part of the project audit, by an independent auditor or auditors acceptable to ADB and the audit report is to be given to ADB by the date indicated in the Loan Agreement after the end of each fiscal year.

(iii) **Retroactive Financing**

Under paragraph _____ of Schedule 3 of the Loan Agreement, ADB agrees to retroactive financing of expenditures incurred from _____ to the effective date up to US\$/SDR _____ for (specify eligible expenditures covered). Such expenditures are accumulated and withdrawn from the loan account immediately after the loan is effective using the reimbursement procedure described in the Handbook.

Authorized Signatory(ies)

4. The Handbook describes what you must do before disbursement commences. The person(s) nominated by you to sign the withdrawal application on your behalf should be authorized under the Loan Agreement provisions. An authorization letter, together with the relevant specimen signature(s), is to be sent to ADB before submission of the first withdrawal application. If there is a change in the authorized person(s) later, send us a new authorization letter, accompanied by the specimen signature(s) to ensure uninterrupted processing of loan disbursements.

Minimum Amount per Withdrawal Application

5. To promote efficiency in processing loan disbursements, a minimum value per withdrawal application is set at US\$100,000 equivalent (or the amount determined to be reasonably minimum). As far as possible, the executing / implementing agency (ies) is requested to consolidate claims and submit a withdrawal application after its amount has exceeded this limit.

Loan Service Payment

6. Arrangements are to be made for paying the principal, as well as the interest, front-end fees, and other charges on the due dates specified in the Loan Agreement.

Required Action

7. We suggest that the procedures contained in the enclosed publications be studied thoroughly by the officials responsible for administering the loan. Please inform us if we need to clarify any of the attachments. To avoid delays in disbursement after the loan becomes effective, you should immediately
- (a) submit the withdrawal authorization letter together with the specimen signature(s);
 - (b) submit the withdrawal application for reimbursement of expenditures eligible for retroactive financing; and
 - (c) submit the withdrawal application for the initial deposit to the imprest account.

Advice of Withdrawals

8. Advice of withdrawals and other loan disbursement information are available at the Controller's web address <http://lfis.adb.org>. For password access to this website, please contact the Borrowers' Services Section, Loan Administration Division, Controller's Department at lfis@adb.org. Please also provide us the updated address, telephone number, and e-mail address of the executing/implementing agency(ies) concerned.
9. Please circulate this letter to the project staff, including project accountants.
10. We look forward to your continued cooperation and a mutually beneficial relationship.

Sincerely yours,

Assistant Controller
Loan Administration Division
Controller's Department

cc: Name of executing / implementing agency (ies)
Address (es)

bcc: Country Director (ADB Resident / Regional Mission concerned)
Project Specialist / Project Officer

Attachments:

1. Loan Agreement
2. *Loan Disbursement Handbook*
3. Procedures for Establishing and Operating the Imprest Account

WITHDRAWAL APPLICATION FOR DIRECT PAYMENT AND REIMBURSEMENT

Asian Development Bank



Date: _____

To: Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Loan Administration Division, Controller's Department (CTLA)

ADB Loan No.	_____
Application No.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Type of Disbursement	<input type="checkbox"/> Direct Payment <input type="checkbox"/> Reimbursement

Sir/Madam:

1. In connection with the Loan Agreement dated _____ between the Asian Development Bank and the _____ (Borrower), please pay from the Loan Account:

Currency	Amount in Figure	Amount in Words

The said amount is required for payment or reimbursement of eligible expenditures in the said currency as described in the attached Summary Sheet(s).

2. The undersigned certifies and agrees as follows:
- these expenditures were/are/will be made for the purposes specified in the Loan Agreement and the undersigned has not previously withdrawn from the Loan Account or obtained or will obtain any other loan, credit, or grant for the purpose of fully or partially meeting these expenditures.
 - the goods or services have been procured in accordance with the Loan Agreement and the cost and terms of the purchase thereof are reasonable and in accordance with the relevant contract(s).
 - the goods or services were or will be produced in and supplied by a member country of ADB as specified in the attached Summary Sheets(s).
 - for expenditures claimed on the basis of a Statement of Expenditures (SOE), all authenticating documents have been retained in the location shown on the individual SOE Summary Sheets and will be made available for review by auditors and ADB representatives upon request.
 - as of the date of this application, there is no existing default under the Loan Agreement, the Project Agreement or the Guarantee Agreement, if any.
 - if any funds withdrawn pursuant to this application are returned, the current value of such funds will be applied as credit to the Loan Account or, if the amount is small, applied to the next loan service payment due.

3. Payment Instructions:

- A. Payee's Name and Address
 Payee's Name _____
 Payee's Address _____
- B. Name and Address of Payee's Bank and Account No.
 Bank Name _____
 Bank Address _____
 Payee's Account No. _____
 SWIFT Code _____
- C. Correspondent Bank (If Payee's Bank is not located in the Country whose currency is claimed, enter the name and address of their bank's correspondent in the country whose currency is to be paid.)
 Bank Name _____
 Bank Address _____
 Account No. of Payee's Bank _____
 SWIFT Code _____
- D. Special Payment Instructions and Other References

4. This application consists of _____ pages including _____ pages of Summary Sheets.

From: _____
 Name of Borrower _____
 Signature of Authorized Representative(s) _____
 Printed Name/Position/Title of Authorized Representative(s) _____

Instructions in preparing the Withdrawal Application Form for Direct Payment and Reimbursement (ADB Form ADB-DRP/RMP)

General Instructions

1. Submit original Withdrawal Application (WA) to the Asian Development Bank (ADB) (or to its Resident/Regional Mission, if instructed).
2. Prepare separate WA for each currency of payment and for each payee.
3. Number WAs consecutively, not exceeding five digits/characters.
4. Consolidate claims until the amount being withdrawn is at least US\$100,000 equivalent or an amount advised by ADB.
5. When completed, verify the application for completeness of supporting documentation and accuracy of details before passing to the Authorized Representative(s) for signature. Mistakes and omissions result in delayed payment.

Withdrawal References

1. **Date:** Enter the date the WA is signed by Authorized Representative(s), not the date it was prepared.
2. **Loan Number:** Show ADB loan number clearly.
3. **Application Number:** Number WAs consecutively. If the project has more than one executing agency (EA) or implementing agency, the project coordinator should assign an alpha identification for each EA. For example : A0001 to A9999 for EA no. 1 and B0001 to B9999 for EA no. 2.
4. **Type of Disbursement:** Indicate in the appropriate box the type of WA claim, whether for Direct Payment or Reimbursement Procedure.

Payment Instructions

1. **Payee Name and Address:** Indicate full name and address of Payee for identification of payment.
2. **Name and Address of Payee's Bank and Account No. :** Indicate full name and address of the Payee's bank, which may include a banker/branch designation. Account number is important. Give SWIFT code if Payee's bank is a member of SWIFT.
3. **Correspondent Bank:** Where payment is to be made to a bank not located in the country of the currency to be paid, indicate its full name and address. Provide SWIFT code if the bank is a member of SWIFT.
4. **Special Payment Instructions:** Indicate any particulars, special instructions or references to facilitate payment or identification of payment.
5. **Name of Borrower:** Fill in name as it appears in the Loan Agreement.
6. **Authorized Representative(s):** Pass this application only to Authorized Representative(s) for signature. Verify if the list of Authorized Representative(s) has been changed.

APPLICATION FOR ISSUANCE OF COMMITMENT LETTER

Asian Development Bank 

Date _____

ADB Loan No. _____

Application No.

To: Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Loan Administration Division, Controller's Department (CTLA)

Sir/Madam:

In connection with the Loan Agreement dated _____ between the Asian Development Bank and the _____ (Borrower), we apply for a Commitment Letter and subsequent withdrawal from the Loan Account opened under the Loan Agreement in:

Currency	Amount in Figures	Amount in Words

and certify and agree as follows:

- The undersigned requests that Commitment Letter(s) be issued to the nominated commercial bank(s) listed in the attached Summary Sheet(s) in accordance with the terms of the Loan Agreement in order to make payment to the nominated commercial bank(s) from the Loan Account. The undersigned irrevocably authorizes such withdrawal on the basis of a written statement by the nominated commercial bank that payment has been made or is due, and will be promptly made under and in accordance with the terms of the Letter of Credit as amended from time to time.
- Amendments involving an extension of the Letter of Credit expiry date beyond the closing date of the Loan Agreement, a change in the value or currency of the Letter of Credit, the description or quantity of goods, country of origin, the beneficiary, or terms of payment are subject to your prior approval. The undersigned will further ensure that all proposed amendments will be furnished to you by the nominated commercial bank(s) for your information or approval as appropriate.
- You may limit your total obligation to make payments under the Commitment Letter by inserting a limitation clause denominated in the currency of the Loan Account sufficient to cover exchange rate fluctuations. The undersigned agrees that if, because of the limitation clause, you cannot disburse the full amount needed to pay the nominated commercial bank(s), any uncommitted portion of the Loan Account may be disbursed to cover the deficiency, and you will notify the undersigned who will arrange to make such payment promptly to the nominated commercial bank.
- Your obligation under the Commitment Letter shall terminate:
 - except as the Asian Development Bank (ADB) shall otherwise agree, on the expiry date of the Letter of Credit or on the closing date of the Loan Agreement (whichever is earlier);
 - upon payment by ADB to the nominated commercial bank(s) of the full value of the Letter of Credit, in accordance with the terms and conditions of the Commitment Letter;
 - upon receipt by ADB of written notice from the negotiating bank specifying that the Commitment Letter may be cancelled.
- The undersigned has not previously withdrawn from the Loan Account to meet these expenditures. The undersigned has not and does not intend to obtain funds for this purpose out of the proceeds of any other loan, credit or grant.
- The goods or services covered by this application are being purchased in accordance with the terms of the Loan Agreement and relevant contract(s).
- The expenditures are being made only for goods or services produced and procured from eligible sources.
- As of the date of this application, there is no existing default under the Loan Agreement, the Project Agreement, or the Guarantee Agreement, if any.
- In the event that all or part of the funds withdrawn from the Loan Account pursuant to this application are returned to ADB, the undersigned hereby authorizes ADB to apply the current value of such funds as a credit to the Loan Account.

From: _____
Name of Borrower

Signature of Authorized Representative(s)

Printed Name/Position/Title of Authorized Representative(s)

Instructions for preparing Application for Issuance of Commitment Letter (ADB Form ADB-CL)

General Instructions

1. Submit original withdrawal application (WA) to the Asian Development Bank (ADB) (or to its Resident/Regional Mission, if instructed).
2. Prepare a separate Summary Sheet for each currency of Letter of Credit (LC) and for each payee.
3. Number WAs consecutively, not exceeding five digits or characters.
4. Submit a WA only for an LC with amount not less than US\$100,000 equivalent unless otherwise advised by ADB. An LC less than US\$100,000 should normally be paid from the imprest account.
5. When completed, verify this application for completeness of supporting documentation and accuracy of details before passing it to the Authorized Representative(s) for signature. Mistakes and omissions result in delayed payment.

Withdrawal References

1. **Date:** Enter the date the authorized representative(s) sign the WA, not the date it was prepared.
2. **Loan Number:** Show the ADB loan number clearly.
3. **Application Number:** Number WAs consecutively. If the project has more than one EA or implementing agency, the project coordinator assigns an alpha identification for each EA. For example: A0001 to A9999 for EA 1 and B0001 to B9999 for EA 2.

Supporting Documents

Attach the following supporting documents:

- a. Contract or confirmed purchase order (PO), if not yet submitted to ADB.
- b. Two(2) signed copies of the LC against which the Commitment Letter (CL) is requested.

Summary Sheet

1. **Name and Address of Beneficiary (Supplier):** Give the full name and mailing address, including city and country.
2. **Name of LC Accountee:** Give the Borrower's or EA's name.
3. **Name and Address of LC Issuing Bank:** Give the LC opening or issuing bank's name.
4. **Name and Address of Nominated Commercial Bank:** State the bank to which the CL is to be issued as shown in the LC. Indicate the SWIFT code, if available.
5. **Name and Address of LC Advising Bank:** Obtain this from the LC, where applicable or different from 4 above.
6. **LC Amount and Currency:** Obtain this from the LC.
7. **US\$/SDR Equivalent:** Leave this blank; it will be completed by ADB.
8. **LC Expiry Date:** Obtain this from the LC.
9. **LC Shipping Date:** Obtain this from the LC.
10. **Terms of Payment:** Obtain this from the LC. Give details as shown in the LC.
11. **Brief Description of Goods and Services:** Summarize the items to be purchased as shown in the LC.
12. **EA Contract No./PO Ref. No. and Date:** Enter contract or purchase order numbers assigned by the EA for reference.

-
13. **ADB Contract No. (PCSS), where available:** Enter the ADB Contract No. assigned by ADB for reference. This number, called Procurement Contract Summary Sheet (PCSS), is usually known after a signed contract is sent to ADB.
 14. **Category Reference No:** Enter loan category reference number as shown in Schedule 3 of the Loan Agreement for the goods or services whose purchase is to be covered by the CL.
 15. **For DFI loans:** Give the subloan number and country of procurement.
 16. **Remarks:** Give special instructions or other references for easy identification in issuing the CL.

WITHDRAWAL APPLICATION FORM FOR IMPREST FUND Asian Development Bank

Date _____

To: Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Loan Administration Division, Controller's Department (CTLA)

Sir/Madam:

1. In connection with the Loan Agreement dated _____ between the Asian Development Bank and the _____ (Borrower), please pay from the Loan Account for the purpose of establishing/replenishing the Imprest Fund.

Currency	Amount to be Paid (in figures)	Amount to be paid (in words)
----------	--------------------------------	------------------------------

ADB Loan No.	_____
Application No.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Type of Disbursement	<input type="checkbox"/> Initial Advance <input type="checkbox"/> Increase in Ceiling <input type="checkbox"/> Replenishment

2. The Borrower certifies and agrees as follows:

- the said amount is required for payment of eligible expenditures as described in the attached Estimate of Expenditures Sheet(s) from _____ (date/month/year) to _____ (date/month/year).
- any advances by the Asian Development Bank (ADB) to the Imprest Fund may be limited to a sum smaller than the amount requested for advances or replenishment, allowing the Fund to be gradually reduced and fully documented prior to loan closing date.
- the undersigned has not previously withdrawn or applied for withdrawal of any amounts from said Loan Account nor obtained or will obtain any loan, credit, or grant for the purpose of fully or partially meeting the expenditures described in the Estimate of Expenditures Sheet(s) or Summary Sheet(s);
- the expenditures described in the attached Estimate of Expenditures Sheet(s) / Summary Sheet(s) are to be made for the purposes specified in the Loan Agreement and in accordance with its terms and conditions; and
- promptly within 6 months after the payment(s), the undersigned will furnish proof satisfactory to ADB to liquidate and document the advance.
- for expenditures to be liquidated on the basis of a Statement of Expenditures (SOE), all authenticating documents will be retained in the location shown on the individual SOE Summary Sheet(s) and will be made available for review by auditors and ADB representatives upon request.
- as of the date of this application, there is no existing default under the Loan Agreement, the Project Agreement or the Guarantee Agreement, if any.
- if any funds withdrawn pursuant to this application are returned, the current value of such funds will be applied as credit to the Loan Account or, if the amount is small, applied to the next loan service payment due.

3. Payment Instructions:

A. Payee's Name and Address

Payee's Name _____

Payee's Address _____

B. Name and Address of Payee's Bank and Account No.

Bank Name _____

Bank Address _____

Payee's Account No. _____

SWIFT Code _____

C. Correspondent Bank (If Payee's Bank is not located in the Country whose currency is claimed, enter the name and address of their bank's correspondent in the country whose currency is to be paid.)

Bank Name _____

Bank Address _____

Account No. of _____

Payee's Bank _____

SWIFT Code _____

D. Special Payment Instructions and Other References

4. This application consists of _____ pages including _____ pages of Summary Sheets.

From: _____

Name of Borrower _____

Signature of Authorized Representative(s) _____

Printed Name/Position/Title of Authorized Representative(s) _____

Instructions for preparing the Withdrawal Application Form for Imprest Fund (ADB Form No. ADB-IFP)

General Instructions

1. Submit original Withdrawal Application Form (WA) to the Asian Development Bank (ADB) (or to its Resident/Regional Mission, if instructed).
2. Number WAs consecutively, not exceeding 5 digits or characters.
3. For replenishment of advances, consolidate claims until the amount being withdrawn is at least US\$100,000 equivalent or an amount advised by ADB.
4. When the application is completed, verify completeness of supporting documentation and accuracy of details before passing to the Authorized Representative(s) for signature. Mistakes and omissions result in delayed payment.

Withdrawal References

1. **Date:** Enter the date WA is signed by Authorized Representative(s), not the date it was prepared.
2. **Loan Number:** Show ADB loan number clearly.
3. **Application Number:** Number WAs consecutively. If the project has more than one executing agency (EA) or implementing agency, the project coordinator should assign an alpha identification for each EA. For example: A0001 to A9999 for EA no. 1 and B0001 to B9999 for EA no. 2.
4. **Type of Disbursement:** Indicate in the appropriate box the type of WA claim, whether for Initial Advance/Increase in Ceiling, or Replenishment.

Estimate of Expenditures Sheet (ADB Form No. ADB-IFP-EES)

For Initial Advance:

1. Provide all details as required in form ADB-IFP-EES. Estimated expenditures should normally be based on the amount of contracts awarded and to be awarded. Estimated expenditures should not exceed the contract amounts.
2. For expenditures related to operational costs, the amount should be linked to the Project's annual budget provision.
3. No supporting documents are required.

For Replenishment:

1. In addition to 1 and 2 above, before submitting the WA, submit contracts and procurement documents to ADB's Project Division concerned (contracts exceeding US\$100,000).
2. Where the Statement of Expenditures (SOE) is not allowed, submit all evidences of payment, invoices, bills of lading, or work certificates. The requirements are the same for reimbursement procedure.
3. In all cases, attach bank statement from the bank maintaining the imprest fund and the bank reconciliation of the imprest fund account.

Payment Instructions

1. **Payee's Name and Address:** Indicate full name and address of Payee for identification of payment.

2. **Name and Address of Payee's Bank and Account No.:** Indicate full name and address of the Payee's bank, which may include a banker/branch designation. Account number is important. Give SWIFT code if Payee's bank is a member of SWIFT.
3. **Correspondent Bank:** Where payment is to be made to a bank not located in the country of the currency to be paid, indicate its full name and address. Provide SWIFT code if the bank is a member of SWIFT.
4. **Special Payment Instructions:** Indicate any particulars, special instructions or references to facilitate payment or identification of payment.
5. **Name of Borrower:** Fill in the name as it appears in the Loan Agreement.
6. **Authorized Representative(s):** Pass this application only to Authorized Representative(s) for signature. Verify if the list of Authorized representative(s) has been changed.

ADB LOAN SUMMARY SHEET FOR ISSUANCE OF COMMITMENT LETTER

Asian Development Bank



Date _____

ADB Loan No.	-----
Application No.	<input type="text"/>
Letter of Credit No.	-----

Beneficiary (Supplier) Name: Address: Name of LC Accountee - Borrower or Executing Agency LC Issuing Bank Name: Address: Bank Code: LC Advising Bank (if applicable) Name: Address: Bank Code: LC Paying Bank or LC Negotiating Bank (<i>Bank to which the Commitment Letter is to be issued</i>) Name: Address: Bank Code: Remarks	
LETTER OF CREDIT DETAILS	
LC Currency and Amount	LC Expiry Date
US\$/SDR Equivalent	LC Shipping Date
Terms of Payment	
Brief Description of Goods and Services	
REFERENCES	
EA Contract No./PO Reference No.	EA Contract/PO Date
ADB Contract No. (PCSS No.)	Category Reference No.
FOR DFI Loans Only	
Country of Procurement	Sub-loan No.

ADB = Asian Development Bank, EA = Executing Agency, LC = Letter of Credit, PCSS = Procurement Contract Summary Sheet
PO = Purchase Order, SDR = Special Drawing Rights.

¹ Two (2) copies of signed LC should be attached to this form.

Borrower: _____

By: _____

(Authorized Representative's Signature, Name and Position)

SUMMARY OF SUPPORTING DOCUMENTS REQUIRED FOR PROCESSING PAYMENT OF WITHDRAWAL APPLICATION (WA)

DIRECT PAYMENT PROCEDURE

Civil Works	
Advance Payment	1. Contract Terms and Conditions which refer to payment of advance. 2. Bank Guarantee 3. Contractor's Invoice Claim 4. Other documents as required in the contract
Release of Retention Money	1. Unconditional Bank Guarantee 2. Contract Terms and Conditions which refer to release of retention money 3. Contractor's Invoice Claim 4. Other documents as required in the contract
Monthly Progress Payment	1. Interim Payment Certificate or summary of work progress with construction covering period indicated 2. Contractor's invoice or claim
Consulting Services	
Advance Payment	1. Consultant's invoice or claim 2. Contract Terms and Conditions which refer to payment of advance.
Monthly Progress Payment	1. Consultant's invoice or claim with breakdown of amount due for payment and covering period indicated.
Payment of Goods	1. Supplier's invoice or claim 2. Bill of lading or delivery receipts

COMMITMENT PROCEDURE

Issuance of Commitment Letter	1. Refer to Section 8.4 of the Loan Disbursement Handbook. 2. Supporting Letter of Credit (LC) should indicate the ffg: irrevocable, non-transferrable, port/country of origin and entry must be ADB member country, negotiating/advising bank*, shipment and expiry dates are within loan closing date, and the applicable ADB clause under Sections 8.22 or 8.23 of the Handbook. *Indicating 'any bank by negotiation' is not acceptable.
Commitment Letter Amendment	1. Refer to Sections 8.13 to 8.19 of the Handbook.

REIMBURSEMENT PROCEDURE

With full supporting documentation	1. All supporting documents required under the direct payment procedure 2. Evidence or receipt of payment showing the amount paid, the date of receipt, and the Payee
Without full supporting documentation	
Statement of Expenditures (SOE)	1. SOE
Force Account Works (FAW)	1. Physical progress certificate (Part I Certificate for Force Account Works) 2. Financial progress certificate (Part II Certificate for Force Account Works)
Subloan Approval and Withdrawal (SAW)	1. List of subloans approved within six months

IMPREST FUND PROCEDURE

Initial Imprest Account (I/A) Advance	1. Cost estimate should be based on approved contracts and confirmed expenditures with disbursement period indicated.
Replenishment of I/A	
First Generation I/A (FGIA) only - no sub-imprest accounts	1. Detailed Imprest Account Reconciliation Statement (IARS) 2. Complete details (i.e., description of payment, date paid, to whom paid) of expenditures withdrawn from I/A but not yet replenished should be provided. 3. Current bank account statement
With Second Generation I/A (SGIA) - with sub-imprest accounts	1. Detailed IARS for FGIA and each of the SGIA. 2. Current bank statement for both the FGIA and each of the SGIA. 3. Complete details (i.e. description of payment, date paid, to whom paid) of expenditures withdrawn from I/A but not yet replenished should be provided for both FGIA and each of the SGIA's.
Expenses exceeding SOE ceiling	1. Proof of payment or official receipt of payment 2. Invoice claim or billing statement 3. Basic documents required for replenishment of I/A also applies
Increase in I/A Advance	1. Formal Letter of Request with cost estimate of confirmed expenditures and disbursement period indicated. NOTE: WA is to be submitted only if request has been approved.

OTHERS:

1. All supporting documents should be in the English language. If these are in local language English translations should be submitted.
2. Invoice claim or billing statement should have complete payment instruction (i.e. bank name, branch, bank address, account number and payee's bank SWIFT/BIC code).
3. For payments in EURO currency, Payee's bank account no. in IBAN (International Bank Account Number) format should be indicated.
4. Make sure correspondent bank is indicated if Payee's bank is not located in the country of currency for payment.
5. If possible, make sure to indicate the chargeable ADB PCSS number/s in the Summary Sheet and SOE Sheet.
6. Indicate contact details of the person handling the project (i.e., fax no., email address and telephone no.) in the Summary or SOE sheet.

IMPORTANT NOTE:

Supporting documents listed are required aside from the standard ADB forms (i.e. WA, Summary Sheet, SOE sheet and IARS). Additional supporting documents may be required depending on the transaction involved. ADB will return WA which do not meet the requirements.

ELIGIBLE AND INELIGIBLE EXPENDITURES

ADB revised its policy on eligibility of expenditures on 25 August 2005 and became effective following the issuance of Staff Instructions on 15 March 2006. These are only applicable to new loans approved after the revision, subject to conditions in the Report and Recommendation to the President (RRP) and Project/Loan Agreement.

Pre-Revision of Policy on Eligibility of Expenditures	Post-Revision of Policy on Eligibility of Expenditures
<p>ELIGIBLE EXPENDITURES:</p> <ul style="list-style-type: none"> • direct foreign currency costs of the Project, including interest and other charges during construction and cost of freight and insurance of imported goods incurred in foreign currency; • indirect foreign currency costs of the Project (cost of the import component of goods and services purchased from domestic suppliers or contractors). The three types of purchase covered are: <ul style="list-style-type: none"> - off-the-shelf, involving imported goods; - locally manufactured goods with imported components; and - works which may include components under the above two types, and • local currency expenditures under local cost financing arrangement (expenditures incurred in the currency of the member in whose territory the project is to be carried out for goods purchased in, and services supplied from, the territory of such member, excluding however, expenditure on the import content of such goods and services). <p>INELIGIBLE EXPENDITURES:</p> <ul style="list-style-type: none"> • Customs duties and other taxes on imported goods • Taxes – sales tax, value-added tax, or any other levied by the Borrower • Land costs – costs of land acquisition and cost of right-of-way • Insurance premium – premium paid in local currencies or self-insurance, unless provided for in the Loan Agreement • Working capital other than incremental and initial working capital • Interest charges (including bank charges) other than those on ADB loans • Expenditures not directly connected to the ADB-financed Projects 	<p>There is no longer a distinction between foreign and local currency costs for purposes of ADB financing and disbursement.</p> <p>The following expenditures are no longer ineligible for ADB financing:</p> <ul style="list-style-type: none"> • land acquisition and payments for rights-of way • taxes and duties • local transport, freight and insurance • late payment penalties • recurrent costs • food expenditures • severance pay • interest during construction on co-financing • resettlement expenses • bank charges • secondhand goods, and • leases



Asian Development Bank

Memorandum

Resident/Regional Mission
(Please type exact address here)

Date:

To: Financial Control Specialist, CTLA

From: Project Specialist, Resident/Regional Mission ¹Subject: **Disbursement Review by Resident/Regional Mission****Loan Details:**

Loan No. _____ Withdrawal Application No. _____

Currency and Amount Request: _____ Payment Procedure _____

Documents Reviewed:

Direct Payment	<input type="checkbox"/>		
Imprest Account	<input type="checkbox"/>	Commitment Letter	<input type="checkbox"/>
Initial Advance	<input type="checkbox"/>	Reimbursement	<input type="checkbox"/>
Replenishment	<input type="checkbox"/>	SOE	<input type="checkbox"/>
Final Liquidation	<input type="checkbox"/>	Force Account	<input type="checkbox"/>
Others	<input type="checkbox"/>	Simultaneous Subloan	<input type="checkbox"/>
		Approval	<input type="checkbox"/>

Recommendation:To pay Others _____**Our review shows that:**

	Verified	
	Yes	No
A. Procurement Review		
Met ADB requirements for:		
1. Contracts of US\$100,000 or less	<input type="checkbox"/>	<input type="checkbox"/>
2. Contracts above US\$100,000	<input type="checkbox"/>	<input type="checkbox"/>
3. Contracts sent to ADB	<input type="checkbox"/>	<input type="checkbox"/>
4. Procurement Contract Summary Sheets (PCSS) Issued	<input type="checkbox"/>	<input type="checkbox"/>
B. Disbursement		
Accuracy and correctness of:		
1. Specimen signature	<input type="checkbox"/>	<input type="checkbox"/>
2. Category and percentage of disbursement	<input type="checkbox"/>	<input type="checkbox"/>
3. Payment instructions	<input type="checkbox"/>	<input type="checkbox"/>
C. Other Details		
Accuracy and correctness of:		
1. Amount claimed	<input type="checkbox"/>	<input type="checkbox"/>
2. Beneficiary and its bank account number and correspondent bank	<input type="checkbox"/>	<input type="checkbox"/>
3. Completeness of supporting documents	<input type="checkbox"/>	<input type="checkbox"/>
4. Imprest account/SOE and contract ceiling	<input type="checkbox"/>	<input type="checkbox"/>
5. Withdrawal application ceiling	<input type="checkbox"/>	<input type="checkbox"/>
D. Comments		

¹ May be issued by the Resident / Regional Mission Control Officer who is responsible for carrying out the review of withdrawal application.

ADB GUIDELINES FOR PROCESSING WITHDRAWAL APPLICATIONS

A. OBJECTIVES

1. To determine eligibility of expenditures to be financed by ADB
2. To ensure completeness of supporting documents under the claim
3. To verify the claim's accuracy
4. To note any exceptions for further review and consideration

B. STEPS FOR PROCESSING

1. Direct Payment and Reimbursement Procedures

- a. Verify the authenticity of the authorized signature on the applications and summary sheet(s). Confirmation, i.e., by fax, email, telex or SWIFT, is to be obtained from the Borrower in case inconsistencies are noted.
- b. Examine the completeness of supporting documents submitted such as the
 - purchase order or contract,
 - invoice,
 - bill of lading or delivery receipt, and
 - evidence of payment (for reimbursement procedures).
- c. Determine whether a procurement contract summary sheet (PCSS) or procurement contract update sheet (PCUS) was issued. If not, request the Sector division concerned to
 - examine the completeness and accuracy of the information recorded;
 - verify the percentage of ADB financing against the Loan Agreement, appraisal report, or other subsequent official documents and agreements; and
 - verify the accuracy of computations.
- d. Compare the percentage of ADB financing from PCSS or PCUS to loan profile against the withdrawal application. Note and explain any exceptions.
- e. Verify the eligibility of expenditures as approved by ADB against the Loan Agreement, subsequent agreements, or board paper, if any. Note that
 - income taxes for civil works are excluded if ADB finances 100 percent;
 - refer to Schedule 3 of the Loan Agreement for ADB financing for goods; and
 - the nature of expenditures for consulting services are provided in the contract.

Exceptions are to be confirmed and approved by the sector division.

- f. During the processing stages, examine the contract ledger and status of the loan to ensure
 - the contract ledger
 - has sufficient balance for withdrawal within the undisbursed loan balance; and
 - no previous disbursement was made for the same item(s) or claim.
 - the loan status
 - expenditure is incurred before the loan closing date.
- g. Prepare necessary working papers for detailed payment by categories or by batch.
- h. Prepare the payment voucher.

2. Commitment Letter (CL) Applications

- a. Verify the authorized signature for authenticity.
- b. Examine the completeness of supporting documents.
- c. Determine the existence of PCSS/PCUS as in step 1.c above.
- d. Examine the Letter of Credit (LC) for any restrictions or prohibitions against ADB member countries or procurement guidelines.
- e. Note any exceptions incorporated in the LC terms. LC shipping date and expiry date must not be beyond the loan closing date.
- f. Obtain the uncommitted loan balance and verify the availability of funds.
- g. Check if there is bilateral key exchange (BKE) arrangement with negotiating/advising bank, and request Treasury Services Division (TDTS) to arrange one, if none.
- h. Prepare the CL.

3. Condiment Claim

- a. By telex - verify if the telex is tested.
By SWIFT - verify if the message is authenticated.

- b. Obtain the CL ledger and verify the expiry date against the payment date.
- c. Examine the CL ledger to ensure that the available balance is sufficient and that no previous disbursement was made for the same item of expenditure.
- d. Verify the terms of payment for any exceptions.
- e. Ensure that the tested telex or authenticated SWIFT message indicates the words “(i) LC terms have been fully complied with; (ii) documents were presented within the original expiry date or expiry date as extended; and (iii) discrepancies, if any, have been referred to and accepted by the LC issuing bank” or the word “Condiment”. Advise the negotiating bank by telex or SWIFT if it is not mentioned clearly in the telex or SWIFT message.
- f. Prepare the payment voucher.

4. Statement of Expenditures (SOE)

- a. In addition to steps 1.a to 1.g above, ensure that the SOE is authorized by ADB under the loan.
- b. Record the disbursement in the list of disbursements under SOE procedures for future detailed examination by missions.

5. Imprest Fund

- a. In addition to steps 1.a to 1.g above, ensure that the Imprest Fund is authorized by ADB under the loan.
- b. Determine whether the expenditures are eligible for liquidation or replenishment in consultation with the regional department.
- c. Verify the application against previous disbursement to determine whether liquidation is possible.
- d. Note any exception and extraordinary items for further review.

NARRATIVE PROCEDURES FOR DIRECT PAYMENT PROCEDURE

Responsible Person / Unit	Activity
Borrower	<ul style="list-style-type: none"> • completes the withdrawal application using form ADB-DRP/RMP (<i>Appendix 5</i>) for each payment in different currency; • completes the corresponding Summary Sheet using form ADB-DRP/RMP/IFP-SS (<i>Appendix 8</i>) using a separate form for each category or subcategory; • attaches the contract or confirmed purchase order (PO) indicating the amount and due date; and • attaches the supporting documents to each withdrawal application.
ADB	<ul style="list-style-type: none"> • receives the accomplished ADB-DRP/RMP, ADB-DRP-SS, and related supporting documents.

ADB COMMITMENT LETTER

ASIAN DEVELOPMENT BANK
 No. 6 ADB Avenue, Mandaluyong City
 1550 Metro Manila, Philippines
 SWIFT BIC: ASDBPHMM
 Telex No. 42205 ADB PM (ITT)
 Facsimile (632) 636 2606

Commitment Letter No.	:	_____
Date	:	_____
Letter of Credit No.	:	_____
Loan No.	:	_____
Subloan No.	:	_____
ADB Contract No.	:	_____
Loan Category Reference No.	:	_____

(LC Negotiating or Advising Bank)

Sir/Madam:

1. We transmit herewith copy of Letter of Credit (LC) which we understand you are prepared to advise, negotiate or confirm in favor of _____ in the amount of _____ (equivalent to US dollar/Special Drawing Rights (SDR)) expiring on _____.

2. In consideration of your acceptance hereof as provided below, we hereby agree to
 - (a) reimburse you for any payment made to or on the order of the beneficiary under and in accordance with the terms of the LC, or
 - (b) pay to you amounts that have become due to the beneficiary under and in accordance with the LC terms in which case you agree to make prompt payment to or on the order of the beneficiary upon receipt of our remittance.

Payment shall be made by us promptly after receipt by us of written request thereof as hereinafter provided.

3. This Commitment Letter is issued under an Asian Development Bank Loan Agreement and is subject to the following terms and conditions.
 - (a) You will advise, negotiate or confirm the LC on receipt of this letter.
 - (b) Amendments to the LC involving the terms of payment including currency and amount; description or quantity of goods, beneficiary, country of origin, and extension of the expiry date of the LC beyond (loan closing date) will not be effective unless and until you receive our written approval thereof.
 - (c) We shall not be obligated to pay you unless an authenticated SWIFT message or tested telex message in accordance with the form printed on the back hereof shall have been received by us. Our obligation under this Commitment Letter shall be terminated on the date stated in para. 3(b) above, unless otherwise agreed to by us.
 - (d) In case there is any discrepancy between the terms of the LC and the shipping or other documents submitted by the beneficiary under the LC, you will obtain authorization to make payments, despite such discrepancy, from the LC issuing bank and inform us of such authorization.

ADB COMMITMENT LETTER *continued*

- (e) We shall not be obligated to you in respect of interest, commission, expenses or other charges in connection with the LC.
 - (f) You agree that upon cancellation in whole or in part, expiration or final payment of the LC, you will advise us promptly thereof including the amount of unused balance thereunder, if any.
 - (g) Since our Loan is denominated in US\$/SDR, we have valued the US\$/SDR equivalent of this commitment as indicated above, on the basis of currency translation rate as determined by us. In the event of this US\$/SDR equivalent being exceeded at the time of our payment, on account of a change in such translation rate through a currency purchase transaction, we will suitably increase the above specified US\$/SDR equivalent if we can absorb the increase involved from within the amount of the Loan then available for such purpose. However, if we are unable to so accommodate such increase wholly or partly, our payment to you under this commitment will be limited to such amount of the currency of the LC as we can accommodate in terms of its US\$/SDR equivalent and you may have to arrange with said Borrower for payment of the remaining balance, if any. Our Borrower will arrange to make such payment promptly to you after receipt of our notification.
4. Your first request for payment shall constitute your acceptance of this Commitment Letter including all the terms and conditions set forth in this letter and attachment as evidenced by the copy of this agreement on our files.

Yours sincerely,

ASIAN DEVELOPMENT BANK

By: 1. _____

2. _____
(Authorized Signatories)

**ADB PAYMENT OR REIMBURSEMENT
AND OTHER INSTRUCTIONS**
(This forms an integral part of the Commitment Letter)

Format of Claim

1. We will accept your request(s) for payment by an authenticated SWIFT or a tested telex message submitted in the following form: (Please use only these three telex numbers: 29066 ADB PH, 42205 ADB PM, or 63587 ADB PN)

TEST No. (For the currency and amount claimed) (not required for SWIFT messages)

Condiment: (currency and amount of claim)

LC No.:

ADB CL No.:

Payment Instructions:

Reference No.:

LC Expiry Date:

LC Balance: will be utilized/canceled.

Discrepant documents, if applicable, accepted by:

Other Instructions or Remarks:

The word "Condiment" in the above cable form shall represent your certification that

- (a) payment has been made, or is due and will be promptly made to the beneficiary under and in full compliance, with the terms and conditions of the said Letter of Credit (LC) and amendments, if any, appropriately approved;
- (b) documents were presented within the original expiry date or expiry date as extended;
- (c) discrepancy(ies) in documents have been referred to and accepted by LC issuing bank.

Written confirmation of SWIFT or telex claim is not required.

- 2. We shall entertain claims for payment or reimbursement received directly from the LC advising bank or the LC negotiating bank named in the LC and to whom this Commitment Letter has been issued. All other commercial banks are required to course their claims through the said bank.
- 3.
 - (a) To assist us in making a prompt payment, your SWIFT or cable or telex should always mentioned the word "Condiment" whenever all three conditions stated in para. 1 above are met.
 - (b) Although a telex is acceptable, it is preferable for you to use SWIFT to facilitate faster processing.
 - (c) As for the test number to be assigned in the telex request, the test key arrangement existing between us should be used. Where there is no SWIFT authenticator key or a test key arrangement presently in existence, we are arranging an exchange with you of SWIFT Authenticator and Test Keys under separate cover. We shall not entertain an authentication on the basis of your test key arrangement with another bank in the Philippines, as this entails additional cost and delay unless our test key arrangement has not been forwarded to you on time.
- 4. The payment instructions in your claim should indicate your correspondent bank in the country of the currency of the LC with whom you maintain a depository account.
- 5. Please do not include in the amount to be claimed for payment, any interest, commission, expenses or any other banking charges in connection with the LC (see para. 3(e) of the Commitment Letter).

Discrepancy in Documents

- 6. We will not be in a position to accept a letter of indemnity covering any discrepancy(ies) between the shipping documents and the terms of the LC. In such cases, discrepancy(ies) should be referred to the LC opening bank for its authorization for payment before your request for reimbursement is submitted to us. Existence of such authorization for payment should be clearly indicated in your reimbursement claim. This should also apply to LC negotiations after LC expiry date.
- 7. With respect to para. 3(b) of the Commitment Letter, the date up to which the shipping and expiry dates can be extended without our approval, is the last day of the Borrower's right to withdraw from the Loan Account including final payment of retention money, if any. Any extension beyond this date should be approved by ADB. This date may be extended by agreement between ADB and the Borrower, in which case you will be informed accordingly.

**APPLICATION FOR APPROVAL OF AMENDMENT OF
LETTER OF CREDIT**

Date : _____
 ADB Loan No. : _____
 Letter of Credit : _____
 Commitment Letter No. : _____

To: Asian Development Bank
 No. 6 ADB Avenue, Mandaluyong City
 1550 Metro Manila, Philippines

ATTENTION: Loan Administration Division, Controller's Department (CTLA)

Dear Sir:

Application for Approval of Amendment of Letter of Credit

We request your written approval for a proposed amendment of (date) under Letter of Credit (number) covered by ADB Commitment Letter (number). A copy of the proposed amendment is attached.

We consider the proposed amendment necessary and reasonable and therefore request that you advise the commercial bank of your approval of the amendment.

 (Name of Borrower)

By: _____
 (Signature of Authorized Representative)

 (Printed Name / Position /
 Title of Authorized Representative)

APPROVAL OF AMENDMENT OF LETTER OF CREDIT

Date : _____
ADB Loan No. : _____
Letter of Credit No. : _____
Commitment Letter No. : _____

(Name of commercial bank)

(address)

Dear Sir/Madam:

Approval of Amendment of Letter of Credit

We approve of the proposed amendment of (date) under Letter of Credit (number), in accordance with the copy of the attached amendment,

Sincerely yours,

ASIAN DEVELOPMENT BANK

(Authorized Signatories)

**BORROWER'S ADVICE OF EXTENSION OF LETTER
OF CREDIT EXPIRY AND SHIPPING DATES**

Date : _____
 ADB Loan No. : _____
 Letter of Credit : _____
 Commitment Letter No. : _____

To: Asian Development Bank
 No. 6 ADB Avenue, Mandaluyong City
 1550 Metro Manila, Philippines

ATTENTION: Loan Administration Division, Controller's Department (CTLA)

Dear Sir:

The expiry date and shipping date(s) of Letter of Credit (number) covered by ADB Commitment Letter (number) have been extended as in the attached copy of the amendment.

We certify that the expiry date and shipping date(s), as extended, fall within the loan closing date. The amendment has been agreed to by the LC issuing bank.

 (Name of Borrower)

By: _____
 (Signature of Authorized Representative)

 (Printed Name / Position /
 Title of Authorized Representative)

NARRATIVE PROCEDURES FOR THE REIMBURSEMENT PROCEDURE

Responsible Person or Unit	Activity
Borrower	<p>For All Reimbursement Procedures</p> <ul style="list-style-type: none"> • completes the withdrawal application on form ADB-DRP/RMP (<i>see Appendix 5</i>). <p>For Reimbursement with Documentation</p> <ul style="list-style-type: none"> • completes the corresponding Summary Sheet using form ADB-RMP-SS (<i>see Appendix 8</i>); • attaches the contract or confirmed purchase order indicating the amount and due date, if not yet submitted to ADB; • attaches a copy of invoice, bill, or claim and delivery receipt; and • attaches a copy of the receipt or evidence of payment. <p>For Statement of Expenditures (SOE)</p> <ul style="list-style-type: none"> • completes and signs the appropriate SOE form. The four forms are the <ul style="list-style-type: none"> • SOE form, mostly related to civil works for contracts of US\$100,000 and below (<i>see Appendix 22</i>); • SOE form for contracts over US\$100,000 (<i>see Appendix 23</i>); • SOE form for noncontracts items, mostly related to operating and overhead expenses (<i>see Appendix 24</i>); and • SOE form (free format) for items not provided in the other SOE forms (<i>see Appendix 25</i>).
Borrower	<p>For Force Account Works</p> <ul style="list-style-type: none"> • completes the corresponding Summary Sheet using form ADB-RMP-SS (<i>see Appendix 8</i>); • attaches signed certificates parts 1 and 2 (<i>see Appendix 26</i>) to the signed withdrawal application and Summary Sheet(s); and • completes the physical progress by project activities (PPPA) form (<i>see Appendix 27</i>) to support part 1 of the certificate. <p>For Subloan Approval and Withdrawal (SAW)</p> <ul style="list-style-type: none"> • completes the corresponding Summary Sheet for SAW (<i>see Appendix 28</i>).
ADB	<p>For All Reimbursement Procedures</p> <ul style="list-style-type: none"> • receives the completed forms and related documentation.

CERTIFICATE (PART I) FOR FORCE ACCOUNT WORKS
ADB Loan No.:

Date : _____

It is certified that as of _____ (date) _____ the cumulative progress on the work relating to _____ was _____ %.

Signature: _____
 Name: _____
 Title or Designation*: _____
 Executing Agency: _____

* Should be Project Consultant or Project Engineer or Authorized Representative of Executing Agency or Implementing Agency.

CERTIFICATE (PART II) FOR FORCE ACCOUNT WORKS
ADB Loan No.

The amount of ADB loan allocated for financing this force account works is US\$ _____. On the basis of the percentage of work completed as certified in Part I above, the cumulative amount that could be withdrawn is US\$ _____. The amount of US\$ _____ has already been withdrawn under withdrawal applications up to and including application no. _____ and the balance of US\$ _____ is now requested to be withdrawn under application no. _____.

Amount calculated for financing this force account works	US\$ _____
Cumulative amount that could be withdrawn (percentage of work completed in Part I above)	_____
Less: Amount already withdrawn up to withdrawal application (latest application paid)	_____
Amount now requested for withdrawal (this application)	US\$ _____

By : _____
 (Signature of Authorized Representative[s])*

 (Printed Name / Position / Title of Authorized Representative[s])

* Person(s) authorized to sign withdrawal applications on behalf of the Borrower

PHYSICAL PROGRESS REPORT BY PROJECT ACTIVITIES UNDER FORCE ACCOUNT WORKS (in million US\$) For the Quarter Ending _____, 20____														
Asian Development Bank														
Loan No.:			Project Name:											
Particulars	Cost Estimate ^a (in million US\$)			Implementation Schedule							Time Elapsed (Col. 5/6)	Percentage (%) of Accomplishments		Remarks
	Foreign	Local	Total	Appl. Sched for Start-up	Date Started	Delay in Months (Col. 5-4)	Appraisal Sched for Completion	Target Date of Completion	Delay in Months (Col. 8-7)	Progress		Actual		
1	2	3	4	5	6	7	8	9	10	11	12	13		

a. This may be the original cost estimate as per the Appraisal Report or revised estimate as agreed to by ADB.

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> Simultaneous Application for Subloan Approval and Withdrawal (SAW) Summary Sheet </div> <div style="text-align: center;"> Asian Development Bank </div> </div>												
Subloan No.	Sub-Borrower	Industry Sector/ ISIC Code	Nature of Enterprise/ Location	Project Description	Subloan Purpose ^a	Project Cost	Loans Approved Total FG ^b	Claim %	Sub-loan Amount	Date Paid	Country of Origin	Remarks ^c
1	2	3	4	5	6	7	8	9	10	11	12	13
ISIC - International Standard Industrial Classification Code Notes: a Please indicate whether the project is new (N) or involves expansion (E), balancing (B), modernization (M), and replacement (R). b Should relate to item 6. c Specify maturity (grace period), interest rate, security taken, and any other relevant data.												

IMPREST ACCOUNT RECONCILIATION STATEMENT (IARS)
LOAN/GRANT/NO. _____

Application Number _____ With (Bank) _____
 Account Number _____ Bank Address _____

1	PRESENT OUTSTANDING AMOUNT ADVANCED TO THE IMPREST ACCOUNT NOT YET RECOVERED	US\$	X,XXX,XXX.XX
2	BALANCE of Imprest account as of _____ per bank statement (copy attached)	US\$	XXX, XXX.XX
3	ADD: Amount of eligible expenditures claimed in attached application (WA no. _____)	US\$	XXX, XXX.XX
4	ADD: Amount claimed in previous applications not yet credited at date of bank statement	US\$	XXX, XXX.XX
	<u>Withdrawal Application No.</u>		
	XXXXX	US\$	XXX, XXX.XX
	XXXXX	US\$	XXX, XXX.XX
	XXXXX	US\$	XXX, XXX.XX
5	TOTAL expenditures withdrawn from Imprest account but not yet claimed for replenishment		
	a. Second Generation Imprest Accounts (SGIA) ¹		
	a.1 Total SGIA balance accounted for PIU#1 _____	US\$	XXX, XXX.XX
	a.2 Total SGIA balance accounted for PIU#2 _____	US\$	XXX, XXX.XX
	a.3 Total SGIA balance accounted for PIU#3 _____	US\$	XXX, XXX.XX
	a.4 Total SGIA balance accounted for PIU#4 _____	US\$	XXX, XXX.XX
	a.5 Total SGIA balance accounted for PIU#5 _____	US\$	<u>XXX, XXX.XX</u>
	Total SGIA balances accounted for	US\$	XXX, XXX.XX
	b. Transfer in transit	US\$	XXX, XXX.XX
	c. Petty cash balance	US\$	XXX, XXX.XX
	d. Unliquidated expenses (itemize expenses)	US\$	XXX, XXX.XX
	e. Others (Please specify)	US\$	<u>XXX, XXX.XX</u>
		US\$	XXX, XXX.XX
6	TOTAL ADVANCE ACCOUNTED FOR	US\$	X,XXX,XXX.XX

Explanation of any discrepancy between totals appearing in lines 1 and 6 above (e.g., earned interest credited to the account, bank charges, etc.):

 Authorized Representative

¹ List all existing SGIA's with corresponding amount advanced. Attach latest Second Generation Imprest Account Reconciliation Statements (SGIARS) and bank statements.

Asian Development Bank



LIQUIDATION OF ADVANCE

Date _____

ADB Loan No. _____

To: Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Application No. _____

--	--	--	--	--

Attention: Loan Administration Division, Controller's Department (CTLA)

Attached are the Summary Sheets and the supporting documents (if any) for expenditures in the sum of:

Currency	Amount (in figure)	Amount (in words)

incurred under the Loan Agreement of the Asian Development Bank. Please liquidate against previous advance(s).

Description of Goods and Services:		
Category	Description	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	_____	_____

Note: Separate Summary Sheet should be used for each category.

Name of Borrower

Signature of Authorized Representative(s)

Printed Name/Position/Title of Authorized Representative(s)

EXAMPLE OF A COMFORT LETTER FOR AN IMPREST ACCOUNT

(Letterhead of Depository Bank Issuing the Comfort Letter)

Date

To: Asian Development Bank
No. 6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

ATTENTION: Loan Administration Division, Controller's Department (CTLA)

Dear Sir/Madam:

We refer to the procedure of the Asian Development Bank (ADB) for disbursement of loans for ADB investment projects and program loans through advances to special deposit or imprest accounts opened by ADB Borrowers or other beneficiaries of such loans.

It is our understanding that, in furtherance of the provision in ADB's Articles of Agreement designed to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, ADB provides in its loan agreements and supplementary disbursement documents that ADB must approve of the placement of funds in such accounts and of the terms and conditions thereof.

From time to time, (name of depository bank) opens accounts, of the nature described above, for or at the request of ADB member Borrowers or their central banks or other Borrower of beneficiary entities. Recognizing that ADB has an interest in safeguarding the use of such funds for the purposes of projects and programs, we are pleased to confirm that (name of depository bank) will not assert any claim to projects and programs and will not assert any claim to set off, seize or attach amounts on deposit in such accounts to satisfy amounts due to (name of depository bank) except only to the extent necessary to protect its position in such instances where a third party takes steps to attach such funds. In the event that a third party has attached funds in any such account, (name of depository bank) will inform ADB immediately of such attachment and will cooperate, as appropriate, with ADB in its efforts to seek the removal of such attachment(s).

We understand that this representation will be relied upon by ADB in approving future account arrangements and the placement of funds advanced thereto.

Yours sincerely,

Authorized Officer, Head Office
(Name of Depository Bank)

Note: A single letter from the head office of a commercial bank covers Imprest Accounts opened by any Borrower at all branches of that bank.

**SECOND GENERATION IMPREST ACCOUNT
RECONCILIATION STATEMENT (SGIARS)**

LOAN/GRANT NO. _____

Project Implementation Unit: _____
Account Number _____

With (Bank) _____
Bank Address _____

1	PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SGIA NOT YET RECOVERED¹	LC	X,XXX,XXX	US\$	XXX,XXX.XX												
2	BALANCE of Imprest account as of _____ per bank statement (copy attached)	LC	X,XXX,XXX	US\$	XXX,XXX.XX												
3	ADD: Amounts submitted for PIU for liquidation but not yet replenished at date of bank statement	LC	X,XXX,XXX	US\$	XXX,XXX.XX												
	<table border="1"> <thead> <tr> <th><u>Date</u></th> <th><u>Reference</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>dd/mmm/yyyy</td> <td>xxxxx</td> <td>xxxxx</td> </tr> <tr> <td>dd/mmm/yyyy</td> <td>xxxxx</td> <td>xxxxx</td> </tr> <tr> <td>dd/mmm/yyyy</td> <td>xxxxx</td> <td>xxxxx</td> </tr> </tbody> </table>	<u>Date</u>	<u>Reference</u>	<u>Amount</u>	dd/mmm/yyyy	xxxxx	xxxxx	dd/mmm/yyyy	xxxxx	xxxxx	dd/mmm/yyyy	xxxxx	xxxxx				
<u>Date</u>	<u>Reference</u>	<u>Amount</u>															
dd/mmm/yyyy	xxxxx	xxxxx															
dd/mmm/yyyy	xxxxx	xxxxx															
dd/mmm/yyyy	xxxxx	xxxxx															
4	ADD: Petty Cash balance at date	LC	X,XXX,XXX	US\$	XXX,XXX.XX												
5	UNLIQUIDATED EXPENSES- expenditures withdrawn from SGIA but not yet claimed for replenishment (Itemize expenses)	LC	X,XXX,XXX	US\$	XXX,XXX.XX												
	5.1 _____																
	5.2 _____																
	5.3 _____																
	5.4 _____																
6	TOTAL ADVANCE ACCOUNTED FOR	LC	X,XXX,XXX	USD	XXX,XXX.XX												

Explanation of any discrepancy between totals appearing in lines 1 and 6 above (e.g., earned interest credited to the account, bank charges, etc.):

Authorized Representative

NOTE:

If SGIA is maintained in local currency, please indicate exchange rates used at the time of advance/replenishment from the main Imprest Account.

¹ Total amount advanced should tally with amount shown in item no. 5 (a) of the main Imprest Account Reconciliation Statement (IARS).

NARRATIVE PROCEDURES FOR IMPREST FUND PROCEDURE

Responsible Person / Unit	Activity
A. ADB's Initial Advance to the Imprest Account	
Borrower ADB	<ul style="list-style-type: none"> • completes the withdrawal application for imprest fund (<i>see Appendix 7</i>) and an estimate of expenditure sheet using form ADB-IFP-EES (<i>see Appendix 29</i>). • receives the completed forms and disburse the initial 6-month advance for deposit to the Borrower's imprest account.
B. Liquidation or Replenishment of the Imprest Account	
Borrower ADB Borrower	<ul style="list-style-type: none"> • completes the withdrawal application for imprest fund (<i>see Appendix 7</i>) and the applicable Summary Sheet using form ADB-IFP-SS or SOE (<i>see Appendixes 8 or 22-25</i>) to replenish the account as frequently as possible provided the amount of the application reaches the minimum ceiling of US\$100,000; and • prepares the necessary imprest account reconciliation statement (<i>see Appendixes 30 and 33</i>) and attaches the bank statement(s). • receives the completed forms and disburses the value of eligible expenditures for replenishment of the account balance; and • disallows any unjustified or ineligible payment. • refunds the disallowed amount to the imprest account.
C. Final Liquidation or Recovery of Advances	
Borrower ADB Borrower	<ul style="list-style-type: none"> • completes the liquidation of advance form (<i>see Appendix 31</i>) and the applicable Summary Sheet or SOE; and • prepares the imprest account reconciliation statements (<i>see Appendixes 30 and 33</i>) and attaches the bank statement(s). • receives the completed forms and deducts the amount of expenditures incurred from the outstanding balances of advances until the imprest account reaches a zero balance; and • requests the Borrower to refund the unliquidated balance if the account still has unliquidated advance after the loan closing date. • refunds promptly to the loan account any amount that remains outstanding in the imprest account after the loan closing date, as specified in the Loan Agreement.

Note: Incidental interest earned in EA's imprest account shall be used for the project expenditures only.

PROGRAM LOAN DISBURSEMENT

(Format of Support Document Attached to a Withdrawal Application)

MINISTRY OF FINANCE
(Name of Borrower)

(Date)

CERTIFICATE

This Certificate is issued in support of the withdrawal application by _____
(Name of Borrower) dated _____ for the amount of _____
million under the Loan Agreement dated _____ between the _____
(Name of Borrower) and the Asian Development Bank for _____
(Loan No. and Program Name). I hereby confirm that :

- (i) The value of the Eligible Imports, as defined in the Loan Agreement from _____ to _____ is equal to, or greater than, the amount of requested withdrawal under the Loan Agreement; and,
- (ii) The requested withdrawal will be used to finance Eligible Items procured in accordance with the provisions of the Loan Agreement.

(Signature Authorized Representative
of the Borrower)

(Printed Name / Position /
Title of Authorized Representative)

FORM OF CERTIFICATE OF INCUMBENCY AND AUTHORITY

[Borrower Company's Letterhead]

[Date]

Asian Development Bank
No. 6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: [Assistant Controller, Loan Administration Division]

Dear Sir/Madam:

ADB Investment No. []
Certificate of Incumbency and Authority No. []

With reference to the Loan Agreement between us dated [] (the "Loan Agreement"), I, the undersigned [Chairman/Director] of [Borrower Company's Name], (the "Company"), duly authorized to do so, hereby certify that the following are the names, offices and true specimen signatures of the persons [each / any two] of whom are, and will continue to be authorized:

- (a) to sign on behalf of the Company requests for the disbursement of funds provided for in [clause/section] of the Loan Agreement;
- (b) to sign the certifications provided for in [clause/section] of the Loan Agreement; and
- (c) to take any other action required or permitted to be taken, done, signed or executed by or on behalf of the Company under the Loan Agreement or any other agreement to which ADB, [company and/or other parties involved] may be parties.

Name	Office/Designation	Specimen Signature

You may assume that any such person continues to be so authorized until you receive an authorized written notice from the Company [Borrower] that they, or any of them, is no longer so authorized.

Yours faithfully,

NAME OF COMPANY

By:

[Chairman/Director]

WITHDRAWAL APPLICATION FOR PRIVATE SECTOR LOAN

(Letterhead of the Company)

Date _____

Asian Development Bank
No. 6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

ATTENTION: Director, Private Sector Operations Division

Sir/Madam:

Private Sector Loan No. _____

Application for Withdrawal No. _____

1. Please refer to the Loan Agreement (the Investment Agreement) dated _____ between Asian Development Bank (ADB) and _____ (the Company).
2. Expressions defined in the Loan Agreement shall bear the same meanings herein.
3. The Company hereby requests the withdrawal from the Company's Loan Account, on or before _____, of US\$ _____. You are requested to pay such amount to
 - a. Payee's name and Address
 - Payee's Name
 - Payee's Address
 - b. Name and Address of Payee's Bank and Account Number
 - Bank Name
 - Bank Address
 - Payee's Account No.
 - SWIFT Code
 - c. Correspondent Bank
 - Bank Name
 - Bank Address
 - Payee's Account No.
 - SWIFT Code
4. We attach a signed but undated receipt for the amount hereby requested to be withdrawn and hereby authorize ADB to date such receipt.
5. The Company hereby certifies that
 - a. the Conditions stated in _____ of the Loan Agreement have been fully met; and
 - b. the proceeds of the withdrawal hereby requested are needed immediately by the Company for the purposes of the Project as follows: (state purpose for which withdrawal is needed).

6. The certifications in para. 5 above are effective as of the date of this request for withdrawal and will continue to be effective as of the date of any withdrawal made pursuant to this application. If any of these certifications is no longer valid as of or prior to the date of the withdrawal, or withdrawals, hereby requested, the Company will immediately notify ADB and will repay the amount withdrawn upon demand by ADB if withdrawal is made prior to the receipt of such notice.

Yours faithfully,

NAME OF COMPANY

By: _____
(Signature of Authorized
Representative[s])

(Printed Name / Position /
Title of Authorized
Representative[s])

(Letterhead of Borrower)

DISBURSEMENT RECEIPT FORM

To: Asian Development Bank
No. 6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Trade Finance Facilitation Program (TFFP) Team,
Private Sector Operations Division (PSOP)

Withdrawal Receipt No. _____¹

We, [Name of Borrower] (the “Borrower”), hereby acknowledge receipt of the sum of US\$ _____ disbursed to us on _____² (value date) by the Asian Development Bank (ADB) under the Facility provided for in the _____ [Revolving Credit/Loan] Agreement dated _____ signed between ADB and the Borrower, as may be amended from time to time.

Yours faithfully,

[Name of Borrower]

By : (Signature of Authorized Representative[s])

Printed Name / Position / Title of Authorized Representative(s)

¹ Each receipt must be numbered in series, the number corresponding to the number in the heading of the relevant Disbursement Request.

² Please leave the space for the valuation date blank. ADB will insert the date.

PROMISSORY NOTE

(To Be Used in Conjunction with Complementary Loan)

For value received, _____ (name of company) (the "Borrower") unconditionally promises to pay to or to the order of Asian Development Bank at _____ (ADB depository bank) _____, _____ (ADB account no.) _____, the principal sum of _____ (US\$ equivalent of amount requested in words and in figures) _____, in lawful currency of the United States of America, in installments as provided below, and to pay interest in like currency on any and all amounts remaining unpaid from the date hereof until paid in full at the rates and the manner and calculated in accordance with the provisions of the Loan Agreement dated _____ (the "Complementary Loan Agreement") between the Borrower and the Asian Development Bank.

The principal sum of this note shall be payable in _____ equal (or as nearly equal as possible) consecutive semiannual installments, payable on each Interest Payment Date. The first installment shall be due and payable on the first Interest Payment Date on _____ (date) _____, and the remaining _____ installments each shall be due and payable successively semiannually thereafter on _____ and _____ of each year provided that if any such date is not a banking day (as defined in the Complementary Loan Agreement) the relevant installment shall be due on the immediately preceding banking day.

This note is one of a series of notes issued pursuant to the terms of the Complementary Loan Agreement. It may be prepaid and payment may be accelerated as provided in the Complementary Loan Agreement. The Borrower hereby waives diligence, presentment, demand, protest and notice of any kind in the enforcement of this note.

The principal and interest on this note shall be payable without set-off or counterclaim and clear of, and without deduction for any present or future taxes, restrictions or conditions of any nature.

Date: _____

NAME OF COMPANY

By: _____
Signature of Authorized
Representative

Printed Name / Position / Title of
Authorized Representative

QUALIFIED COMMITMENT LETTER

(For Private Sector Operations only)

Qualified Commitment Letter No. : _____

Date : _____

Letter of Credit No. : _____

Loan No. : _____

NAME OF NEGOTIATING BANK

Complete Address

Sir/Madam:

1. We transmit herewith a copy of the Letter of Credit (LC) which we understand you are prepared to advise, negotiate or confirm in favor of _____ (complete name and address of beneficiary) _____ in the amount of _____ ***XX,XXX,XXX.00*** (equivalent to US dollars) _____ expiring on _____.

2. In consideration of your acceptance hereof as provided below, we hereby agree to
- (a) reimburse you for any payments made to or on the order of the beneficiary under and in accordance with the terms of the LC, or
 - (b) pay to you amounts _____ that have become due to the beneficiary under and in accordance with the LC in which case you agree to make prompt payment to or on the order of the beneficiary upon receipt of our remittance.

Payment shall be made by us promptly after receipt by us of a written request thereof as hereinafter provided.

3. This Commitment Letter is issued under an Asian Development Bank (ADB) Loan Agreement and is subject to the following terms and conditions.
- (a) You will advise, negotiate or confirm documents under the LC on receipt of this letter.
 - (b) Amendments to the LC involving the terms of payment including currency and amount; description or quantity of goods; beneficiary; country of origin; and extension of the expiry date of the LC beyond (Loan Closing Date) will not be effective unless and until you receive our written approval thereof.
 - (c) We shall not be obligated to pay you unless an authenticated SWIFT message or tested telex in accordance with the form attached hereto shall have been received by us. Our obligation under this Commitment Letter shall be terminated on the date stated in para. 3(b) above, unless otherwise agreed to by us.

- (d) In case there is any discrepancy between the terms of the LC and the shipping or other documents submitted by the beneficiary under the LC, you will obtain authorization from the LC issuing bank before making payment and inform us of such authorization.
 - (e) We shall not be obligated to you in respect of interest, commission, expenses or other charges in connection with the LC.
 - (f) You agree that upon cancellation in whole or in part, expiration or final payment of the LC, you will advise us promptly thereof including the amount of unused balance thereunder, if any.
 - (g) If the Company has not met the conditions precedent to each withdrawal of the loan proceeds in accordance with the Investment Agreement, ADB shall not be obligated to reimburse you for any payment made by you.
 - (h) If the right of the Company to make withdrawal under the Investment Agreement has been suspended or cancelled, ADB shall not be obligated to reimburse you for any payment made by you subsequent to the date of such suspension or cancellation, any provision in the Investment Agreement to the contrary notwithstanding, nor shall ADB be obligated to provide notice to you of such suspension or cancellation.
4. Your first request for payment shall constitute your acceptance of this Commitment Letter including all the terms and conditions set forth in this letter and attachment as evidenced by the copy of this agreement on our files.

Very truly yours,

ASIAN DEVELOPMENT BANK

By: 1. _____

2. _____
(Authorized Signatories)

Attachments: As stated

SUBLOAN SUMMARY REPORT

Date:

Disbursement No:

Subloan No:

Name and address of the Sub-Borrower:	
Industry and brief description of business:	
Ownership of the Sub-Borrower:	
Currency and amount of the Subloan in US dollars:	
Amount to be financed by the ADB Disbursement:	
Purpose of the Subloan (use of proceeds) including confirmation that proceeds will be used for procurement from ADB member countries as such countries are listed on the ADB website (www.adb.org) on the date of this report	
Subloan maturity and repayment schedule and Subloan disbursement date:	
Source of repayment (e.g., Sub-Borrower's net cash flow, sale of current assets, etc.):	
Interest rate:	
Collateral/Security:	
Risk rating assigned by the Borrower:	
Loan approving authority (e.g., Credit Committee, etc.):	
Confirmation of compliance with the Environmental Exclusion List, the Environment Policy, the Involuntary Resettlement Policy, the Indigenous Peoples Policy, and the Anticorruption Policy	

NOTICE OF UNPAID CLAIM - PART A

(For use when the Confirming Bank is not the beneficiary of the Eligible Instrument)

[To be delivered by authenticated SWIFT or tested telex and followed by hard copy (with enclosures) on letterhead of the Confirming Bank]

[Date]

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Trade Finance Facilitation Program Team
Private Sector Operations Department

Telex no.: []
SWIFT BIC: []

URGENT

Dear Sirs:

We refer to the letter of agreement dated [], between yourselves and ourselves (the “**Confirming Bank Agreement**”) and the ADB Guarantee No. [] for [amount and currency] issued by you in our favor on [date], (the “**ADB Guarantee**”). Terms defined in the Confirming Bank Agreement have the same meaning when used in this notice unless otherwise defined in this notice. This notice is furnished pursuant to the Confirming Bank Agreement and the ADB Guarantee. We hereby certify as follows:

(1) [The beneficiary of the Eligible Instrument reference no. [], the subject of the ADB Guarantee (the “**Eligible Instrument**”), duly presented conforming documents to us in accordance with the terms of such Eligible Instrument]. [The beneficiary of the Eligible Instrument reference no. [], the subject of the ADB Guarantee (the “**Eligible Instrument**”) presented documents which did not conform to the terms of that Eligible Instrument and notwithstanding such nonconformity (i) the Issuing Bank has taken up those documents and (ii) so far as we are aware, the Eligible Instrument specified below continues to satisfy all the conditions of an Eligible Instrument pursuant to the Confirming Bank Agreement]*.

(2) [Following presentation of conforming documents to us, we duly met our obligations to such beneficiary as a Confirming Bank under the Eligible Instrument because we were not aware of sufficient grounds to refuse to do so.] [Following the Issuing Bank’s agreement to take up those documents, we made payment to such beneficiary of the amount which, but for the nonconformity of those documents, was due from us as Confirming Bank under the Eligible Instrument.]*

* Delete as appropriate.

(3) The Issuing Bank has failed to reimburse us within 7 days of the date of our claim for reimbursement to the Issuing Bank for the full amount paid by us to the beneficiary pursuant to the Eligible Instrument.

(4) The Eligible Instrument complies with the terms specified in the ADB Guarantee and has not, without your prior written consent, been subject to a Material Amendment.

Following are the details of nonpayment upon due presentation of a valid reimbursement claim by the undersigned to the Issuing Bank for payment under an Eligible Instrument.

1. Eligible Instrument issue date:
2. Eligible Instrument expiry date:
3. Value date specified in relevant reimbursement claim:
4. Amount paid to beneficiary:
5. Amount received from Issuing Bank of which:
XXXX is cash collateral received prior to the confirmation of the Eligible Instrument by the Confirming Bank; and
XXXX is the amount in respect of interest, fees and other charges (if any) related to the Eligible Instrument)
6. Amount of Unpaid Claim:
7. Percentage cover:
8. ADB Claim Amount:

A copy of the Eligible Instrument under which this ADB Claim Amount has arisen together with copies of the documents presented under it are enclosed.

We hereby claim reimbursement of the ADB Claim Amount on or before [date] to the following account:

[INSERT FULL ACCOUNT DETAILS]

Sincerely,

[NAME OF CONFIRMING BANK]

By _____
Name:
Title:

Enclosures: Copies of: (1) the Eligible Instrument under which this ADB Claim Amount has arisen; and
(2) the documents presented under the Eligible Instrument.

If an original certificate is transmitted to ADB via authenticated SWIFT or tested telex ADB may accept enclosures transmitted by fax, on or as close to the SWIFT/telex transmission date as possible, if they accompany a cross-referenced fax copy of such certificate.

NOTICE OF UNPAID CLAIM - PART B

(For use when the Confirming Bank is not the beneficiary of the Eligible Instrument)

[To be delivered by authenticated SWIFT or tested telex and followed by hard copy (with enclosures) on letterhead of the Confirming Bank]

[Date]

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Trade Finance Facilitation Program Team
Private Sector Operations Department

Telex no.: []
SWIFT no.: []

URGENT

Dear Sirs,

We refer to the letter of agreement dated [], between yourselves and ourselves (the “**Confirming Bank Agreement**”) and the ADB Guarantee No. [] for [amount and currency] issued by you in our favour on [date], (the “**ADB Guarantee**”). Terms defined in the Confirming Bank Agreement have the same meaning when used in this notice unless otherwise defined in this notice. This notice is furnished pursuant to the Confirming Bank Agreement and the above referenced ADB Guarantee. We hereby certify as follows:

- (1) we are the beneficiary of the Eligible Instrument specified below;
- (2) on [date] we made a payment of [currency and amount] to [specify the beneficiary of the payment];
- (3) we duly presented to the Issuing Bank in accordance with the terms of such Eligible Instrument conforming documents in respect of principal [and interest] due and unpaid;
- (4) the Issuing Bank or its correspondent bank has failed to pay us within seven days of the value date specified in the attached payment claim by us to the Issuing Bank or its correspondent bank for the full amount of principal due to us; and
- (5) the Eligible Instrument specified below complies with the terms specified in the ADB Guarantee and has not, without your prior written consent, been amended by a Material Amendment.

Following are the details of nonpayment upon due presentation of a valid payment claim by the undersigned to the Issuing Bank or its correspondent bank for payment under an Eligible Instrument.

1. Eligible Instrument issue date:
2. Eligible Instrument expiry date:
3. Value date specified in relevant reimbursement claim:
4. Principal amount due:
5. Amount received from Issuing Bank of which:
XXXX is cash collateral received prior to the confirmation [discount/ acceptance etc.] the Eligible Instrument by the Confirming Bank; and
XXXX is the amount in respect of interest, fees and other charges (if any) related to the Eligible Instrument)
6. Amount of Unpaid Claim:
7. Percentage cover:
8. ADB Claim Amount:

A Copy of the Eligible Instrument under which this ADB Claim Amount has arisen together with copies of the documents presented under it are enclosed.

We hereby claim reimbursement of the ADB Claim Amount on or before [date] to the following account:

[INSERT FULL ACCOUNT DETAILS]

Sincerely,

[NAME OF CONFIRMING BANK]

By _____
Name:
Title:

* delete as appropriate

Enclosures: Copies of: (1) the Eligible Instrument under which this Unpaid Claim has arisen; and
(2) the documents presented under the Eligible Instrument

If an original certificate is transmitted to ADB via authenticated SWIFT or tested telex, ADB may accept enclosures transmitted by fax, on or as close to the SWIFT/telex transmission date as possible, if they accompany a cross-referenced fax copy of the such certificate.

NOTICE OF PARTICIPATION CONTRIBUTION

To: Asian Development Bank

From: [] (the “**Confirming Bank**”)

Date:[]

Dear Sirs,

Re: Notice of Participation Contribution

1. This is a Notice of Participation Contribution as referred to in the Risk Participation Agreement made between you and us and dated [] (the “**Agreement**”). Terms defined in the Agreement shall have the same meanings in this Notice of Participation Contribution.
2. The details are as follows.
 - (a) This Notice of Participation Contribution relates to [name of Nominated Issuing Bank] in respect of [describe Eligible Instrument] with an Expiry Date of [date].
 - (b) The Default was due to an [Political Event/Non-Payment Event], details of which are as follows:

[Specify details]
 - (c) The Unpaid Amount is [] and the US dollar equivalent is []. [The Spot Rate used to determine this amount is [].]
 - (d) [The Political Event Limit/Non-Payment Event Limit] for this Nominated Issuing Bank is []% therefore, the Pro Rata Share is [] and the US dollar equivalent is []. The Spot Rate used to determine this amount is [].
 - (e) We have taken and/or will take the following actions to recover the Unpaid Amount from the Nominated Issuing Bank or the Applicant [specify details and timing].
 - (f) We represent and warrant that we are continuing to diligently take actions to recover or in a timely manner continuing to pursue recovery from this Nominated Issuing Bank of the Unpaid Amount.

3. We certify that:
- (a) we have paid the Unpaid Amount to the beneficiary of the relevant Eligible Instrument in accordance with the terms of the Confirmation and that Eligible Instrument;
 - (b) the relevant Nominated Issuing Bank has failed to reimburse us within [] Business Days for [the whole][part, being US\$ []] of the Unpaid Amount following a valid, written demand for payment therefor by us, a copy of which is attached;
 - (c) [we have made a demand for payment from the Applicant and the Applicant has failed to pay [the whole][part, being US\$ []] of that Unpaid Amount on the date specified therefor;]
 - (d) as at today's date, the [US dollar equivalent] of any set-off and/or other remedies available to us against the relevant Nominated Issuing Bank for application in reduction of that Unpaid Amount in accordance with Clause [7.5] (*Set-off*) of the Agreement is []; and
 - (e) as at today's date the US dollar equivalent of aggregate value of all Eligible Instruments of this Nominated Issuing Bank over which you have agreed to take a risk participation is [].

Sincerely yours,

For and on behalf of

[CONFIRMING BANK NAME]

[Signature of Duly Authorized Representative]

[Position/Title of Authorized Representative]

[Copy of demand for payment to be attached in accordance with 3(b)]

FORM OF NOTICE OF PARTICIPATION CONTRIBUTION

[The Notice of Participation Contribution may be submitted by any of the means described in Section 2.02(c) of the Cooperation Agreement.]

To: Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: []

URGENT

Dear Sir:

Re: Confirming Bank Agreement dated [] (the "Confirming Bank Agreement")

1. We refer to the [Cooperation Agreement] dated [date] between yourselves and ourselves (the ["Cooperation Agreement"]) in respect of your Participation in the Nominated [] Guarantee No. [] dated [date] covering [part of] the [type of Eligible Instrument] issued by [the Nominated Issuing Bank]. Terms defined in the [Cooperation Agreement] have the same meaning when used in this Notice unless otherwise defined herein. This Notice is furnished pursuant to Section [2.01(b)] of the [Cooperation Agreement].
2. We have received a Notice of Unpaid Claim from the Confirming Bank in respect of the Nominated [] Guarantee complying with the terms of the Nominated [] Guarantee and the Confirming Bank Agreement. The Nominated [] Claim Amount claimed in said Notice of Unpaid Claim is [currency and amount]. For your information, the aggregate value of all [] Guarantees outstanding to the Nominated Issuing Bank as at the date of the Notice of Unpaid Claim is [].
3. Pursuant to Section 2.01(b) of the Cooperation Agreement, we hereby make demand for payment of (US\$[amount]) (which amount is []% of the Nominated [] Claim Amount and does not exceed the Maximum Participation Contribution) (the "**Participation Contribution**").
4. An Assignment Letter has been delivered to you with respect to this Participation on or prior to the date hereof. We will send out a Notice of Assignment to the relevant Issuing Bank which will be dated the same date as this Notice of Participation Contribution.

Yours sincerely,

[Signature of Duly Authorized Representative]

[Position/Title of Authorized Representative]

**ASIAN DEVELOPMENT BANK
CONTROLLER'S DEPARTMENT
P.O. Box 789, 0980 Manila, Philippines
Facsimile Number: (63-2) 636-2606**

[Executing Agency Contact Person]
[Executing Agency Name]
[Executing Agency Address]

Subject: SEMI-MONTHLY LISTING OF LOAN DISBURSEMENTS

Period: _____ [Loan Title]
Loan No.: _____

Dear Sir/Madam:

1. This computer report is to inform the Borrower's representative or Executing Agencies about the disbursements made by the Asian Development Bank (ADB) in the last semi-monthly period. If an amount shown in this report has no US\$ or SDR equivalent, it has not yet been posted in the Bank's accounting ledgers. The US\$ or SDR equivalent will appear in the next semi-monthly report.
2. Executing agencies are urged to use this report to monitor the status of withdrawal applications submitted to ADB and are requested to inform ADB immediately of any shortfalls in payments, if not notified earlier, or of any inaccurate information.
3. This report is generated only if there is any disbursement during the report period. However, to assist you in monitoring the receipt of all reports generated, please note that the last report was for the period _____ to _____.
4. This report does not include the following transactions: (1) Withdrawal applications for issuance of Commitment Letters, (2) Interest during construction (IDC) payments, (3) Co-financed loans, and (4) Refunds to ADB.
5. 'Currency and amount disbursed' refers to the currency and amount used by ADB to purchase the 'currency and amount requested'.

APPL NO./ CL NO.	CURR. AND AMT. REQUESTED / APPROVED	AUTH. NO.	CAT./ S/L	ADB CONT / PCSS	CURRENCY AND AMOUNT DISBURSED	US\$ EQUIV. SDR EQUIV. POSTED	VALUE DATE	BENEFICIARY/ LC NUMBER
A. DISBURSEMENT(S) MADE DURING THE PREVIOUS PERIOD(S) AND RECORDED IN THE LOAN ACCOUNT THIS PERIOD								
B. DISBURSEMENT(S) MADE DURING THIS PERIOD AND RECORDED IN THE LOAN ACCOUNT IN THE SAME PERIOD								
C. DISBURSEMENT(S) MADE DURING THIS PERIOD BUT NOT YET RECORDED IN THE LOAN ACCOUNT (THESE WILL APPEAR IN THE NEXT REPORT WITH US\$/SDR EQUIVALENTS)								
TOTAL DISBURSEMENTS RECORDED IN THE LOAN ACCOUNT DURING THIS PERIOD:								
WITHDRAWAL AUTHORIZATION(S) ISSUED DURING THIS PERIOD:								
WA NO.	AUTH. NO.	CAT./ S/L	CURRENCY AND AMOUNT APPROVED		US\$ EQUIVALENT	SDR EQUIVALENT	VALUE DATE	
D. LIQUIDATIONS OF ADVANCES:								
TOTAL LIQUIDATIONS DURING THIS PERIOD:								
ABBREVIATIONS USED:								
APPL. NO. OR WA NO.	ADB CONTRACT NUMBER	AUTH. NO.	ADB CONT. (PCSS)	WITHDRAWAL APPLICATION NUMBER	GL NO.	COMMITMENT LETTER NUMBER		
CAT				AUTHORIZATION NO.	LC	LETTER OF CREDIT		
				CATEGORY	SDR	SPECIAL DRAWING RIGHTS		
					S/L	SUBLOAN NUMBER		

SEMI-MONTHLY LISTING OF LOAN DISBURSEMENTS

Period : _____
 Loan No.: _____ : [Loan Title]

STATUS OF CATEGORY BALANCES AND IMPREST ADVANCES IN US\$/SDR AS OF [report run-date]

CAT. REF.	DESCRIPTION	ALLOCATION	CONTRACTS AWARDED	DISBURSED	UNCONTRACTED	BALANCE FOR DISBURSEMENT	ADVANCES	LIQUIDATED	UNLIQUIDATED
TOTAL IN US\$									
TOTAL IN SDR									
LOCAL COST FINANCING									
		CEILING: US\$	UTILIZATION: US\$		RATE _____%				
		SDR	SDR						

NOTES

- 1 CAT. REF.: Loan category number as shown in the Loan Agreement.
- 2 This section shows the status of loan by category from the time the loan becomes effective to run-date. It includes only confirmed disbursements recorded in the loan account.
- 3 For ADF loans the disbursed amount is translated into the US\$ equivalent at the rate of exchange at the time of disbursement and the Undisbursed amount is translated into the US\$ equivalent at the rate of exchange as of the run-date of this report. For ADF loans, allocation in US\$ equivalent is computed as Disbursed Amount plus Undisbursed Amount.
- 4 Category 99 for Imprest Fund is only a transitional category for internal use of ADB. The Allocation in US dollar equivalent is the balance of the Disbursed Amount plus Balance for Disbursement. You can ignore the amount shown under the Allocation of this category.
- 5 Local Cost Financing ceiling is the maximum amount indicated in the Loan Agreement that can be withdrawn to finance local expenditure. Utilization refers to disbursements for local cost expenditure. Rate is local cost disbursements over local cost financing ceiling.

