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# Knowledge Check



Please select “Basic ADB Disbursement Principles” in ADB’s Charter.

- A. Loan proceeds should be used only for the purposes for which the loan was approved.
- B. Loan proceeds should be used only to pay expenditures actually incurred.
- C. In principle, procurement should be made only in member countries.
- ✓ D. All of the above



According to the ADB charter and regulations, which of the following statements is true?

- A. Loan closing date is normally six months after the project completion date **and** cannot be extended.
- B. The borrower can withdraw from the loan account right after signing the loan agreement, even though the loan is not yet effective.
- C. All of the above.
- D. None of the above.





In principle, the expenditures incurred between \_\_\_\_\_ and \_\_\_\_\_ will be treated as eligible expenditures, unless there is an issue on eligibility.

- A. Approval date, Loan Closing date
- B. Signing date, Project completion date
- ✓ C. Effective date, Loan closing date
- D. Effective date, end of the winding period



Which of the following statements about reallocation is correct?

- A. Reallocation is only allowed during the winding-up period.
- B. Reallocation can be made without ADB's approval.
- C. Reallocation from Goods to Civil Works is not allowed.
- D. Amount allocated to Un-Allocated can be used/disbursed only after reallocation.





According to ADB regulations, which of the following statements is **true**?

- A. Disbursement condition for a specific category should be met first before disbursing from such category.
- B. Ineligible expenditure previously paid may be offset in the next WA or refunded to ADB Account
- C. All of the above.
- D. None of the above.





## Which of these statements is true?

- A. Expenditures incurred before the Effective date are eligible.
- B. Expenditures incurred before the Effective date are always ineligible.
- ✓ C. Expenditures incurred before the Effective date are ineligible except for Retroactive Financing.
- D. Expenditures incurred after the loan closing date are eligible as long as they fall within the winding up period.





Under the reimbursement procedure, who receives ADB's disbursement?

- A. Contractor or supplier
- B. LC advising bank
- ✓ C. The borrower or EA, into government's account Non Food Account-1
- D. The borrower or EA, into a separate bank account opened specifically for the project





## Which is a correct description of Advance Fund procedure?

- A. When there is no immediate need to use the advance from ADB, EA can put some fund into the saving's account for investment purpose.
- B. Advance fund should be exclusively used for ADB's share of eligible expenditure.
- C. All of the above
- D. None of the above





Which statement on the SOE procedure is correct?

- A. SOE procedure can be used without ADB's approval.
- ✓ B. SOE procedure can be used under Reimbursement and Advance Fund procedure.
- C. ADB does not conduct separate SOE review as yearly audit is already conducted by the independent auditor.
- D. All of the above.



Which is a correct description of direct payment procedure?

- A. Supporting documents (e.g., invoice) should always be original.
- ✓ B. A separate WA is required for each different currency of disbursement requested.
- C. All of the above
- D. None of the above



Which is **acceptable** during the **winding up** period?

- A. Submit WA for expenditures incurred during the winding up period.
- B. Submit WA for expenditures incurred on or before the loan closing date.
- C. None of the above.





## Which is a correct description of Statement of Expenditure (SOE) procedure?

- ✓ A. SOE ceiling applies to the total amount of individual expenditure paid for by the EA.
- B. Borrower cannot request any changes in the use of SOE procedure during project implementation.
- C. All of the above.
- D. None of the above.



Initial and additional advances may be provided, based on **estimate of eligible expenditures** for \_\_\_\_\_, which will be paid through the \_\_\_\_\_ advance account.

- A. 12 months
- B. 9 months
- ✓ C. 6 months
- D. 3 months



WA for direct payment is submitted requesting for 2<sup>nd</sup> progress payment under an approved civil works contract. Which documents should be submitted to ADB?

- ✓ A. WA, Summary Sheet, Contractor's Invoice or Request for Payment, Interim Payment Certificate
- B. WA, Summary Sheet, Contractor's Invoice or Request for Payment
- C. WA, Summary Sheet, Contractor's Invoice or Request for Payment, Interim Payment Certificate, Pictures of Project Construction





Which of the following **statements** is **correct**?

- A. Withdrawal from loan account in two different currencies can be combined in one Withdrawal Application.
- B. CTL is responsible for the preparation of contract (previously PCSS).
- C. All of the above.
- D. None of the above.





A supplier notified the project of a change in their remittance information from the last payment made this year. Which action needs to be taken?



- A. Create a new BRF
- B. Search for an existing BRF and update it
- C. Create a WA
- D. No action needed

# Case Study

- 1. Scenario:** The EA is requesting for an additional advance of USD100,000.00
- 2. Key Facts:**
  - Current outstanding advance account is USD500,000.00.
- 3. Question:** What is the total amount of the estimates of expenditures (EES)?

## Case Study – Answer

USD600,000.00