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# Delay in Loan Disbursement

## Common Causes and Way Forward



**02-03 August 2023 | Lahore, Pakistan**



# Delay in Loan Disbursement Common Causes

- Insufficient PCSS Balances
- Difference in Payee name in WA and Contract record (PCSS)
- Lack of authorization for signatories
- Incomplete supporting documents
- Ineligible expenditure claimed and incorrect ADB Financing Percentage applied
- Incomplete bank statement to support Advance Account Reconciliation Statement (AARS) for liquidation/replenishment WAs.

# Delay in Loan Disbursement Common Causes

- SOE Sheet:
  - Incorrect PCSS numbers indicated
  - SOE ceiling not mentioned
  - Amounts exceeding SOE limit claimed under SOE sheet
  - EES not attached for advance account with a turnover ratio of less than 2.0
  - Incomplete Contractor/ Consultant/ Supplier Invoices vis-à-vis number, date, amount and bank details



# Delay in Loan Disbursement Common Causes

- Inconsistency in AARS amount of eligible expenditures claimed vs. WA / SOE amount.
- Lack of proof of payment
- Inconsistency in the exchange rates used in WA preparation vs. Rates used in the bank statement
- Missing complete bank statements containing each individual expenditure claimed.
- Difference in closing balance as per bank statement vs. AARS.

# Delay in Loan Disbursement Common Causes

- Missing details of items **debited** in bank statement but **not claimed** in WA, while total of such items should appear separately in AARS.
- Lack of using New Formats for LDH 2022
- EA/IA do not prepare/maintain **Contract Ledgers** which may result over payment to Contractor/Supplier/Consultant from the contract amount



# Smooth and Timely Disbursement Way Forward

- Submit necessary supporting documents using the LDH documentation requirement and avoid submission of unnecessary documents.
- Check the payment details carefully.
- Ensure sufficient contract balances before requesting disbursement
- Ensure correctness and adequacy of information in the WA and the Summary/ SOE sheet
- Accumulate the claims that come at the same time of the same contractor and currency.
- Use the prescribed forms (LDH 2022, as amended from time to time). Please refer to the instructions or footnotes.

# Smooth and Timely Disbursement Way Forward



- Use CPD for WAs submission to enhance accuracy and productivity
- Use email and CPD communication:
- Reply promptly to PRM's queries
- Reply with history and original messages
- Always indicate the loan/grant No. and WA No. in the subject line





# Thank you

