Avoiding disbursement delays
Session Objectives

- Understand the minimum requirements for sending a withdrawal application
- Understand the common hurdles borrowers face
- Provide tips on how to avoid delays, reductions and returns
Minimum Requirements

- Authorized signatures
- Loan effectiveness
- Disbursement conditions
- Common issues and problems
Minimum Requirements (1)

**Authorized Signatures**: The borrower’s authorized representative must notify the Bank which official or officials may sign applications for withdrawal or applications for special commitment and provide copies of their authenticated specimen signatures to the Bank, through the Country Director.
Minimum Requirements (2)

**Loan Effectiveness:** Disbursements by the Bank (withdrawals by the borrower) may only begin after the loan has been declared effective.

- The Bank provides notice to the borrower that conditions of effectiveness have been met and that the legal agreement has entered into effect.
Minimum Requirements (3)

**Disbursement Conditions:** When the legal agreement contains disbursement conditions, the Bank will only disburse against the relevant categories once it has received satisfactory evidence that the conditions have been fulfilled.

- The borrower provides the evidence.
- The Bank notifies the borrower that it is satisfied with the evidence.
Common Reasons for Delays, Reductions, and Returns

and ...

Possible Solutions
Avoiding Delays – Signatures

**Common Problems:**
- Authorized signatory letter not sent in advance to the Bank or sent to the wrong department of Bank
- Application form signed by someone not authorized
- Bank not notified of changes to signatories

**Possible Solutions:**
- Send authorized signatory letter as soon as possible after loan signing
- Send in advance before withdrawal application is submitted
- Check Disbursement Letter where to send
- Do not allow unauthorized persons to sign
- Check effectiveness date of new ASL
Avoiding Delays - Incorrect Data

Common Problems:

- Incorrect currency used
- Incomplete payment instructions
- Incorrect category listed on application
- Incorrect percentage used

Possible Solutions:

- Check the legal & supporting documents
- Double-check all data on application form
- Material changes to an already approved form should be re-approved by authorized signatory

FACT: Mistakes and typos happen!
Common Problems and Issues occurring in the Portfolio

and ... Possible Solutions
Problem 1 – Signing Application Form 2380

Common Problem:
- Dates of printing both pages of the form 2380 have to matching, hence signature on second page will be confirming fact of verifying both pages while signing the application.

Possible Solutions:
- Double-check all data on application form prior to sending application for signing
- Please check both pages while signing the application
- In case there was typo on first page, please re-print both pages again and let the signatory/ies sign again
Problem 2 – Missing Prior review contracts

Common Problem:
• While processing received applications, several prior review contracts have not been entered in World Bank system, hence requiring contacting procurement colleagues for resolving the issue and consequently causing the delays in processing.

Possible Solutions:
- Prior to sending the application, please make sure to check client connection website for the entered Prior review contracts.
- In case some of the Prior review contracts missing from Client Connection, contact World Bank procurement colleagues and provide the required documents for entering the contracts in system.
Problem 3 – Identifying Post review contracts

Common Problems:

- While processing received applications it is vital to identify Post review contracts in it, and to avoid delays it is necessary SOE to be reflecting all up-to-date data on contracts (contract reference, amendments, etc)

Possible Solutions:

- Updated Procurement Plan with relevant references for the contracts, to be given the possibility to verify the data between application and procurement plan
- Attaching form 2382 stating the list of prior review contracts in application
Problem 4 – Submitting Designated Account application on timely basis

Common Problems:
• PIU’s are waiting to reach certain limit of expenses incurred from DA and only after that sending application for replenishment, which subsequently creates bottleneck for processing

Possible Solutions:
➢ Submit applications on more regular basis and/or as soon as one third of designated account has been spent, and not waiting reaching the expenses up to ceiling amount
Other Helpful Tips

- Use the Application Preparation Checklist in the new Disbursement Handbook for World Bank Clients
- Contact the Loan Department for help before sending a withdrawal application
- View progress of applications on the Client Connection Web site (https://clientconnection.worldbank.org)
Session Review

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