

# Project Administration Instructions

PAI 4.01  
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## WITHDRAWAL APPLICATIONS

### A. Introduction

1. Procedures for withdrawals are detailed in the *Loan Disbursement Handbook*.<sup>1</sup> This PAI details documents required to support withdrawal applications.

### B. Supporting Documents

#### 1. Program Loans

2. For program loans with a negative list of ineligible items, ADB requires the borrower to provide a certificate stating that eligible imports<sup>2</sup> during a specific period are larger than the related disbursements applied for under the program loan.<sup>3</sup> For program loans with a positive list of eligible items, documentation for specific imports is required.

#### 2. Other than Program Loans

3. For loans other than program loans, ADB requires the borrower to provide a copy of the contract or confirmed purchase order and other supporting documents such as invoices and evidence of payment along with the withdrawal application (*Loan Disbursement Handbook*, sections 7.0–11.0). To expedite the processing of withdrawal applications, prompt submission of signed contracts or confirmed purchase orders are acted on as soon as the contracts and purchase orders are awarded or confirmed.

### C. Withdrawal without Supporting Documents

4. Where a loan agreement allows ADB to deduct interest and other charges incurred during the implementation period from the loan account to repay the ADB loan on behalf of the borrower,<sup>4</sup> ADB will automatically withdraw the amounts due from the loan account.<sup>5</sup> The borrower need not submit a withdrawal application.

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<sup>1</sup> ADB. 2007. *Loan Disbursement Handbook*. Manila.

<sup>2</sup> The eligible imports are defined as “total annual imports minus annual imports from nonmember countries of ADB, minus noneligible imports, minus disbursements made under official direct assistance.”

<sup>3</sup> ADB. 1998. *Simplification of Disbursement Procedures and Related Requirements for Program Loans*. Manila

<sup>4</sup> *Operations Manual H1* provides details on financing interest and other charges during construction.

<sup>5</sup> ADB also refers to this as “capitalization of interest during construction.”