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# 14 DELEGATION OF DISBURSEMENT FUNCTION

## Objectives

- 14.1 Loan disbursement processing function has been delegated to selected resident missions (RMs) with the following objectives:
- enhance the efficiency and cost-effectiveness of the disbursement operations;
  - facilitate the flow of resources from ADB to borrowers by timely processing of withdrawal applications; and
  - provide borrowers convenient access to the Bank's disbursement services.

## Scope and Responsibilities of RMs

- 14.2 Delegation of disbursement function to RMs have been implemented in phases as follows:
- (i) Phase 1 delegation includes:
- logging in LFIS for withdrawal applications received;
  - processing of withdrawal applications for the loans which have been delegated to the RM for administration;
  - pre-screening of withdrawal applications for nondelegated loans;
  - monitoring of imprest account operations jointly with CTLA; and
  - undertaking SOE verification/review jointly with CTLA.
- (ii) Phase 2 delegation includes all the functions described in phase 1 and covers all loans including those delegated to RM for administration and those nondelegated loans.
- 14.3 Under delegated disbursement, the RM assumes responsibility from the processing of withdrawal applications (WAs) through the releasing of payment instructions to CTLA. The responsibility for the preparation and authorization of disbursement vouchers, however, remains with CTLA. The scope of delegation includes direct payments, reimbursements, and imprest account procedures for loan disbursements. All else, including program

loans, cofinanced loans, private sector loans and equity investments, and commitment letter related processing, will be done by CTLA.

### **RMs with Delegated Disbursement Function**

14.4. The following RMs have delegated disbursement functions:

- India Resident Mission (INRM)
- Pakistan Resident Mission (PRM)
- Bangladesh Resident Mission (BRM)
- Indonesia Resident Mission (IRM)