



VPC/PDP

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IDB Project Disbursement Guide

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Preface

In order to align the fiduciary function with the Bank's new business model, on 30 July 2009, the Operations Policy Committee approved the Financial Management Policy for IDB-financed Projects (OP-273-1). In addition, VPC and VPS approved the Financial Management Operational Guidelines (OP-274-1) to support implementation of the Financial Management Policy.

The Policy and Operational Guidelines supersede the following policies, rules, and procedures related to disbursements:

- Disbursement Procedures approved by the Coordination Committee on 15 January 1998 (CC-5450), reflected in the Bank's Operations Administration Manual—Disbursements (OA-300 series).
- Guide for Executing Agencies on the Processing of Disbursements, Disbursements and External Audits Office, September 1999.
- Review of the Use of the Exchange Rate, approved by the Coordination Committee on 6 June 2006 (GN-2415).

For new operations, the Revolving Fund ceases to exist as a disbursement method.

The Financial Management Policy (OP-273-1), the Financial Management Operational Guidelines (OP-274-1), and this Disbursements Guide will apply to operations that are in the design stage and have not completed analysis missions as of 1 January 2010, so that new concepts related to the management of disbursements (e.g.: advances, among others) are considered in a timely manner with our clients and are incorporated in the Proposal for Operation Development (POD).

For the portfolio of projects in execution or in the process of approval as of 1 January 2010, the Revolving Fund will remain in effect until these operations are finalized. In the event that the application of the new policies and guides is required or elected, the project team leader will evaluate the appropriateness and timeliness of their application, propose any necessary changes, and follow current approval processes and procedures. The new advances disbursement method will apply to those operations that have incorporated it in the applicable loan contracts or technical cooperation agreements.

This Guide applies to all operations financed by the Bank and to non reimbursable operations, including technical cooperation projects, MIF operations, and funds under administration. For purposes of this Guide, the terms "project" or "program" refer to any of these operations. Likewise, the term "borrower" or "EA" refers to the borrowers and/or executing agencies of loans, technical cooperation funding, and other financing instruments of the Bank.

ACRONYMS AND ABBREVIATIONS

ADF	Advance from Revolving Fund
ADV	Advance of Funds
AFS	Audited Financial Statements
CMP	Commitment Payment
DPB	Direct Payment to the Borrower
DPS	Direct Payment to a Supplier
EA	Executing Agency
FMA	Financial Management Assessment
FP	Financial Plan
ITE/IAC	Information Technology Department, IT Architecture Division
MIF	Multilateral Investment Fund
OPMAS	Operations Management System
OPUS	Operations Update System
PBLs	Policy-based Loans
PDP	Project Procurement, Financial Management, and Portfolio Monitoring Division, Vice Presidency for Countries
PEP	Project Execution Plan
POA	Annual Operating Plan
PP	Procurement Plan
RF	Revolving Fund
RRF	Replenishment of Revolving Fund
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TRY/CMP	Treasury Division, Cash Management and Payment Group
TRY/FSV	Treasury Division, Financial Services Unit
TRY/LSP	Treasury Division, Loan Support Division
VPC	Vice Presidency for Countries
VPS	Vice Presidency for Sectors and Knowledge
WLMS	Web-enabled Loan Management System

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Part I – General Guidelines

I. INTRODUCTION

1. This document provides guidelines for the management of projects' financial resources and the necessary administrative procedures for processing disbursements by the Bank and by the projects' executing agencies (EAs).
2. In order to gain an integral understanding regarding the subject of disbursements, it is recommended that this guide be read in conjunction with the Financial Management Policy and Guidelines (OP-273-1 and OP-274-1).

II. DISBURSEMENT AGREEMENTS AND REQUIREMENTS

3. **Design and evaluation throughout the project cycle.** Disbursement agreements, which are part of the Financial Management Arrangements, consider the following main aspects: (i) disbursement methods, (ii) information and supporting documentation for expenses and their review modality, (iii) timeliness and frequency of submission to the Bank. These arrangements are defined and established during the design phase of a project, in consultation with the EA, and are evaluated and adjusted during its execution, based on performance, information requirements, risk analysis updates, or other circumstances that permit proper project administration and timely reporting to the Bank.
4. Disbursement agreements must ensure that disbursements: (i) respond to the needs of the country and the operation, (ii) rely on the country's financial management systems, to the extent possible, and (iii) are efficient and effective for achieving the project objectives. An important element in order for this to take place, is the use of professional judgment during the design, evaluation, and fulfillment of the disbursement agreements. *See Financial Management Policy (OP-273-1), Section 3 (Financial Management Arrangements), and the Financial Management Operational Guidelines (OP-274-1), Section 5.3 (FM Assessment Report, FMA Report Contents).*

III. DISBURSEMENT METHODS¹

5. Disbursement methods are used to disburse funds for any type of financing so they are used exclusively for their intended purposes, with due consideration given to economy and efficiency.
6. A project may use one or more disbursement methods, depending on the liquidity needs for its execution, with a combination of methods considered acceptable and generally necessary. A variety of situations may exist that requires that the Bank make available more than one disbursement method, based on the type of operation it is, and its specific characteristics, with its fundamental purpose being

¹ These disbursement methods apply to all Bank operations, including Project Preparation Facility (PPF) operations. The specific rules applicable to repayments of PPF operations are detailed in Annex 3.

to ensure that the executing agency has timely access to the resources needed for proper project execution.

7. The available disbursement methods are:

- A. **Advances.** These are advances of funds based on the project's true liquidity needs, supported by signed commitments (contracts) or anticipated with a high level of certainty for a predetermined time period agreed upon with the EA, in order to make timely payments for eligible expenses attributable to loans or other types of financing by the Bank. This method, in addition to contributing to proper administration and control with respect to the use of project funds, also facilitates the rendering of accounts for projects that measure their physical-financial progress with the use of targets or milestones.

Such liquidity needs arise from the project's financial plan, which should be coordinated with the project execution plan (PEP), and the annual operating plan (POA), which includes the procurement plan (PP).² One consideration that should not be overlooked is to ensure that project resources coming from the various financing sources have been included in the country's general budget, since otherwise timely execution will be difficult.

- B. **Reimbursement (to the Borrower or EA).** The Bank reimburses the EA for payments it made for eligible expenses incurred charged to the project.
- C. **Direct Payments.** Payments made by the Bank to suppliers or contractors on behalf of the EA for eligible goods and services of foreign or local origin, for project execution.³
- D. **Reimbursement Against a Letter of Credit.** Reimbursements made by the IDB to a commercial bank for payments made to a supplier or contractor for goods and services (of foreign origin) within the framework of a letter of credit guaranteed in advance by the IDB.

IV. DISBURSEMENT REQUESTS

A. REVIEWS

8. The Bank will process disbursements to the EA once the conditions prior to the first disbursement have been met.⁴ During execution, disbursements will be processed by means of general reviews based primarily on professional judgment and analytical evidence.
9. The review of supporting information justifying expenses or payments will be undertaken after the effective disbursement of the resources by the Bank, considering the timeliness and scope warranted

² The requirement to coordinate the PEP and the POA-PP with the financial plan does not necessary apply to projects that do not require any of these instruments for execution.

³ In the case of direct payments to local contractors or suppliers, differences may arise between the amount in local currency used to estimate the equivalent disbursement in the currency of the operation and the amount in local currency received by the beneficiary, as a result of the conversion made by the commercial bank. Such differences are the sole, exclusive responsibility of the beneficiary.

⁴ Risk mitigation actions identified during the project design phase are expected to have been included as a condition to the first disbursement and properly concluded by the start of the disbursements.

by the fiduciary risk conditions. This ex post transactional review⁵ may be conducted by Bank staff in the offices of the EA as part of the comprehensive review of the financial management agreements and requirements. Such inspection visits are part of the fiduciary oversight actions established in the project supervision plan.⁶

10. The Project Team Leader, with the support of the Financial Management Specialist, may decide that preventive reviews or interventions be undertaken by the Bank in order to mitigate extreme risks or special circumstances, based on cases outlined in the Financial Management Oversight Guide.
11. In no case should the executing agencies consider that the ex post review by the Bank confirms, certifies, or supersedes its own fiduciary responsibility and management of the project. In this regard, the EA should ensure the quality, relevance, and transparency of the documentation supporting the expenses submitted for such a review, except in cases in which due to the nature, associated risks, and/or complexity of the operation, for example, in the case of an emergency operation, a rigorous intervention or supervision system must be designed that might even include prior review of the largest payments.
12. Disbursement requests must be numbered consecutively, regardless of the disbursement method used. Moreover, only requests approved by a designated official with a registered signature, according to the terms of the agreement, for amounts less than or equal to the requested amount (due to adjustments), may be processed.

B. TYPES OF DISBURSEMENT REQUESTS AND SUPPORTING DOCUMENTATION

B.1. ADVANCES (ADVANCES OF FUNDS)

13. Supporting documentation for requesting advances.

Required documentation. Each request should be accompanied by:

- a. The Disbursement Request form (*see model in Annex 6*).
- b. Financial Plan: Model to Request Advances⁷ (*See Annex 2 on the concept of the Financial Plan and Annex 6 for the Model to Request Advances, derived from the Financial Plan*).

Optional documentation.⁸

- c. List of commitments. A financial projection prepared according to the project's true liquidity needs, listing the commitments charged against the Bank's contribution or financing for the period of time previously agreed between the Bank and the EA, except for Policy-based Loans (PBLs) (See model in Annex 6: "List of commitments charged to the Bank's financing/contribution").
- d. *Estimated* physical-financial progress reports for the project, such as the PEP, POA-PP, Progress Monitoring Report, or others that help demonstrate that the amount requested is reasonable.

⁵ The review of disbursements is a relevant component in the scope of external project audits; however, additional requirements may arise entailing a different scope than that used by the auditor. Such situations will be addressed in the Terms of Reference for the external project auditors.

⁶ For further information on the nature, scope, and timing of these reviews, see the Financial Management Oversight Guide.

⁷ The period applicable to the request must be submitted.

⁸ Taking into account the project's level of risk and at the discretion of the Project Team Leader and the Fiduciary Specialist, the request of this optional documentation must also be considered.

14. **Frequency of Advances.** The frequency and period of time to be covered by an advance will be determined based on the programming of the project's financial execution (consistent with the PEP, POA-PP, or other applicable planning instruments), during the design phase and will be adjusted during execution, based on the risk conditions fiduciary capacity assessment.⁹
15. In general, it is recommended that disbursements be made no more than every six months (maximum frequency desired), unless other needs are deemed necessary, there are restrictions or risks associated with the executing agencies' weak fiduciary capacity, or limitations imposed by the country's legal framework, suppliers' market, among other things, that warrant more frequent disbursements.

B.2. REIMBURSEMENT (TO BORROWER OR EA)

16. See Section C of this Guide – Rendering of accounts.

B.3. DIRECT PAYMENTS (TO SUPPLIERS OR CONTRACTORS)

17. Each disbursement request for direct payments should be accompanied by:
- a. The Disbursement Request form.
 - b. Supporting documentation acceptable to the Bank (invoice or payment document and evidence of receipt, to the satisfaction of the EA, for the work, good, or service, in accordance with the technical specifications or terms of reference included in the respective contracts or purchase orders).

B.4. REIMBURSEMENT AGAINST LETTER OF CREDIT

18. Each request for reimbursement against a letter of credit should be accompanied by:
- a. The Reimbursement Guarantee Payment Request form.
 - b. Supporting documentation listed in the Payment Request form.
19. The IDB will reimburse the bank beneficiary of the reimbursement guarantee based on a request indicating that the beneficiary of the letter of credit has been paid in accordance with the terms and conditions of both the letter of credit and the reimbursement guarantee.
20. The IDB will reimburse a commercial bank beneficiary of the guarantees to the extent that the disbursement requests issued by such banks are received at IDB Headquarters (TRY/FSV), duly completed prior to the expiration date of the reimbursement guarantee. The IDB grants no exceptions to this requirement. The resources committed under an IDB guarantee may not be used for other purposes established in the loan contract while the guarantee is in effect. *For further information, see Annex 5 – Issuance and Amendment of Credit Guarantees.*

C. RENDERING OF ACCOUNTS

21. In order to properly monitor the project while keeping transactional costs reasonable (for both the Bank and the EA), it is recommended that the justification of expenses incurred¹⁰ be submitted to the Bank at least twice a year and no more than four or five times a year, depending on the level of project risk

⁹ They should be agreed upon with the executing agency and documented in the disbursement agreements and requirements.

¹⁰ For advances of funds or expenses to be reimbursed to the executing agency.

and/or the level of fiduciary capacity of the EA. This frequency should be agreed upon in advance with the EA as part of the disbursement agreements, and evaluated during project execution.

22. As a general rule, the Bank does not require the justification to be accompanied by supporting documentation for the expenses or payments made (i.e., original receipts or photocopies thereof).¹¹ The EA is responsible for keeping the required records and maintaining the originals of all supporting documentation, with adequate cross-referencing to the applicable approved requests, in accordance with the Bank's document retention policy.
23. The purpose of the justification is to demonstrate the financial progress of the project and the use of resources by each investment category (or component), and does not represent approval by the Bank of the expenses incurred.
24. The justification of eligible expenses related to advances received should be submitted when at least 80% of the advanced amount has been used. These statements must be received and accepted by the Bank before the borrower or EA can receive another advance of funds. In special cases, the Bank may increase the amount of the last advance granted to the EA, if additional resources are required for the payment of expenses that were not previously planned for the timeframe covering the prior advance.

25. Supporting documentation for justification.

Required documentation. The following supporting documentation should be submitted to the Bank to account for the project and demonstrate its progress:

- a. Disbursement Request/Submission of rendering of accounts (justification) in which the EA certifies the following statements, among others:
 - That the payments were made exclusively for the purposes specified in the contract or financing agreement and in accordance with the terms and conditions thereof, including the agreed upon exchange rate,
 - That the goods and services financed with these payments were appropriate for such purposes and the cost and purchasing conditions were reasonable,
 - That the documentation supporting the expenses is available for review by the Bank, auditors, or other consultants contracted to carry out a detailed review of the payments made.
- b. Project Execution Status (*see model in Annex 6*).
- c. Reconciliation of Bank resources (*see model in Annex 6*).

Optional documentation. Taking into account the project's level of risk and at the discretion of the Project Team Leader and the Fiduciary Specialist, requests for the following should also be considered:

- a. Reports regarding the fulfillment/completion of indicators or milestones or other reports that help demonstrate the project's progress.

¹¹ Supporting documentation includes accounting receipts, canceled invoices, receipts for fees, legible canceled checks, customs duties certificates, certificates of works, employment contracts, shipping, unloading, and storage documents, receipt reports, and any other payment support document acceptable to the Bank. In exceptional cases, the Bank may request certain original documentation.

- b. Statement of Expenses or Payments.¹² (See model in Annex 6).
- c. Summary of contracts and/or individual contracts.
- d. Other agreed upon items.

D. ORIGIN OF GOODS AND SERVICES

26. The funds allocated by the Bank to the financing of operations may only be used for the procurement of goods and services from eligible countries in accordance with the conditions of the financing contract or agreement, and in accordance with the rules governing the fiduciary fund in question.

E. ELIGIBLE EXPENSES¹³

27. The Bank considers *eligible expenses* as those that: (1) are necessary for the project and are in line with its objectives, (2) comply with the project's policies and legal contracts or agreements, and (3) are properly recorded and supported.
28. **Financing of duties and taxes.** At the request of the borrower or beneficiary, the Bank may cover associated taxes and duties that represent a greater cost in the procurement of goods and services (import, consular, or port duties, or value-added taxes) provided that the amounts of such taxes and duties are reasonable for the Bank. Country Financing Parameters¹⁴ are considered in determining the reasonability of financing these costs for loans. For technical cooperation projects with funds under Bank administration, these costs may be financed whenever they are not specifically prohibited by the donor/trust fund.

F. FINAL JUSTIFICATION PERIOD AND CLOSING DATE

29. The EA must submit the last advance request at least 30 days prior to the Date of Last Disbursement, with the understanding that the justification for this advance will be submitted to the Bank during the Closing Period.¹⁵ The Bank will not disburse resources after the Date of the Last disbursement.
30. The EA will have a term of no more than 90 days after the Date of the Last Disbursement (original or extended) to submit the final justification for the advance, to return unjustified funds, and to carry out any other activity necessary to complete the proper, timely rendering of accounts/justification of the operation.

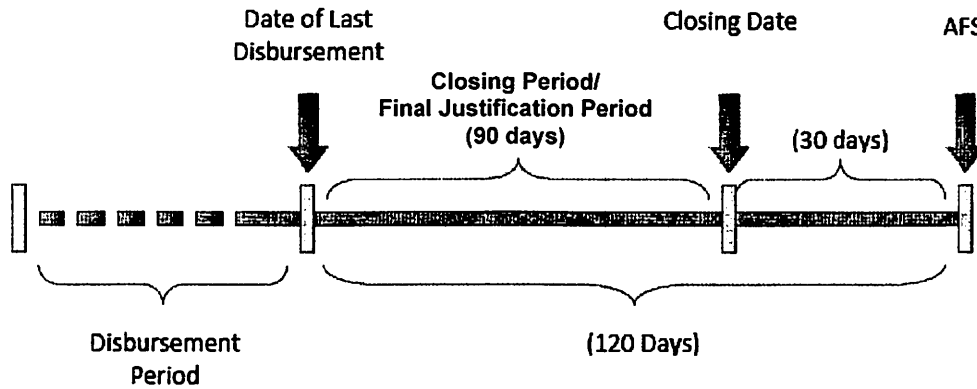
¹² The report entitled the Statement of Expenses or Payments should be generated directly by the project's accounting system whose content and level of detail will be previously agreed upon with the executing agency. The content and detail may range from a list by expense, to overall amounts per category, at the discretion of the Project Team Leader and/or the Fiduciary Specialist. Examples of content and level of detail: (i) list of each expense, by investment category, (ii) List of expenses only for those greater than a preset monetary limit and others grouped by investment category, (iii) by expenses grouped in overall amounts, by investment category, and, (iv) variations on the foregoing options.

¹³ For further information, see OP-311 *Eligible Expenditures in Investment Loans* and OP-504 *Recognition of Expenditures, Retroactive Financing, and Advance Contracting* and the amendment by the EVP, 21 October 2009.

¹⁴ Country Financing Parameters (CFPs) establish for each borrowing country: (a) maximum limits for Bank financing on the total cost of the project; and (b) the specific type of expenses that may be financed for each borrowing country. The objective of these parameters is to provide the framework within which the Bank provides financing for investment loans in a specific country. Thus, the CFPs refer to the shared costs, the financing of local costs, and also of taxes and duties and recurring costs. The CFPs depend on various factors, including the macroeconomic conditions of each country, their specific development needs, the provisions of their legislation with respect to the ability to finance certain specific types of expenditures with debt, and any other rules imposed by the authorities. Such rules may vary, depending on changes in macroeconomic conditions. (Sources: GN-2331-5, CC-6004-2, GN-2470-2).

¹⁵ It is expected the number of expenses which need to be justified to the Bank during this final justification period, is low (few in number).

31. The 30 day period, starting with the Closing Date, should be used solely for making final adjustments to the AFS and for the EA to finalize their required signature and approval procedures. It is recommended that the external auditors begin their review work in a timely manner and not wait until the Closing Period to begin their activities.



Part II - Disbursement Processing Procedures

V. BANK INFORMATION FOR THE BORROWER, EXECUTING AGENCY, OR BENEFICIARY

A. DEPOSIT INSTRUCTIONS

1. As an eligibility component for the first disbursement of a loan or technical cooperation operation, the borrower or EA must provide in writing to the IDB, through its authorized representative, information on the accounts into which all program disbursements will be deposited. This information will be kept in the Bank's files and updated when required by the borrower or EA. Separate accounts will be required for disbursements in convertible and local currencies.

B. BANK ACCOUNT INFORMATION

2. All disbursements require a bank located in the country of the requested currency, as the initial recipient bank of the funds. Each request should indicate all banks through which the IDB is to channel the funds (intermediary and bank of the disbursement's beneficiary).
3. The information on the bank accounts of the borrower, EA, or beneficiary should include all data necessary to allow the IDB to process the disbursements, through an electronic funds transfer.

C. ESTABLISHING THE FUNDS FLOW

4. The Country Office or UDR is responsible for the establishment of the bank information in the WLMS, and as such, is responsible for reviewing the information received and recording the bank accounts in the WLMS and in the bank flow (BKF).
5. The steps required to establish bank flows in the WLMS are: enter, validate, review and authorize. These steps can be carried out by a minimum of two people or up to four people. When two people participate in the process, one person does the *enter* and *validate* steps while the other person does the *review* and *authorize* steps¹⁶. It is recommended that the Fiduciary-Financial Specialist be one of the key persons in this process. The Representative (or the person to whom the Representative has delegated this authority¹⁷), is responsible for authorizing the inclusion of the information into the WLMS.
6. At the time a disbursement is being processed, the WLMS will show the bank flow (BKF) automatically. Disbursements under the Advances or Reimbursements methods will require a bank flow (BKF)¹⁸.
7. Disbursements under the Direct Payment method do not require that a bank flow be established. However, when several payments to the same provider or contractual person are expected, it is recommended that the beneficiary's bank flow (BKF) be registered in the WLMS.
8. When multiple payments are advanced to the same supplier, contractor, or EA, recording the beneficiary's funds flow in the WLMS is recommended prior to the first disbursement. If the financial

¹⁶ The same official will not be able to execute both the validate and authorize steps.

¹⁷ The Representative can delegate his/her authority for establishing bank flows, to an international staff person.

¹⁸ See Annex 4 for Revolving Fund.

institution is not on the WLMS list of banks, then a Magic Ticket must be opened on the TRY/CMP help portal (<http://tryfsv/CashMgmtGroup/tabid/3128/language/en-US/Default.aspx>). For questions about how to establish the funds flow so the disbursement is not rejected, either by the bank system or internal IDB systems, please consult the TRY/CMP help portal (<http://tryfsv/CashMgmtGroup/tabid/3128/language/en-US/Default.aspx>). The Country Office should obtain the information on the bank accounts (or subaccounts) of the supplier or contractor, in a written document, processed by the EA through their authorized representative, or directly from the EA in cases of disbursements to the EA. This information may also be submitted with the first disbursement request.

D. INTERMEDIARY BANK INFORMATION

9. Use of an intermediary bank is essential when the beneficiary bank is domiciled in a country other than the country of the currency approved for the operation. For example, for an operation approved in U.S. dollars, an intermediary bank must be used when the beneficiary bank (the bank holding the account of the beneficiary of the payment) is located in a country other than the United States. Within the United States, an intermediary bank must be used when the beneficiary bank does not have an ABA number (American Bankers Association routing number).

E. BENEFICIARY BANK INFORMATION

10. The beneficiary bank is the financial institution in which the EA, borrower, or beneficiary of the disbursement maintains its bank account. If the beneficiary bank has a correspondent bank (intermediary bank), the account number the beneficiary bank maintains with the intermediary bank should be used. As a general rule, when a beneficiary bank in the United States is used and no intermediary bank is required, it should be indicated that the funds will be transferred through the "Federal Reserve Bank (FED)." This rule also applies when the beneficiary bank is a country's central bank. Use of the "Federal Reserve Bank" should not be indicated when the beneficiary bank is not located in the United States.

F. ACCOUNT NUMBER

11. With the implementation of stricter payment controls in many countries, the account number indicated on a specific payment must match the name under which the account is registered in the beneficiary bank. It is also essential to comply with the requirements imposed by different countries, such as the use of the IBAN number in the European Union, CLABE in Mexico, RUT in Chile etc. In some cases, the account number that the beneficiary bank has with the intermediary bank must also be included (for example, when the payment will be made in U.S. dollars in the country of the beneficiary, rather than in local currency).

G. BENEFICIARY INFORMATION

12. The exact name and number of the bank account of the borrower, EA, or end recipient of the disbursement must be entered into the WLMS based on the information received. Moreover, any additional information related to the disbursement (for example, the name of a specific contact, the bank branch, etc.) will be recorded in the Special Instructions field.

H. BANK FEES

13. Borrowers, executing agencies, or beneficiaries are responsible for payment of any charge or commission applied to their bank accounts.

I. INCOME IN THE BORROWER OR EXECUTING AGENCY ACCOUNT

14. If deposits of project resources in bank accounts accrue interest, commissions, etc. for the borrower or EA, this income must be contributed to the project as an integral part of the local or counterpart contribution. These funds may be used for expenses that are similar and/or complementary to eligible project expenses financed by the IDB.

J. BANK AND ACCOUNTING RECORDS OF THE BORROWER OR EXECUTING AGENCY

15. The resources to be administered by the borrower or EA as advances of funds may be: (i) deposited in a special bank account in the name of the project, opened by the borrower in the central bank or in a commercial bank, (ii) recorded in the borrower's general account (when applicable, this will be the so-called "single" treasury account), and then in a separate subaccount on the books, in the name of the project, where all deposits of funds and payment for the operation financed by the Bank will be recorded (when this mechanism is satisfactory to the IDB). Project resources must be used by the borrowers or EA exclusively for eligible expenditures and they must have an adequate system of financial management and controls for their execution.

VI. CURRENCY**A. APPROVAL**

16. An operation may be approved using one of the following alternatives:
 - a. Convertible currencies. Currencies that form part of the fund financing the operation.
 - b. Local. The currency of the operation's beneficiary country.
 - c. Fixed. A specific, non-local currency.
 - d. A combination of the above.

B. DISBURSEMENT CURRENCY

17. Loans approved under the Local Currency Facility¹⁹ may request disbursements in exact amounts of local currency, or in a local currency equivalent to U.S. dollars, under the terms established in the operation's loan contract. The borrower will receive the units in local currency and its debt to the Bank will be recorded in these units.
18. Loan operations not approved under the Local Currency Facility may only request disbursements in exact amounts of convertible currencies. For these operations, it is not possible to request disbursements for exact amounts of local currency.

¹⁹ For further information, see the web page of the Bank, Finance Department, Loan Management, Local Currency Facility, or the New Proposal for an Operational Framework for Lending in Local Currency (GN-2365-12).

19. The Bank will accept disbursement requests in exact amounts of local currency (or “units of the requested currency”). The disbursement request must contain an estimate of the amount to be attributed to the operation, expressed in the currency of the operation’s accounting, as well as the actual amount to be disbursed, expressed in units of the requested currency. Under this option, the following conditions must also be met:
- a. The borrower or EA must select the currency it wishes to receive.
 - b. The payment must be made directly to a supplier or to the EA.
 - c. The amounts of the contract entered into between the borrower or EA and the supplier must be expressed in the requested currency.

C. PROJECT CURRENCY, CONVERSION CRITERIA, AND APPLICATION OF EXCHANGE RATES

20. For the rendering of accounts and justification of expenses, expenses must be expressed in the project currency. If the expenses were incurred in local currency, the equivalent amount to be reported in the project currency (usually in U.S. dollars) may be determined using: (i) the effective exchange rate used to convert the project currency to the local currency, or (ii) the effective exchange rate of the payment date.²⁰ The option selected for application of the exchange rate must be agreed upon between the Bank and the EA and must be documented in the loan contract or agreement. (*See section 3.19 of the Financial Management Policy*).

D. INVESTMENT CATEGORIES

21. With the exception of requests for advances of funds, all disbursement requests must indicate the investment categories to be charged, in the project currency.
22. **Approval in multiple currencies.** When an operation is approved in more than one currency, the operation’s contract or agreement may establish terms and conditions with respect to the use of currencies, by investment category. A separate request must be submitted for each currency requested and the categories reported must be consistent therewith.

VII. WEB-BASED LOAN MANAGEMENT SYSTEM (WLMS)

23. This section refers only to the disbursement module in the WLMS that includes, among other things, disbursements and justifications of funds (rendering of accounts), the bank information record, the redistribution of funds among investment categories, the extension of the date of the last disbursement, the cancellation of balances not disbursed, the reserve (commitment) of funds for consultant or consulting firm contracts, disbursement projections, issuance of and amendments to guarantees for reimbursement of letters of credit.

²⁰ For practical reasons, the “effective exchange rate of the payment date” may be the exchange rate in effect on the date of the transaction or an exchange rate that approximates the exchange rate on the date of the transaction, such as the exchange rate in effect on the last business day of the prior month, or an average exchange rate for the month.

A. CAPACITY AND OPERATION CYCLE IN THE WLMS

24. The WLMS allows Units with Disbursement Responsibility (UDR) to directly undertake monetary and nonmonetary transactions, which are immediately reflected in the Bank's system database.

The WLMS Operation Cycle is described below:

Stage	Description	Status in the WLMS	Next action/stage in the WLMS
Approval	Once operations are approved by the applicable authority, the approval numbers are generated in the OPUS. PDP/PFM generates the loan numbers and VPC/GCM the technical cooperation numbers. Afterwards, the operations are recorded in the WLMS system, ACC/ACO enters the loan approvals and small projects, and VPC/GCM enters the approvals for technical cooperation and special projects.	AF – Approved and funded	Signature (SIG) to be entered by the Legal Department (LEG)
Signature	The contract or agreement has been signed and the signature is entered into the WLMS by LEG.	SI - Signed or EF - Effective	For loan operations the next step is the entry of the financial terms by ACC/ACO. If the operation requires ratification, the next action will be for LEG to input the ratification (RAT). When ratification is not required, the next step is the entry of Full Eligibility (ELE) or Partial Eligibility (ELP) by the applicable UDR.
Ratification	Countries requiring ratification for sovereign operations are: Honduras, Nicaragua, Bolivia, Costa Rica, the Dominican Republic, El Salvador, Haiti, Panama, and Paraguay.	EF - Effective	Entry of Categories of Investment (COI) by the applicable UDR
Enter COIs	The sector specialist or the designated person will enter the Categories of Investment, expense or cost of the project in the WLMS. Without completing this step first, it is impossible to grant Eligibility for disbursements in the WLMS or enter contract clauses in the OPMAS.	COI - Categories of Investment	Entry of Full Eligibility (ELE) or Partial Eligibility (ELP) by the applicable UDR.
Eligibility	Once eligibility is declared for disbursements in the WLMS, the operation is ready to begin disbursing, provided the conditions precedent to the first disbursement have been met. Such conditions are indicated as met in the OPMAS.	EL - Eligible	Processing of monetary and nonmonetary transactions.
Disbursements	Processing of monetary and nonmonetary transactions.	DI - Disbursing	No further available balance to disburse.
Fully Disbursed	No further available balance to disburse. An operation may be declared fully disbursed with a Revolving Fund or Advances Pending Justification. This step is done automatically by the WLMS.	FD – Fully Disbursed	Justification of amounts pending justification.
Close of Operations	The operation is fully disbursed and justified in the WLMS. This step is done automatically by the WLMS.	CO – Close of Operations	Close of Finances
Close of Finances	The operation is repaid in full.	CF - Close of Finances	None

B. STANDARD PROCESSING

25. **Steps prior to the first disbursement.** To make the first disbursement (or an operation's sole disbursement), prior to entering its information in the WLMS, the approval (date and operation number) and effective date of the operation,²¹ the categorized project budget, and the disbursement eligibility must have been entered into the WLMS.
26. **Input of itemized budget.** The project budget, itemized by category of investment, expenses, or program costs, is entered into the WLMS once the effective date has been input into the system. This step is essential for entry of contractual clauses²² in the "Operations Management System" (OPMAS), as well as for the declaration of full or partial eligibility for disbursements.
27. **Eligibility for disbursements.** Once the Project Team Leader indicates that the conditions precedent to the first disbursement of Bank resources have been met in the OPMAS, the operation is declared eligible (in whole or in part) for disbursements in the WLMS.²³

C. STAGES FOR TRANSACTION PROCESSING IN THE WLMS

28. The processing of all transactions by the UDR requires at least two users to process any transaction and consists of the following steps:
29. **Enter.** This step allows the entry of data on the transaction into the WLMS system.
30. **Validate.** In this step, the transaction is reviewed to verify the eligibility of the expenditure in accordance with Bank policies and procedures, and to validate the integrity of the operation. Changes and additional information or modifications may only be entered into the WLMS system prior to validation. Once the validation step is completed, the information may not be changed,²⁴ and is not accessible by the official who completed the "Enter/Validate" functions. The system automatically transfers the information to the Review/Authorize phase to comply with the internal control on segregation of functions. Moreover, sometimes it is necessary to reject the transaction in the WLMS, using the "Reject" function. Notes may be added to explain the reason for either option.
31. **Review.** *This step is optional.* It may be used as an additional control mechanism in the event of disbursements related to operations with a high level of complexity and risk. If the official responsible for the review approves the validated operation, it will be moved on to the Authorization stage. If the reviewer does not agree with the request, he or she may send the transaction back to the previous Validate stage, using the "Return" function.

²¹ The Legal Department is responsible for inputting the date of the signature and ratification for those operations requiring ratification.

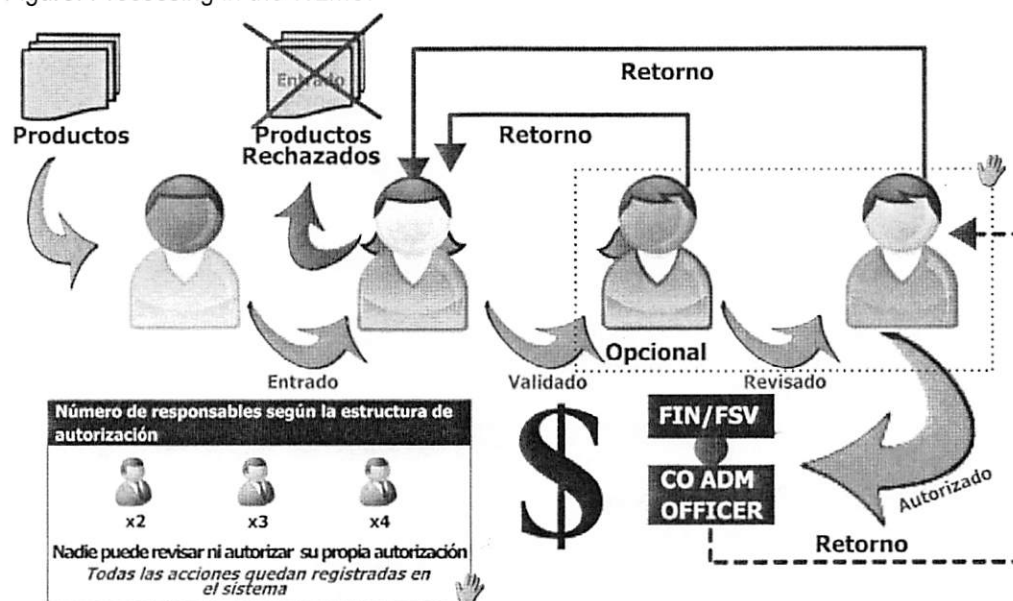
²² Only those clauses to be monitored for compliance are to be entered.

²³ Operations declared eligible in OPMAS will be automatically updated in the WLMS, provided the users processing the eligibility in OPMAS are authorized in the WLMS to process the eligibility transaction. If the data transfer between OPMAS and WLMS does not work, the necessary actions must be taken in the WLMS.

²⁴ Prior to the validation stage in the WLMS, it should be reviewed and verified that the signature(s) of the official(s) designated by the borrower or executing agency to request disbursements are current, and that the signatures of the officials on the disbursement requests match those in the Bank's records.

32. **Authorization.** At this step, the transaction is approved. However, it may be sent back to the Validate step for any correction. When transactions are approved relating to bank transfers or the issuance of checks in U.S. dollars, access codes including a “token” must be used to transfer the request to TRY/CMP for financing and payment. Users requiring a token must contact ITE/IAC.
33. The WLMS will not allow authorization of disbursements for loans that have not entered the disbursement projection for the specific operation into the applicable information systems. Loan disbursement projections must be entered by the Project Team Leader, Alternate Project Team Leader, or Fiduciary Specialist assigned to the project in OPUS. *See Annex 2 – Protocol and Procedures for Disbursement Projections.*

Figure: Processing in the WLMS.



D. INTERNAL CONTROLS

34. **Security and functions.** The WLMS requires a minimum of two levels of approval to process monetary (financial) and nonmonetary transactions. These approvals are determined in the Validation and Authorization steps. If an official carries out the validation step for a WLMS transaction, the same official will not be able to carry out the authorization step for the same transaction. It is indispensable that both a Sectors (VPS) official and a Countries (VPC) official participate in the processing of a transaction, considering the Fiduciary-Financial Specialist as one of the key participants in one of the approval stages (Validation or Authorization), for monetary transactions..
35. **Authority.** For monetary transactions (e.g., disbursements) the Representative or the designated person is responsible for final approval (Authorization) in the WLMS, provided that the principles of **independence and separation of functions** described in the foregoing paragraph are followed. At least one international official is required in the authorization flow for each monetary transaction.
36. **Automatic controls.** The WLMS system is designed with features that help control the quality of the data entered into the system. These features include controls for editing the information required to

process a transaction, validation of data, available amounts, levels of access authorized, and messages that help verify that the processing is correct.

37. ITE/IAC is responsible for the creation and maintenance of WLMS user accounts. Country Offices and UDRs at Headquarters should send ITE/IAC the WLMS access assignment forms. The Representative will assign the staff authorized to process transactions and will indicate the level of access required for each user in the WLMS. To do so, the forms "WLMS Role Assignment Form (For Country Offices)" (ITE-781) or "WLMS Role Assignment Form (For Headquarters)" (ITE-782) should be used. Both forms are available on the IDB Manuals page. To verify the access profile of existing users in the WLMS, see the Workload Distribution and Security Profile report available on the Operations Portal, under "FIN Reports".
38. **Notifications.** When a disbursement from Ordinary Capital (OC) is greater than the equivalent of US\$20 million or when a disbursement from the Fund for Special Operations (FSO) is greater than the equivalent of US\$10 million, the Country Office must inform TRY/CMP (fin-cms@iadb.org) and TRY/TMO (TRY-TMO-LQM@iadb.org) five business days in advance of its approval so the IDB Treasury Division can better manage short-term liquidity.

VIII. PAYMENTS WITH CHECKS (Technical Cooperation operations)

39. **General rules.** Country Offices may issue checks in local currency for up to US\$50,000 equivalent per transaction. Payments may be made to individual consultants or firms, beneficiaries or the EA, using resources from the bank account in local currency for technical cooperation projects. This account may not be used to pay expenses charged to the Country Office's administrative budget. Amounts greater than the equivalent of US\$50,000 in local currency and all types of payments in convertible currencies are paid by the Financial Services Unit (TRY/FSV).
40. **Issuance of checks.** Payment authorizations and/or disbursement requests must be duly processed and authorized in the WLMS before a payment by check can be issued. Once the payment transaction is authorized in the WLMS, the Administrative Officer (or designee) will issue the check. Before signing the check, the signatory must verify that the information on the check was authorized in the WLMS.
41. **Check confirmation.** After issuance and signing of the check, the Administrative Officer (or designee) will process confirmation of the check in the WLMS, including the following information: effective date of the check; check number; amount in local currency; and the equivalent amount in U.S. dollars. The entry of the information is fundamental for the WLMS to generate the accounting entries in the Bank's General Ledger, and update the technical cooperation balance, while avoiding overdrafts.
42. **Cancellation of checks.** In the event of check cancellations, a cancellation transaction will be recorded in the WLMS indicating the check number.

Note: Instructions for processing payments with checks in the WLMS are available in the Operations Portal (OPS), under "FIN Reports" on the WLMS information page.

IX. RETURNS OF PREVIOUSLY DISBURSED FUNDS

43. **Returns of funds by bank transfer or check, in the case of loans.** Any return of a loan disbursement must be made to the same bank account from which the funds were withdrawn, and in the currency in which the disbursement was recorded. Country Offices will initiate the process, informing TRY/LSP of the operation and disbursement request numbers. TRY/LSP, in turn, will indicate: (i) the name of the bank and the bank account number to which the funds should be returned, in the case of bank transfers. For checks, the check will be made out to the Inter-American Development Bank; and will indicate: (ii) the currency information and the equivalent amount for the return of the funds. TRY/CMP will confirm receipt of the money and will send the transaction to the WLMS for subsequent accounting and updating of the balance of the unjustified advance.
44. **Returns of funds by bank transfer or check, in the case of technical cooperation projects.** Any return of a disbursement for a technical cooperation project must be made to the same bank account from which the funds were withdrawn, and in the currency in which the disbursement was recorded. Country Offices will initiate the process, informing TRY/CMP of the operation and disbursement request numbers. TRY/CMP, in turn, will indicate: (i) the name of the bank and the bank account number to which the funds should be returned, in the case of bank transfers. For checks, the check will be made out to the Inter-American Development Bank; and will indicate: (ii) the currency information and the equivalent amount for the return of the funds. TRY/CMP will confirm receipt of the money and will send the transaction to the WLMS for subsequent accounting and updating of the balance of the unjustified advance.
45. Any return of a payment made by check in local currency should be made to the technical cooperation project's checking account in local currency held by each Country Office. Country Offices or UDR will be responsible for recording these transactions in the WLMS, using the deposit receipt issued by the commercial bank. Returns of funds issued by check must include the following information: (a) operation number, (b) amount of return, (c) check number, (d) date on which the repayment was deposited, (e) disbursement request to which the return is related.

GLOSSARY

Local contribution: Project costs to be financed by the borrower.

Letter of credit: A payment instrument, subject to international regulations, whereby one bank (issuing bank), acting at the request and in accordance with the instructions of a client (account party) is to make a payment to a third party (beneficiary) upon delivery of the required documents, provided that the credit terms and conditions are met.

Disbursement eligibility: Action declaring the pertinent contractual conditions met so that the borrower, EA, or beneficiary may receive disbursements. Such conditions precedent and the term for their fulfillment are established in the loan contract, technical cooperation agreement, or other potential legal agreements. Eligibility may be full (when all conditions for disbursement are met in all categories), or partial (when conditions for disbursement are met for some categories).

Closing date: The last day of the closing period, which lasts a maximum of 90 days, following the date of the last disbursement (see definition of closing period).

Project effective date: The date on which the agreement is signed or the contract enters into force.

Date of payment of an expenditure: Date on which the borrower, EA, or any other individual or legal entity authorized to incur project expenditures, makes the actual payment to the contractor or supplier, or transfers funds to a sub borrower, using Bank resources or the local contribution.

Date of last disbursement: The last day on which the Bank may make disbursements.

Effective date: Calendar date on which a transfer of financial resources from the Bank is confirmed.

Requested effective date: Field for entry of an alternate effective date when the date calculated automatically by the system does not meet the contractual needs of the disbursement.

Letter of credit reimbursement guarantee: A reimbursement guarantee issued by the IDB, at the request of a borrower or EA, to a commercial bank, pursuant to a confirmed letter of credit. The reimbursement guarantee will give rise to reimbursement to that bank of payments made on behalf of the borrower or EA to a supplier of goods and services specified in the letter of credit (the goods and services and the supplier thereof are located in a country other than that of the borrower or EA). The IDB's reimbursement guarantees are irrevocable and nontransferable.

Project currency: The currency in which the operation is approved, denominated, and recorded.

Convertible currency: A currency of the Bank's non borrowing member countries. A currency freely traded on the international market.

IDB borrowing member countries: Argentina, the Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

IDB non borrowing member countries: United States, Canada, Japan, Israel, Republic of Korea, People's Republic of China, and 16 European countries: Austria, Belgium, Croatia, Denmark, Finland,

France, Germany, Italy, the Netherlands, Norway, Portugal, Slovenia, Spain, Sweden, Switzerland, and United Kingdom.

Closing period: The 90 days following the date of the last disbursement, during which the EA proceeds to undertake the final activities to close the project and justify expenses to the Bank.

Final justification period: The 90-day period following the date of the last disbursement.

Financial Plan: An instrument generally coordinated with the PEP and the POA (which includes the Procurement Plan), allowing the planning and monitoring of project funds flows. The FP should be prepared at the outset of the project and updated as the project is executed, reflecting the project's actual liquidity needs.

Project: A generic term used in this guide to refer to any type of project or operation financed by the IDB.

ANNEX 1 – PROTOCOL AND PROCEDURES FOR DISBURSEMENT PROJECTIONS

Disbursement projections are required by the Bank for short-, medium-, and long-term financial planning and to be able to disburse the amounts requested in the requested currencies, as described below:

Basic assumptions:

Population: (a) All loans having approved balances not disbursed or canceled at the close of accounting each month (approved loans and loans in execution); (b) All those projects in preparation that are considered in the pipeline to be approved in the near term ("pipeline A").

Users: (a) Project Team Leaders; (b) Alternate Project Team Leaders; these users will only have access/permission to use the projections module. The fiduciary specialists assigned to projects and loans will also have access to the projections module.

Projections: Users may update projections at any time. For purposes of maintaining historic disbursement projections, the system saves a copy of the information at the close of each month. Projections may only be updated starting with the current month, that is, projections are based on the close of accounting for the prior month. Updates of amounts for the current month do not take into account amounts disbursed during the same month.

Projection total: When entering the system, this field shows the project or loan's approved undisbursed balance at the close of accounting for the month. When the user enters to update the projections, they must match this amount. Cancellations may be projected.

Projection horizon: The system takes the contractual expiration date of the disbursement as the natural term of the projection. It also allows the user to make projections for up to one year over this term. However, it is recommended that the disbursement period be extended first, before projections are modified.

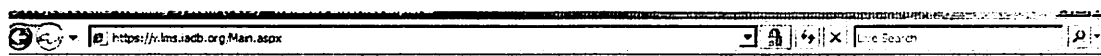
Projection granularity: The amounts to be projected will be expressed in thousands of U.S. dollars, and in U.S. dollar equivalents if the approved currency is not U.S. dollars. The system allows projections monthly.

Projection update: Projections may be updated as often as necessary. Moreover, since undisbursed balances are updated at the close of each month, in the event that the projected amount varies by more or less than 5%, the next time the user enters the system, he/she will be prompted to adjust them.

Reports: Standard disbursement projection reports will be available in the operations portal, under the FIN Reports tab. A disbursement projections tool will also be available to access this data and prepare ad-hoc reports.

Instructions for use:

1) Open browser and enter the WLMS at the following address.



2) If you have projections to update, a warning will appear.

WLMS Project Events Tracking System (PETS) Welcome: ISMAELG Language: English

Translate Now

Create Transaction To Do List Inquiry Special Tasks Remarks

Home Save Refresh Print Logout Help

Portfolio Highlights Portfolio Assignment

Portfolio for: ISMAELG Bank Instrument: All

Portfolio UDR: CBR

- Warnings:

You have some Disbursement Projections to correct. Click here to go to your Disbursement Projections List.

3) Clicking on the warning will take you to the screen to select projects or loans requiring a projection.

WLMS Disbursement Projections Welcome: ISMAELG Language: English

Translate Now

Create Transaction To Do List Inquiry Special Tasks Remarks

Home Save Refresh Print Logout Help

Unit Disb. Responsibility (UDR): CBR Bank Instrument: All

Amounts Expressed in Thousands of USD

Operation Number	Project Name	Status	Approved Currency	Currency	Bank Instrument	2010	2011	2012	2013	2014	2014	Cancellations	Undisbursed	Projected %
2037/MS-BR	New Microfinance Institution in the Region of Amazonas in Brazil	AF	F	USD	MIIF	0	0	0	0	0	0	0	2,000	100 %
2142/MS-BR	Transformation of CEAPE MA in a financial instit. regulated by the Central Bank	AF	F	USD	MIIF	0	0	0	0	0	0	0	2,000	100 %

4) Upon selecting the operation to input information or update projections, the following screen will appear. On this screen, enter the amount to be projected. Click Save if you wish to record the information or Back to return to the previous screen.

WLMS Disbursement Projections Matrix Welcome: ISMAELG Language: English

Translate Now

Create Transaction To Do List Inquiry Special Tasks Remarks

Home Save Refresh Print Logout Help

New Microfinance Institution in the Region of Amazonas in Brazil

Projections Detail

Operation Number: 2037-MS-BR Operation Status: AF

Undisbursed Balance: 2,000 Disbursement Exp. Date:

Cancellations: 0 Remaining Balance to Project: 2,000

Amounts Expressed in Thousands of USD

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	0	0	0	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0

SAVE EXIT

5) If you need to change projections, to see the list of operations, select:

- Special tasks
- Disbursement projections
- Enter/update disbursement projections

WLMS Disbursement Projections Matrix

Welcome: ISMAELG
Language: English

Translate Now

Create Transaction To Do List Inquiry Special Tasks Remarks

Home Save Refresh Print Logout Help

Projections Detail

Operation Number: 2037/MS-BR
Undisbursed Balance: 2,000
Cancellations: 0

New Microfinance Institution in the Region of Amazonas in Brazil

Special Tasks

- Update Statistical Elements
- e-OB Maintenance
- FO Checking Account
- Exchange Rates
- External Audits
- Disbursement Projections
- Return of Funds

Disbursement Projections

- Enter/Update Disbursement Projections
- Display Quarterly Disbursement Projections

6) Select the loan/project from this list.

WLMS Disbursement Projections Matrix

Welcome: ISMAELG
Language: English

Translate Now

Create Transaction To Do List Inquiry Special Tasks Remarks

Home Save Refresh Print Logout Help

Unit Disb. Responsibility (UDR): CBR Bank Instrument: All

Amounts Expressed in Thousands of USD

Operation Number	Project Name	Status	Approved Currency	Bank Instrument	2010	2011	2012	2013	2014	2014	Cancellations	Undisbursed	Projected %
2037/MS-BR	New Microfinance Institution in the Region of Amazonas in Brazil	AF	F	USD	MTF	0	0	0	0	0	0	2,000	100 %
2142/MS-BR	Transformation of CEAPE MA in a financial instit. regulated by the Central Bank	AF	F	USD	MTF	0	0	0	0	0	0	2,000	100 %

7) Once on the work screen, make the changes until the projected or cancelled amounts match the undisbursed balance.

WLMS Disbursement Projections Matrix

Welcome: ISMAELG
Language: English

Translate Now

Create Transaction To Do List Inquiry Special Tasks Remarks

Home Save Refresh Print Logout Help

Projections Detail

Operation Number: 2037/MS-BR
Undisbursed Balance: 2,000
Cancellations: 0

Operation Status: AF
Disbursement Exp. Date:
Remaining Balance to Project: 2,000

New Microfinance Institution in the Region of Amazonas in Brazil

Amounts Expressed in Thousands of USD

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	0	0	0	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0

SAVE EXIT

8) Save the projection.

ANNEX 2 – FINANCIAL PLAN

DEFINITION

The Financial Plan (FP) is an instrument generally coordinated with the PEP and the POA (which includes the Procurement Plan), allowing the planning and monitoring of project funds flows. The FP should be prepared at the outset of the project and updated as the project is executed, reflecting the project's actual liquidity needs.

GENERAL OBJECTIVE OF THE FINANCIAL PLAN

The FP, which should be prepared by the EA with the Bank's support, has different objectives, depending on its user:

- a. **Executing agency:** (i) to ensure that the project has timely access to financial resources, whether it be from Bank resources, the local contribution, or resources from other financial backers – in the amounts anticipated in the budget, and (ii) to perform comparative analyses with the physical execution and to establish progress indicators.
- b. **Bank and other financial backers:** to supervise and monitor project execution.

SPECIFIC OBJECTIVE OF THE FINANCIAL PLAN FOR BANK DISBURSEMENTS

- a. **Executing agency:** to use the FP as support for requesting disbursements from the Bank (advances).
- b. **Bank:** to accept the FP submitted by the EA to determine the reasonability of the disbursement requests and to be able to process advances of funds.

CONTENT OF THE CONSOLIDATED FINANCIAL PLAN

The Consolidated Financial Plan is prepared for all necessary project resources over the entire execution period and contains the following information:

CONSOLIDATED FINANCIAL PLAN

Suggested model

Investment category (1)	Year 1				Year 2, etc.				PROJECT TOTAL			
	IOB	Counterpart	Other	TOTAL	IOB	Counterpart	Other	TOTAL	IOB	Counterpart	Other	TOTAL
Category 1				0				0				0
Activity 1				0				0				0
Activity 2				0				0				0
Activity 3				0				0				0
Category 2				0				0				0
Activity 1				0				0				0
Activity 2				0				0				0
Activity 3				0				0				0
Category 3				0				0				0
Activity 1				0				0				0
Activity 2				0				0				0
Activity 3				0				0				0
Total	0	0	0	0	0	0	0	0	0	0	0	0

(1) The structure of the investment categories should be consistent with the project categories entered in the WLMS.

- The **INVESTMENT CATEGORIES** column includes the list of the components and subcomponents, corresponding to the estimates required to address the project's liquidity needs.
- The columns for each year—throughout the duration of the project—include the values by investment category and by source of financing.

DETAILED FINANCIAL PLAN

The Detailed Financial Plan contains information broken down by month, for each year of execution, for the entire project, and separately for each source of financing (IDB resources, local counterpart, and other cooperating agencies).

DETAILED FINANCIAL PLAN: ENTIRE PROJECT¹
Suggested model

Investment category (1)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Category 1													
Activity 1													
Activity 2													
Activity 3													
Category 2													
Activity 1													
Activity 2													
Activity 3													
Category 3													
Activity 1													
Activity 2													
Activity 3													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

¹ Consolidates FPs broken down by source of financing (e.g. IDB resources + Local counterpart + Other cooperation agencies).

DETAILED FINANCIAL PLAN: IDB RESOURCES¹
Suggested model

Investment category (1)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Category 1													
Activity 1													
Activity 2													
Activity 3													
Category 2													
Activity 1													
Activity 2													
Activity 3													
Category 3													
Activity 1													
Activity 2													
Activity 3													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

¹ This information must be consistent with (the same as) that used to prepare the disbursement projection described in Annex 1 of this Guide.

DETAILED FINANCIAL PLAN: RESOURCES FROM LOCAL COUNTERPART RESOURCES

Suggested model

Investment category	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
(1)													
Category 1													
Activity 1													
Activity 2													
Activity 3													
Category 2													
Activity 1													
Activity 2													
Activity 3													
Category 3													
Activity 1													
Activity 2													
Activity 3													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

DETAILED FINANCIAL PLAN: RESOURCES FROM OTHER COOPERATION AGENCIES

Suggested model

Investment category	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
(1)													
Category 1													
Activity 1													
Activity 2													
Activity 3													
Category 2													
Activity 1													
Activity 2													
Activity 3													
Category 3													
Activity 1													
Activity 2													
Activity 3													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

MODEL FOR REQUESTING ADVANCES FROM THE IDB

The Model to request Advances is based on the Detailed Financial Plan. This model requires the following information: (1) for Bank financing, all estimated costs/expenses by investment category, month by month, corresponding to the disbursement request period (advance), (2) for the local counterpart and other sources, the resources that these parties will contribute to the project for the same period (total by investment category).

See the Model on the next page and in Annex 6 (Excel version).

Name of executing agency:
 Loan contract or technical cooperation agreement number:
 Request number:
 Date:

FINANCIAL PLAN: MODEL FOR REQUESTING ADVANCES

(in thousands, project currency)

Investment category	BANK FINANCING									Counter-part local	Other sources	Project total
	Jan.	Feb.	March	April	Mayetc.	Nov.	Dec.	IDB total			
Category 1									0.00			0.00
Activity 1									0.00			0.00
Activity 2									0.00			0.00
Activity 3									0.00			0.00
Category 2									0.00			0.00
Activity 1									0.00			0.00
Activity 2									0.00			0.00
Activity 3									0.00			0.00
Category 3									0.00			0.00
Activity 1									0.00			0.00
Activity 2									0.00			0.00
Activity 3									0.00			0.00
Total resources required	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reconciliation (disbursements):												
Less: disbursements for direct payments									0.0			
Less: reimbursements to executing agency.....									0.0			
Less: other disbursements									0.0			
Less: balance available from previous advance (see Note 2)									0.0			
Total advance of funds required									0.0			

= Amount of disbursement Request (advance)

Note 1: The period (specific months) covered by the advance request should be clearly indicated. This will not necessarily coincide with the months of a single calendar year..

Note 2: This line should only include the balance of the previous advance of funds for the financing required and submitted in this request..

BANK FINANCING AND RECONCILIATION BY DISBURSEMENT METHOD

The "Bank Financing" columns should include all eligible costs/expenditures associated with Bank resources. The reconciliation required at the bottom of the above table is used to identify the needs that will be covered by the various disbursement methods available to the EA, and will thus prevent overestimation of the amount required by the advance of funds.

ANNEX 3 – PROJECT PREPARATION FACILITY (PPF)

LINE OF CREDIT

The Board of Executive Directors will approve a line of credit for each participating country, based on the justification prepared by the country itself, together with the operating procedures and regulations under which the line of credit will operate.

Management will approve individual operations of the PPF, which may be deducted from the line of credit, in accordance with the guidelines approved by the Board of Executive Directors.

FINANCING

No project will receive more than a cumulative maximum of US\$1.5 million from the PPF.

PROCESSING

The disbursement procedures for **individual operations from the PPF** under the Revolving Line of Credit (RLC) will be the same as those followed for all Bank operations.

Disbursement eligibility: The first disbursement requires approval of the Project Team Leader and the Legal Department and is subject to all of the same processes for loans.

Disbursement request: Disbursement requests must be submitted by the EA. If the Bank administers the services, the Country Office will initiate the request.

METHODS

When the EA contracts the services, it requests reimbursement for the expenses it has incurred, or an advance of funds.

When the Bank contracts the services, the Country Office must enter a commitment in the Bank's system (WLMS). The disbursement requests must be attributed to that commitment.

If the loan is approved to finance the project, it will be eligible for disbursement upon approval. The WLMS will produce a billing statement for the individual PPF operation, which in turn will generate a disbursement transaction attributable to the new loan for payment of the individual PPF operation.

If the loan is not approved to finance the project. When the amount from the PPF owed by the borrower is less than US\$100,000, the Bank (TRY/FSV) will collect the amount owed and payable by the borrower within six months following the expiration date of the PPF in a single, lump-sum payment.

When the amount from the PPF owed by the borrower is greater than US\$100,000, the Bank (TRY/FSV) will invoice the borrower in 10 equal semiannual installments over a five-year period.

Other mechanisms supporting project preparation. In addition to the PPF, the Bank also has the following mechanisms that support project preparation:

- The Project Preparation and Execution Facility (PROPEF),

- The Infrastructure Fund (InfraFund),
- The Fund for the Financing of Technical Cooperation for Initiatives for Regional Infrastructure Integration (FIRII),
- The Disaster Prevention Fund (FDP).

For further information on all these mechanisms, see the Bank's web page, www.iadb.org, Finance, financial mechanisms for project preparation.

ANNEX 4 – REVOLVING FUND

Transitional provisions for its operation

The Revolving Fund (RF) no longer exists as a disbursement method following approval of the new Financial Policy (OP-273-1). Nevertheless, the RF will remain effective for those projects currently using it, until the closure of these operations, and for those operations that were designed prior to the operational implementation of the new method for Advances.

These provisions will be applicable for all operations in which the RF continues to be used as a disbursement method.

Once the projects have been declared eligible for disbursement, the borrowers, executing agencies, or beneficiaries (hereinafter, the "Borrower") may request disbursements from the Bank in order to establish revolving funds, as agreed with the Borrower.

The percentage of the revolving fund (e.g.: 5%, 10%, 20%) will be determined on a case-by-case basis by the Project Team Leader, considering the nature and characteristics of the project, and will be evaluated (and adjusted, if applicable), during the project cycle. The project team will analyze the status of the revolving fund, considering the status of project execution, the anticipated remaining demand for disbursements within the framework of the revolving fund, the revolving fund balance, and the status of justifications for the revolving fund, among other things.

In order to be certain that the resources from the revolving funds and their use can be distinguished, at all times, from other resources administered by the Borrowers, the following criteria will apply:

- a. Revolving fund resources should preferably be deposited in a special bank account of the Borrower; or, if this is not possible, these resources should be recorded in the Borrower's general account for the project, and appear in a separate subaccount.
- b. Part II, Section V. of this Guide (Bank Information for the Borrower, Executing Agency, or Beneficiary), will apply to those operations that still utilize revolving funds..
- c. The chart of accounts that the Borrower submits to the Bank for approval—a standard condition precedent for declaring the loan eligible for disbursement—should describe the method to be used to account for the revolving fund resources. The loan proceeds should be used by Borrowers exclusively for eligible project expenditures.
- d. If deposits from the revolving fund into bank accounts accrue interest, commissions, etc., this income should be invested in the project as part of the local counterpart contribution. These funds may be used for expenses that are similar and/or complementary to the Bank-financed project.

REPLENISHMENT OF THE REVOLVING FUND

Upon making payments with resources from the revolving fund, the Borrower is responsible for complying with the conditions and procedures established in the loan contract with respect to procurement of eligible goods and services to obtain financing with loan proceeds.

At the Borrower's request, the Bank may process requests to replenish the revolving fund. For purposes of Bank analysis and approval, requests should include the supporting documentation described under *Justification* in this Guide.

ANNEX 5 – ISSUANCE AND AMENDMENT OF CREDIT GUARANTEES

REQUIREMENTS

For this procedure to be used, the following requirements must be met:

- a. Resources committed under an IDB guarantee may not be used for other purposes established in the loan contract while the guarantee is in effect.
- b. Letters of credit will expire at least 60 days prior to the current date for the last disbursement of the loan.
- c. The IDB may extend the date specified in the reimbursement guarantee for purposes of receipt of payment requests from commercial banks, as well as the term available for amending a letter of credit. The IDB will serve notice of the new dates to the confirming bank.
- d. The IDB only issues reimbursement guarantees to commercial banks that **issue and confirm** letters of credit, or to a commercial bank that **confirms** a letter of credit acting as agent of the issuing bank.
- e. The IDB does not issue reimbursement guarantees to a commercial bank that simply **serves notice** that another commercial bank has issued a letter of credit, but that does **not confirm** this letter of credit.
- f. Disbursement requests issued by commercial banks must be received at IDB Headquarters prior to the expiration date indicated on the reimbursement guarantee, which may not precede by more than 30 days the current date corresponding to the last disbursement of the loan. The IDB does not make exceptions to this requirement.

ISSUANCE OF REIMBURSEMENT GUARANTEES

The IDB only issues reimbursement guarantees in amounts greater than or equal to US\$100,000, to reimburse a commercial bank for payments made to a supplier, pursuant to a confirmed letter of credit. The letters of credit will expire at least 60 days prior to the current date for the last disbursement of the loan.

The IDB only issues reimbursement guarantees to commercial banks that **issue and confirm** letters of credit, or to a commercial bank that **confirms** a letter of credit, acting as agent of the issuing bank.

The IDB may issue an **irrevocable and nontransferable** credit guarantee to a bank that undertakes confirmation by post or through the electronic interbank system known as SWIFT.

The Borrower may ask the confirming bank to send two copies of the pro forma letter of credit to IDB Headquarters (by mail or SWIFT).

The confirmed letter of credit should **not** mention the IDB guarantee.

NECESSARY INFORMATION

Letters of credit should include the following basic information:

- a. Name and address:
 - i. Of the issuing commercial bank directly confirming the letter of credit, or the issuing bank, together with the name and address of the correspondent bank to confirm the letter of credit.
 - ii. Of the beneficiary.
- b. Currency and amount, indicating whether the financing covers the value CIF, C&F,²⁵ etc. (less consular duties).
- c. Expiration date.
- d. Description of goods and services.
- e. Country of origin of the goods and services.
- f. Means of transportation to be used.
- g. Destination of the goods.
- h. Type of insurance.
- i. Shipping clause consistent with the provisions of the loan contract.
- j. Clause stipulating that the supplier must submit the following documentation to the commercial bank:
 - i. Supplier invoice.
 - ii. Shipping documents.
 - iii. Certificate of the supplier (see form in Annex 6).

AMENDMENT OF THE CONDITIONS ESTABLISHED IN THE LETTER OF CREDIT

If the IDB requests amendments, the confirming bank, prior to confirming the letter of credit, will obtain the approval of the Borrower and beneficiary with respect to the amendments to the conditions in the letter of credit.

The confirming bank will notify the IDB of its acceptance of the conditions established in the letter of credit, sending a copy of the guarantee; if it is issued by the IDB through SWIFT, the acceptance may be communicated in the same way.

ORIGIN AND TRANSPORTATION OF GOODS AND SERVICES

The IDB guarantees reimbursement of the FOB, FAS, CIF, or C&F value of the imported goods. The goods and services, and the shipping financed with letters of credit guaranteed by the IDB are subject to the following requirements:

²⁵ Foreign trade terms: FOB (free on board); FAS (free alongside ship); CIF (cost, insurance, and freight); C&F (cost and freight).

- a. For guarantees to reimburse the FOB or FAS value, the goods and services must originate in eligible IDB member countries for procurement purposes.
- b. For guarantees to reimburse the CIF or C&F value, the goods and services must originate in and be shipped from eligible IDB member countries. The IDB will finance the shipping costs if any of the following criteria are met:
 - i. The vessel flies the flag of an IDB member country.
 - ii. The vessel owner is from an IDB member country.
 - iii. The vessel is registered in an IDB member country.
 - iv. The shipping company to transport the goods and/or issue the bill of lading is from an IDB member country.
- c. If the above criteria (ii), (iii), and (iv) are met, the vessel does not need to fly the flag of an IDB member country.

If for any reason the goods cannot be shipped by a means of transportation of an eligible country, the IDB will not finance such shipping.

COSTS LINKED TO LETTERS OF CREDIT

The Borrower must pay all charges, fees, and interest applied by a commercial bank with respect to a letter of credit. The IDB may not reimburse the commercial bank if the Borrower does not have the necessary items in advance for these and other payments to be made.

Subsequently, the Borrower, using ordinary procedures, may request the reimbursement of eligible costs it has incurred from the Bank.

Consular and import duties payable in the country in which the project or program is executed are not eligible for purposes of IDB financing.

If a reimbursement guarantee covers only the FOB value of the imported goods, the Borrower may submit a separate reimbursement request for eligible payments for freight and insurance, by applying reimbursement procedures for such payments.

AMENDMENTS TO LETTERS OF CREDIT

Amendments that do not require prior IDB approval are included in the text of the reimbursement guarantee issued by the IDB (See form RE1-491). For amendments that require prior IDB approval, the Borrower should send the Country Office a request to amend the reimbursement guarantee (See form RE1-730).

The Borrower should ask the commercial bank to send two copies of the proposed amendment to IDB Headquarters, by mail or via SWIFT.

PROCEDURES

A. BORROWER

Sends the Country Office the request for issuance or amendment of the reimbursement guarantee, accompanied by a copy of the pro forma letter of credit or two copies of the proposed amendments, as applicable.

B. SECTOR AND FINANCIAL SPECIALIST

Reviews the request, comparing it to the pro forma letter of credit or the proposed amendment, to verify all information.

C. FIDUCIARY SPECIALIST

Enters the data and initiates the process to validate the request in the WLMS in order to verify compliance with the policies and provisions of the IDB loan contract.

Contacts the issuing bank to verify that the confirming bank is sending the pro forma letter of credit to TRY/FSV.

The Representative or designee approves the reimbursement guarantee request and sends it through the WLMS to TRY/FSV.

D. TRY/FSV

Validates and analyzes the reimbursement guarantee requests, for purposes of verifying compliance with IDB policies and procedures, and with the respective conditions specified in the letter of credit.

Prepares the reimbursement guarantee form or the reimbursement guarantee amendment form. If the validation and analysis requirements are met, it authorizes the issuance of the reimbursement guarantee or amendment.

Sends the confirming bank and the Borrower or EA the draft reimbursement guarantee form (original and a copy), and a copy of the draft letter of credit, suppliers' certificates, and the reimbursement request. In the event of amendment, it sends the letter of amendment to the confirming bank.

FORMS RELEVANT TO THIS ANNEX:

<http://manuals/Forms/RE1-511.pdf>

<http://manuals/Forms/RE1-491e.pdf>

<http://manuals/Forms/RE1-730e.pdf>

ANNEX 6 – DISBURSEMENT FORMS

6.1	Disbursement Request for Advance of Funds, Direct Payments and Reimbursements
6.2	Disbursement Request for Revolving Fund
6.3	Financial Plan: Model to Request Advances
6.4	List of Commitments charged to IDB Financing
6.5	Project Execution Status
6.6	Reconciliation of Bank Resources
6.7	Statement of Expenses or Payments
6.8	Statement of Expenses or Payments for Subloans
6.9	Consolidated Financial Plan
6.10	Detailed Financial Plan
6.11	<ul style="list-style-type: none"> • Solicitud de Pago de Garantía de Reembolso: RE1-511 (05/00) • Garantía de Reembolso Irrevocable y No Transferible: RE1-491-S (05-00) • Garantía/enmienda de Reembolso de Carta de Crédito: RE1-730-S (01/98) • Certificado del Proveedor: RE1-510 (10/09)



DISBURSEMENT REQUEST ADVANCES, DIRECT PAYMENTS, REIMBURSEMENTS

To: Inter-American Development Bank

Ref.: Loan Contract or Technical Cooperation Agreement Number: _____

Request Number: _____

Date: _____

To whom this may concern:

Pursuant to the terms and conditions of the referenced Contract (Agreement) between (Name of the Borrower or Beneficiary)

_____ and the Inter-American Development Bank (IDB), executed by (Name of the Executing Agency)

_____ we hereby:

REQUEST

☐

Reimbursement of payments

☐

Direct Payment to supplier or contractor

☐

Advance of funds

PRESENT

☐

Justification of Advance of funds (Accountability)

Currency Requested

Amount expressed in the currency requested

Amount expressed in the currency of the financing or grant (1)

(Numbers and written)

INSTRUCTIONS FOR THE TRANSFER OF FUNDS

INTERMEDIARY BANK

Bank Name: _____

Address: _____

City: _____

Country: _____

SWIFT Code: _____

ABA N°: _____

Account with Federal Reserve Bank (FED)? (yes/no) _____

Special Instructions: _____

DEPOSITORY BANK

Bank Name: _____

Address: _____

City: _____

Country: _____

SWIFT Code: _____

ABA N°: _____

Account with Federal Reserve Bank (FED)? (yes/no) _____

Account with Intermediary Bank: _____

Special Instructions: _____

DISBURSEMENT BENEFICIARY

Beneficiary's Account Name: _____

Beneficiary's Account N° in the Depository Bank: _____

Special Instructions: _____

Authorized Signature(s)

Name(s) and Title(s)

(1) If the Borrower/Beneficiary or Executing Agency requests a fixed amount of a currency different than the currency of the financing or grant, the final amount to be disbursed, expressed in the currency of the financing or grant, could be different than the amount expressed in this request.

CATEGORIES AND SUBCATEGORIES OF INVESTMENT ATTRIBUTED TO THIS REQUEST (2)

[illegible]

We hereby agree and certify that:

- I. We have not failed to comply with any of the obligations established in the Loan Contract or Financing Agreement, including those related to suspension of disbursements.
- II. Payments from these resources are/will be solely for the purposes specified in the Loan Contract or Financing Agreement and in accordance with its terms and conditions. The goods and services financed/to be financed with these payments are/will be, appropriate for such purposes, and the cost and conditions of such goods and services are/were reasonable.
- III. The use of the advance of funds for the financing/grant (justifications) will be presented in accordance with the agreements reached between the Bank and the executing agency/borrower/beneficiary. The final justification of expenses on the use of the advance of funds shall be presented no later than 30 days prior to the date of last disbursement.
- IV. In the event that the use of the advance of funds is not justified on a timely basis (it should not exceed 180 days), the IDB is empowered to:
a) request a return of funds of the unjustified balance, or b) apply any reimbursement request to the unjustified balance.
- V. The amounts indicated in this request and its related supporting documentation, are in each case the exact amounts paid for the respective items and such amounts reflect all discounts, reductions and other credits received or to be received in connection with the specified purchases/procurement contracts indicated with the payment details and from which these payments are derived.
- VI. We have not received any funds as reimbursements for payments that are included as part of this request (or its related supporting documentation), nor have we obtained (or shall obtain) funds for such purposes from any other loan, credit or donation made to us, except for short-term loans (if any) obtained prior to this request and which we shall repay with the proceeds of this disbursement.
- VII. The IDB is authorized to make the necessary arrangements so that the currency (or currencies) assigned to effect this disbursement be converted for our order and account - to the requested currency - and be deposited in the account(s) specified herein. The amount of the currency (or currencies) that the IDB disburses and converts shall constitute outstanding amounts due to the Bank, for loan contracts.
- VIII. We are responsible for maintaining all supporting documentation for this request, properly cross-referenced to the project's accounting records and to the purchases or procurement of goods and services from which they are derived. We are also responsible for ensuring that Bank funds are properly identified in the accounting records and are deposited in the specified accounts. Notwithstanding the Bank accepting this request, the Bank or authorized third parties, is authorized to review, at any time, the documentation that supports the expenses hereby presented.
- IX. In accordance with the project's accounting records, the **cumulative amount of the local contribution** of the financing/grant, as of the date of this request, is equal to: _____ (expressed in the currency of the financing/grant).

Authorized Signature(s)

Name(s) and Title(s)

(2) Not required to request advance of funds.

**DISBURSEMENT REQUEST
REVOLVING FUND**

To: Inter-American Development Bank

Ref.: Loan Contract or Technical Cooperation Agreement Number: _____

Request Number: _____

Date: _____

To whom this may concern:

Pursuant to the terms and conditions of the referenced Contract (Agreement) between (Name of the Borrower or Beneficiary) _____ and the Inter-American Development Bank (IDB), executed by (Name of the Executing Agency) _____ we hereby:

REQUEST☐ Revolving Fund Disbursement (Establishment)☐ Replenishment of Revolving Fund**PRESENT**☐ Justification of the Revolving Fund (Accountability)Currency Requested
_____Amount expressed in the currency requested
_____Amount expressed in the currency of the financing or grant (1) (Numbers and written)
_____**INSTRUCTIONS FOR THE TRANSFER OF FUNDS****INTERMEDIARY BANK**

Bank Name: _____

Address: _____

City: _____ Country: _____

SWIFT Code: _____ ABA N°: _____

Account with Federal Reserve Bank (FED)? (yes/no) _____

Special Instructions: _____
_____**DEPOSITORY BANK**

Bank Name: _____

Address: _____

City: _____ Country: _____

SWIFT Code: _____ ABA N°: _____

Account with Federal Reserve Bank (FED)? (yes/no) _____

Account with Intermediary Bank: _____

Special Instructions: _____
_____**DISBURSEMENT BENEFICIARY**

Beneficiary's Account Name: _____

Beneficiary's Account N° in the Depository Bank: _____

Special Instructions: _____

Authorized Signature(s)_____
Name(s) and Title(s)

(1) If the Borrower/Beneficiary or Executing Agency requests a fixed amount of a currency different than the currency of the financing or grant, the final amount to be disbursed, expressed in the currency of the financing or grant, could be different than the amount expressed in this request.

CATEGORIES AND SUBCATEGORIES OF INVESTMENT ATTRIBUTED TO THIS REQUEST (2)

[illegible]

We hereby agree and certify that:

- I. We have not failed to comply with any of the obligations established in the Loan Contract or Financing Agreement, including those related to suspension of disbursements.
- II. Payments from these resources are/will be solely for the purposes specified in the Loan Contract or Financing Agreement and in accordance with its terms and conditions. The goods and services financed/to be financed with these payments are/will be, appropriate for such purposes, and the cost and conditions of such goods and services are/were reasonable.
- III. The use of the revolving fund for the financing/grant (justifications) will be presented in accordance with the agreements reached between the Bank and the executing agency/borrower/beneficiary. The final justification of expenses on the use of the revolving fund shall be presented no later than 30 days prior to the date of last disbursement.
- IV. In the event that the use of the revolving fund is not justified on a timely basis (it should not exceed 180 days), the IDB is empowered to: a) request a return of funds of the unjustified balance, or b) apply any reimbursement request to the unjustified balance.
- V. The amounts indicated in this request and its related supporting documentation, are in each case the exact amounts paid for the respective items and such amounts reflect all discounts, reductions and other credits received or to be received in connection with the specified purchases/procurement contracts indicated with the payment details and from which these payments are derived.
- VI. We have not received any funds as reimbursements for payments that are included as part of this request (or its related supporting documentation), nor have we obtained (or shall obtain) funds for such purposes from any other loan, credit or donation made to us, except for short-term loans (if any) obtained prior to this request and which we shall repay with the proceeds of this disbursement.
- VII. The IDB is authorized to make the necessary arrangements so that the currency (or currencies) assigned to effect this disbursement be converted for our order and account - to the requested currency - and be deposited in the account(s) specified herein. The amount of the currency (or currencies) that the IDB disburses and converts shall constitute outstanding amounts due to the Bank, for loan contracts.
- VIII. We are responsible for maintaining all supporting documentation for this request, properly cross-referenced to the project's accounting records and to the purchases or procurement of goods and services from which they are derived. We are also responsible for ensuring that Bank funds are properly identified in the accounting records and are deposited in the specified accounts. Notwithstanding the Bank accepting this request, the Bank or authorized third parties, is authorized to review, at any time, the documentation that supports the expenses hereby presented as justifications.
- IX. In accordance with the project's accounting records, the **cumulative amount of the local contribution** of the financing/grant, as of the date of this request, is equal to: _____ (expressed in the currency of the financing/grant).

Authorized Signature(s)

Name(s) and Title(s)

(2) Not required to request revolving fund.



Name of Executing Agency:
 Loan Contract or Technical Cooperation Agreement number:
 Request number:
 Date:

FINANCIAL PLAN: MODEL TO REQUEST ADVANCES¹
(in thousands, project currency)

Category of Investment	BANK FINANCING									Local Counterpart	Other Sources	Project Total
	Jan	Feb	Mar	Apr	Mayetc	Nov	Dec	IDB Total			
Category 1									0.00			0.00
Activity 1									0.00			0.00
Activity 2									0.00			0.00
Activity 3									0.00			0.00
Category 2									0.00			0.00
Activity 1									0.00			0.00
Activity 2									0.00			0.00
Activity 3									0.00			0.00
Category 3									0.00			0.00
Activity 1									0.00			0.00
Activity 2									0.00			0.00
Activity 3									0.00			0.00
Total resources required	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reconciliation (disbursements):												
Less: Direct Payment disbursements									0.0			
Less: Reimbursements to the EA.....									0.0			
Less: Other types of disbursements									0.0			
Less: Available balance from previous Advance of funds (see Note 2)									0.0			
Total advance of funds required									0.0			

➔

= Amount of disbursement request (Advance)

Note 1: The period (specific months) covered by the Advance Request should be clearly indicated. This will not necessarily coincide with the months of a single calendar year.

Note 2: This line should reflect the remaining (unused) balance of the previous advance disbursed, which can now be used for the financing required and submitted with this advance request.



**LIST OF COMMITMENTS CHARGED TO IDB FINANCING
ADVANCE OF FUNDS REQUIRED**

Period covered by the request (e.g. from MM/YY to MM/YY)

Suggested model

NAME OF EXECUTING AGENCY:

Loan Contract or Technical Cooperation Agreement number:

Request number:

Date:

Page No. ____x____ of ____x____

Item	Activity as per P.P.		Registration No. of IDB Awarded Contract *	Date of Contract or Commitment	Name of Supplier or Contractor	Total Amount of Loan or Commitment	Amount Payable under the Contract or Commitment	Amount of Payments due within 120 days	Exchange Rate (1)	Equivalent Amount in Project Currency	Financing	
	Code	Description									IDB	Local Counterpart
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
										Total this Page	0.00	0.00
										From Previous Page	-	-
										Total this Request	0.00	0.00

(1) The exchange rate to be applied should be estimated as set forth in the Loan Contract or Financing Agreement.

*Corresponds to the code in Prism, Sepa or any other system used for contract monitoring.

Authorized Signature(s)_____
Name(s) and Title(s)



NAME OF EXECUTING AGENCY:
Loan Contract or Technical Cooperation Agreement number:
Request number:
Date:

Authorized Signature(s)

Name(s) and Title(s)



RECONCILIATION OF BANK RESOURCES

NAME OF EXECUTING AGENCY:

Loan Contract or Technical Cooperation Agreement number:

Request number:

Date:

I AVAILABLE BALANCE OF THE REVOLVING FUND OR ADVANCES (2)	
--	--

Detail	Amount	Exchange Rate	Amount in Project Currency
Available balance in the project currency account as of: _____ Bank: _____ Account No.: _____			
Available balance in the local currency account as of: _____ Bank: _____ Account No.: _____			

II EXPENSES OR PAYMENTS PENDING JUSTIFICATION /3	
---	--

Expenses or payments pending justification in this request	a
Expenses or payments pending justification and not included in this request as per the project accounting records	

III TOTAL OF REVOLVING FUND OR ADVANCES PENDING JUSTIFICATION (I+II)	-
---	---

IV BALANCE OF THE REVOLVING FUND OR ADVANCES AS PER IDB ACCOUNTING (LMS 1 REPORT)	b
Percentage justified	a/b

V DIFFERENCES (IV-III) /4	
----------------------------------	--

VI IDENTIFICATION OF DIFFERENCES /4	
--	--

Detail	Amount	Exchange Rate	Total Amount in Project Currency
Exchange differences			
Other differences			

We hereby certify that: a) the expenses specified in number II were made for the purposes set forth in the Contract/Agreement; and b) the documentation supporting the expenses made with resources from the Revolving Fund or Advances and pending justification is available for IDB inspection.

Authorized Signature(s)_____
Name(s) and Title(s)**Notes:**

- 1) Is the current account exclusively used for the Revolving Fund or Advances? YES _____ NO _____
- 2) Attach a copy of bank account statements for the accounts in which the resources from the Revolving Fund or Advances are deposited, their corresponding reconciliations, and the available balance of the Local Counterpart, if using the same current account as the Revolving Fund or Advances.
- 3) Attach a list of expenses or payments made with resources from the Revolving Fund or Advances and pending justification.
- 4) In the event of a difference, attach a reconciliation and the relevant explanation.



Page No. ____x____ of ____x____

Category/Sub-category of Investment: (1)Name(s) and Title(s)



Suggested model

Page No. ____ x ____ of ____ x ____

Date:

Category/Sub-category of Investment: (1)

- (1) Use a separate Statement of Expenses for each Category or Sub-category of Investment.
- (2) Group expenses by Country of Origin
- (3) Include a summary identification of debtor and project as per the accounting records.
- (3) Date when actual disbursement was made to the Intermediary Institution or Sub-borrower, in case of direct payment.
- (4) The exchange rate to be applied should be that set forth in the Loan Contract.

Authorized Signature(s)

Name(s) and Title(s)

CONSOLIDATED FINANCIAL PLAN

Suggested model

Category of Investment (1)	Year 1				Year 2, etc.				PROJECT TOTAL			
	IDB	Counterpart	Other	Total	IDB	Counterpart	Other	Total	IDB	Counterpart	Other	Total
Category 1				0				0				0
Activity 1				0				0				0
Activity 2				0				0				0
Activity 3				0				0				0
Category 2				0				0				0
Activity 1				0				0				0
Activity 2				0				0				0
Activity 3				0				0				0
Category 3				0				0				0
Activity 1				0				0				0
Activity 2				0				0				0
Activity 3				0				0				0
Total	0	0	0	0	0	0	0	0	0	0	0	0

(1) The structure of the categories of investment should be consistent with the project categories entered in the WLMS.

DETAILED FINANCIAL PLAN: ENTIRE PROJECT¹
Suggested model

Category of Investment (1)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Category 1													
Activity 1													
Activity 2													
Activity 3													
Category 2													
Activity 1													
Activity 2													
Activity 3													
Category 3													
Activity 1													
Activity 2													
Activity 3													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

¹ Consolidates Itemized FPs broken down by source of financing (e.g. IDB Resources + Local Counterpart + Other cooperation agencies).

DETAILED FINANCIAL PLAN: IDB RESOURCES¹
Suggested model

Category of Investment (1)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
Category 1													
Activity 1													
Activity 2													
Activity 3													
Category 2													
Activity 1													
Activity 2													
Activity 3													
Category 3													
Activity 1													
Activity 2													
Activity 3													
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

¹ This information must be consistent with (the same as) that used to prepare the disbursement projection described in Annex 1 to these Guidelines.

DETAILED FINANCIAL PLAN: LOCAL COUNTERPART RESOURCES
Suggested model

[illegible]

DETAILED FINANCIAL PLAN: RESOURCES FROM OTHER COOPERATION AGENCIES
Suggested model

[illegible]

REQUEST FOR PAYMENT OF REIMBURSEMENT GUARANTEE MAIL TO: Inter-American Development Bank Attention: RE1/DAU 1300 New York Avenue, N.W. Washington, D.C. 20577 U.S.A.		IDB Loan No.:	IDB Borrower's Request No.:	IDB Guarantee No.:
		Issuing Bank Letter of Credit No.	Our Letter of Credit Reference Number	Reimbursement Payment Number

Sirs:

In accordance with the terms of the above-noted Letter of Credit issued or confirmed by us we have paid to on the order of the beneficiary as follows

Beneficiary (name and address)

Name of the Currency (in words)	Amount (in figures and words)
-----------------------------------	---------------------------------

PURSUANT TO YOUR CORRESPONDING IRREVOCABLE REIMBURSEMENT GUARANTEE WE REQUEST REIMBURSEMENT IN U.S. DOLLARS AS INSTRUCTED BELOW

U.S. Dollars (in figures and words)

Deposit Bank in the U.S.A. (name and address)

Account (name and number)

Additional Instructions:

IMPORTANT: ALL INFORMATION BELOW IS REQUIRED IN ORDER TO PROCESS YOUR REIMBURSEMENT REQUEST

We hereby certify that:

1) The payment to the beneficiary was made on (date of payment)

2) Further payments under the terms of the Letter of Credit:

a) ☐ May be required

b) ☐ The Letter of Credit is totally paid

c) ☐ Will not be required and you may cancel an unused balance of your guarantee in the amount of U.S. Dollars

3) That all amendments of the Letter of Credit issued to date:

a) ☐ Have been previously sent to you

b) ☐ Are attached to this request

c) ☐ There is none.

4) Documents presented for this payment:

a) ☐ Conform to the terms and validity of the Letter of Credit

b) ☐ Contain discrepancies and payment was made under an authority to pay of your borrower and/or the opening bank. Copies of same and a detail of the discrepancies are attached hereto

5) The "Supplier's Certificate" form RE1-510:

a) ☐ Is attached hereto

b) ☐ Is not attached because: _____

6) The acceptance form of your reimbursement guarantee:

a) ☐ Has been previously sent to you

b) ☐ Is attached to this request

Commercial bank (name)	Address (No. and street)		City
	State	Zip Code	Country
Authorized Signature	Date	Name and Title	

For the use of IDB only

SUPPLIER'S CERTIFICATE

(INTER-AMERICAN DEVELOPMENT BANK)

TO:

Issuing Bank Letter of Credit No. _____

Confirming Bank Reference No. _____

Sirs:

We understand that the sale of the goods covered by our invoice (s) listed below may be financed in whole or in part through a loan from the INTERAMERICAN DEVELOPMENT BANK.

If so requested by you, we will promptly furnish to you a statement (s) further describing the origin of the goods supplied. (The term "origin" as used herein means the country in which the material and/or the equipment has been mined, grown or produced through manufacturing, processing or assembly. The origin of a "produced" commodity is the country in which, through said manufacturing, processing or assembly, another commercially recognized article results which differs substantially in its basic characteristics, purpose or utility from any of its imported components. The nationality of the firm which produces or sells the goods or equipment is immaterial in determining the origin of such goods and equipment).

We hereby certified that the origin of the goods covered by said invoice (s) is the country mentioned below and that they were shipped to the country of the buyer as follows:

INVOICE (\$)		CONTRACT (\$) OR PURCHASE ORDER (\$)		CURRENCY	COST OF GOODS FREIGHT & INSURANCE
NUMBER	DATE	NUMBER	DATE		
TOTAL					

SHIPMENT INFORMATION (if terms are CIF or C & F complete this part) (*)

SHIPPED BY (X)			FLAG VESSEL (Country Name)	CURRENCY	COST OF FREIGHT
AIR	LAND	SEA			
SUB-TOTAL					

SUPPLIER (NAME)	ORIGIN OF GOODS		
	COUNTRY	CURRENCY	COST OF GOODS
ADDRESS (No. STREET, CITY, STATE, ZIP CODE, COUNTRY)			
<i>We further certify that except for the discounts and allowances, if any, stated in said invoices, purchase orders or contracts, we have not paid, agreed to pay, or caused to be paid to the addressee of said invoices, purchase orders or contracts or to any other person or entity (except our regular full time directors, officers and employees to the extent of their regular remuneration) any discount, allowance, rebate, commission, fee or other payment in connection with the sale of, or for obtaining the contracts to sell the goods covered by said documents, except as herein indicated (if you have paid or will pay, attach a declaration).</i>	SUB-TOTAL		
	INSURANCE INFORMATION (if terms are CIF)		
	COUNTRY	CURRENCY	COST OF INSURANCE
NAME AND TITLE OF AUTHORIZED SIGNATURE			
	SUB-TOTAL		
	TOTAL		

The supplier's certificate must be signed by an officer or authorized Representative of the supplier.

SIGNATURE

DATE: _____

* The IDB will finance shipping costs under any of the following criteria: a) the vessel flies a flag of an IDB member country, b) the owner of the vessel is from an IDB member country, c) the vessel is registered in an IDB member country, and/or d) the transportation company which will transport the goods and/or issues the bill of lading is from an IDB member country. Under the above aforementioned criteria b), c) & d) it is not necessary that the vessel flies the flag of an IDB member country.

IDB member countries:

ARGENTINA, AUSTRIA, BAHAMAS, BARBADOS, BELGIUM, BELIZE, BOLIVIA, BRAZIL, CANADA, COLOMBIA, COSTA RICA, CHILE, CROATIA, DENMARK, DOMINICAN REPUBLIC, ECUADOR, EL SALVADOR, GERMANY, FINLAND, FRANCE, GUATEMALA, GUYANA, HAITI, HOLLAND, HONDURAS, ISRAEL, ITALY, JAMAICA, JAPAN, MEXICO, NICARAGUA, NETHERLANDS, NORWAY, PANAMA, PARAGUAY, PERU, PORTUGAL, REPUBLIC OF CHINA, REPUBLIC OF KOREA, SLOVENIA, SPAIN, SWEDEN, SWITZERLAND, SURINAME, TRINIDAD and TOBAGO, UNITED KINGDOM, UNITED STATES OF AMERICA, URUGUAY and VENEZUELA.