

DISBURSEMENT PROCEDURES

DISBURSEMENT PROCEDURES

INTRODUCTION

What does this Booklet cover:

This booklet explains Kuwait Fund's Disbursement Procedures and the related process that takes of reviewing and disbursing Withdrawal Applications according to each case designed in this booklet. In addition to the matters that relate to repayment of Principal, Interest and Other Charges on the Loan being made to the Fund.

Users of this Booklet:

This booklet was prepared for the officials in Borrower's Governments to guide them in the process when preparing to withdraw from the proceeds of the Loan.

How to get a copy of this Booklet:

When a Loan Agreement is signed, the Fund furnishes a copy of this booklet to the Borrower. However, in case extra copies are needed, the Borrower needs to submit a request to Disbursement department by letter/fax, telephone, or e-mail with a subject of Disbursement Procedures Booklet and the number of copies to the address mentioned on the cover of this booklet.

Disbursement Department:

The Disbursement Department's duty is to manage all operations related to disbursements under Kuwait Fund loans. The Disbursement Department is divided geographically into the following regions:-

- 1 Arab Countries
- 2 West African Countries
- 3 East, South and Central African Countries.
- 4 East, South Asian and Pacific Countries.
- 5 Central Asian and European Countries
- 6 Latin American and Caribbean Countries.

For every region referred above, Loan officers are assigned to follow the disbursement matters including :-

- Process Withdrawal Applications.
- Solve any disbursement matter that may arise, and answer any requests, comments from the Borrowers.

In addition, the Disbursement Department has a Financial Account Division that handles the repayment of principal and interest and other charges of the loan, as well as furnishing the Borrowers with Ledgers of loan activities.

DISBURSEMENT PROCEDURES

INTRODUCTION

The General rule is that proceeds of the Loan are not to be disbursed upon signing the Loan Agreement or immediately after its effectiveness. Such disbursements shall only be made to meet or cover approved expenses in connection with the project actually expended or to be expended, supported by adequate documents in compliance with the terms of the Loan Agreement.

Conditions to be met prior to the Commencement of Withdrawals from the Loan:

1. Effectiveness of the Loan Agreement.

Satisfactory evidence that all conditions of effectiveness set forth in the Loan Agreement have been fulfilled must be furnished to the Fund. The Loan Agreement will be deemed to be effective on the date upon which the Fund dispatches to the Borrower a letter/fax or a telex confirming that the evidence presented fulfills the conditions of effectiveness.

2. Authorization for Withdrawals

The Borrower shall furnish the Fund with a formal document evidencing the authority of the person or persons who will sign withdrawal applications with specimens of their signatures duly authenticated by the representative of the Borrower in compliance with the terms of the Loan Agreement on the prescribed form (Appendix 1). In the event that more than one person are so authorized, the representative of the Borrower shall indicate whether they may sign individually or jointly.

3. Contracts.

A duly signed copy of each contract, purchase order or work order eligible to be financed totally or partially from the proceeds of Fund's Loan has to be submitted to the Fund.

List of Goods to be financed from the proceeds of the Loan:

Withdrawals from the proceeds of the Loan are made to cover cost of goods and services according to the financial share of the fund to each allocated item specified in the List of Goods annexed to the Loan Agreement. The List of Goods may not be amended without the agreement in writing of the Fund and the Borrower. Also, the Fund may adjust the financial share of said List of Goods to meet amended request as well use the contingency when is needed to such adjustment.

Cases of Withdrawals from the Loan:

Amounts may be withdrawn from the proceeds of the Loan in any of the following cases:

- Case I : Reimbursement of payments already made.
- Case II: In settlement of an outstanding payment.
- Case III : Application for issuing an agreement to reimburse which may be:
 - (a) Qualified Agreement to Reimburse, or
 - (b) Irrevocable Agreement to Reimburse.

In exceptional cases special arrangements to make withdrawals from the proceeds of the Loan may be agreed upon by the Borrower and the Fund.

Forms of Withdrawal

In each of the above Cases the Borrower has to submit a typed withdrawal application using the special forms prescribed for each Case. Supporting documents should also be attached to each application.

Numbering of Withdrawal Applications:

Each withdrawal application submitted to the Fund should be given a consecutive number irrespective of the Case used. Supplementary numbers may be added to indicate the withdrawal Case and the consecutive number of the application in each such Case.

Withdrawal Applications by Telex:

In cases calling for a prompt payment to the beneficiary or for issuing an agreement to reimburse, the Borrower may with prior consent from the Fund dispatch a withdrawal application by telex provided that:

1. The telex is tested.
2. The telex includes all basic information required by the Fund.
3. The Fund has already received prior information enabling it to verify said telex.
4. It should be stated in the telex that the written withdrawal application and supporting documents have been mailed.

Important dates for withdrawal of the proceeds of Loan:

1. Loan Agreement signing date: this date must be referred when submitting a withdrawal application.
2. Effective date: is the date when the Fund finds the satisfactory evidence is approved for declaring the loan effective.*
3. Retroactive date: the date, which the Borrower is not allowed to withdraw before it.
4. Withdrawal Expiry date: is the date which assigned in the Loan Agreement after the borrower is not allowed to withdraw. Unless it has been agreed between the Fund and the Borrower in the Agreement to revise this date.

How to avoid delay in processing withdrawal applications:-

Since the Fund makes sure that the time it takes to process withdrawal applications to be minimal, if said withdrawal applications contain errors or missing documents, the process will take longer. Thus, carefully following the booklet procedure makes the withdrawal application process faster. We list hereunder ways of avoiding errors that cause delay in processing withdrawal applications.:-

1. Providing the proper documents and sending a signed copy of contract/purchase order to the fund once it is signed along with the Fund's approval if available.
2. Applications must be signed by the authorized person(s). The Fund must be informed in case of any change in the authorized specimen.
3. Using the proper case in each withdrawal application.
4. Supporting documents referred in withdrawal applications must be relevant and enclosed thereto.
5. The payment instructions must be correct.
6. The withdrawal expiry date must be still valid. A request may be made to the Fund to extend the withdrawal expiry date if needed.

* Refer to paragraph of effectiveness of the loan page 3.

CASE I

WITHDRAWALS FROM THE PROCEEDS OF THE LOAN FOR REIMBURSEMENT

PREPARATION OF WITHDRAWAL APPLICATIONS:-

A borrower wishing to withdraw funds from the proceeds of the Loan as reimbursement for an amount or amounts already paid should submit to the Fund an application for reimbursement. Such application should be prepared and submitted immediately after payment has been made. In preparing withdrawal applications under this Case the following procedure should be followed:

Firstly: Form and contents of the Withdrawal Application:

1. The withdrawal application should be written either in Arabic, English or French and consists of:-
 - (a) The formal application on Form (1-1) attached hereto.
 - (b) One or more Summary Sheets which shall include breakdown of individual items of the list of goods for which amounts are required to be withdrawn in addition to Description of the goods received or services rendered on Form No. (1-2) attached hereto.
 - (c) Supporting documents.
2. The format application and summary sheet/s should be signed by the person or persons authorized to sign withdrawal applications.
3. A separate application should be typed for each type of currency for which payment requested.

Secondly: Preparation and grouping of Summary Sheets:

1. The summary sheet/s should be completed with all the required information and shall particularly indicate the number and description of the respective item in the List of Goods set forth in the Loan Agreement and the detailed breakdown of each such item, if any.
2. The total of all amounts listed on each summary sheet should be separately shown.
3. If it has been agreed that the Fund should reimburse payments prior to the date of effectiveness of the Loan Agreement such payments must be listed separately in one or more summary sheets.
4. If payments relate to different items in the List of Goods, all payments relating to each item should be added and listed separately and in detail on the summary sheet relating to such item.

Thirdly: Supporting documents for the Withdrawal Application:

The following documents must be furnished with each withdrawal application unless the Fund otherwise agrees:

- (a) Supplier's invoice, describing the goods supplied or services performed
- (b) Evidence of payment to the Supplier in the form of:-
 - 1. Formal receipt or receipted invoice of the Supplier.
 - 2. Cancelled bank cheque, draft or photostat copy thereof; or
 - 3. Commercial Bank's report of payment in the event of payment by L/C; or
 - 4. Any other evidence presented and found satisfactory by the Fund.
- (c) A copy of the bill of lading; failing that, and for reasons agreeable to the Fund, a statement by the Supplier or forwarder of the goods, that the goods have been shipped, may be furnished. Such statement should include the date of shipment, the means of transportation, its name and the port of destination.
- (d) If the withdrawal application is to reimburse the Borrower for payments or installments made under a contract, a copy of such contract or purchase order must be furnished to the Fund. Such reimbursement will be subject to the prior approval, by the Fund, of the terms of the contract, in case the Loan Agreement so provides. It is necessary to submit a signed copy of the contract or purchase order only once. In the event that the payment has been made pursuant to a contract, on the basis of work performed, the Borrower should furnish a certificate or progress report by the Engineer supervising the execution of such works and showing that payment has become due.
- (e) In case a consultant is supervising the performance of execution of the Project, a certificate by such consultant certifying completion of the works in respect of which the withdrawal application is made must be furnished.

Fourthly: Items representing Cost of Importing:

It is necessary that claims for payment of freight, insurance and other importing expenses be presented in a manner which will enable the Fund to relate each of such items to the specific goods being financed by the Fund.

Processing Withdrawal Applications:

Firstly: The Fund shall upon the receipt of a withdrawal application and the supporting documents relating thereto, examine such application and the supporting document to ensure that the information therein stated conforms with the terms and conditions of the Loan Agreement and other documents annexed thereof.

Secondly: Upon the approval by the Fund of the withdrawal application, the Fund will pay its amount to the Borrower or its order and advise the Borrower of the amount paid and currency of payment giving its equivalent in Kuwaiti Dinars on the date of payment.

In case the Fund, for any reason, does not approve the withdrawal application, the Borrower shall be advised accordingly, stating the reasons for such disapproval.

Thirdly: The Fund shall transfer the requested amount in full and any commission charged by the bank on such transfer shall be borne by the Borrower.

Note : Beneficiary means (Supplier - Contractor - Consultant).

You may refer to example No.1 (Page 37)

CASE I

Form (1-1)

Date:
Fund Loan No.:
Application SL. No. :

To:
Kuwait Fund for Arab Economic Development
P.O. Box. 2921
13030 Safat
State of Kuwait.

Attn. : Disbursement Department

Dear Sirs:

Subject: Withdrawal Application for Reimbursement of _____ (Currency & Amount)

Pursuant to the Loan Agreement dated _____ between _____ and the Kuwait Fund for Arab Economic Development, the undersigned hereby applies for withdrawal from the Loan Account and confirms that:-

1. The requested amount is required to reimburse the undersigned for expenditures made in said currency as described in the attached summary sheet(s).
2. The undersigned has not heretofore withdrawn or applied for withdrawal from the said Loan any amount by way of reimbursement, nor obtained any loan, credit, or grant from any other source for such purpose, other than short term loan/s credit/s (if any) secured in anticipation of the withdrawal of the amount herein applied for and to be repaid out of the funds to be withdrawn hereunder as described in the attached summary sheet(s).
3. The said amount has been paid in satisfaction of obligations incurred in respect of execution of the Project referred to in Article _____ Section _____ of the Loan Agreement. The goods and/or services so purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.
4. At the date of this application there is no existing default under any provision of the said Loan Agreement.
5. The Amount of this application represents the Fund's share of the value of the invoices attached hereto.

Please pay the said amount as follows:-

Deposit said amount in the same currency or its equivalent in _____
(kind of currency) to the account of _____
(name of beneficiary) with the bank _____
(name and address of the bank).

.....
The Borrower Representative

By.....
Authorized Signature

CASE I
FORM (1-2)
Summary Sheet

Date :
Fund Loan :
Application SL. No. :
Summary Sheet No. :

Category reference of the List of Goods to which the requested amounts pertain

1 Serial No.	2 Item No. as in the List of Goods	3 Description of Goods or Services	4 Date and No. of Contract or Purchase Order		5 Article & Section No. in the Contract according to which payment is due (if any)	6 Expected Delivery date of goods or Services	7 Names and Address of beneficiary	8 Date of Payment due	9 Amount Due	10 Fund's share as in the List of Goods		Notes
			Date of approval by Fund							%	Amount	
Total												

.....
The borrower Representative

.....
(Authorized Signature)

.....
(Name and Designation)

CASE II

WITHDRAWAL FROM THE PROCEEDS OF THE LOAN FOR THE DISCHARGE OF AN OUTSTANDING PAYMENTS DUE

PREPARATION OF WITHDRAWAL APPLICATIONS:

A borrower wishing to withdraw funds from the Loan for the purpose of meeting outstanding payments shall submit to the Fund an application for withdrawal as follows:

Firstly: Form and Contents of the Withdrawal Application :

1. The Withdrawal Application should be written either in Arabic, English or French, and consists of:
 - a) The formal application on Form (2-1) attached hereto.
 - b) One or more Summary Sheets which shall include breakdown of individual items of the list of goods for which amounts are required to be withdrawn in addition to Description of the goods received or services rendered on Form (2-2) attached hereto.
 - c) Supporting documents.
2. The formal application and summary sheets should be signed by the person or persons authorized to sign withdrawal applications.
3. A separate application should be made for each currency for which payment is requested.

Secondly: Preparation and Grouping of Summary Sheets:

1. The Summary Sheet/s should be completed with all the information therein required and shall particularly indicate the number and description of the respective item in the list of goods set forth in the Loan Agreement and the detailed breakdown of each item (if any).
2. The total of all items listed on each summary sheet should be separately shown.

Thirdly: Supporting Documents for the Withdrawal Application:

The withdrawal application should be supported by a copy of the beneficiary's invoice. If the amount requested is due and payable under a contract for completion of execution of works, it shall be necessary to submit a certificate by the Engineer supervising the execution of such works (if there is a supervising engineer), or a progress report relating thereto, showing that the amount requested to be paid has become due. The Fund shall ascertain that a signed copy of the relevant contract or purchase order has been submitted. The Borrower should have obtained the approval of the Fund prior to award of such contract or purchase order in case such approval is required by the terms of the Loan Agreement. In case the withdrawal application covers an advance payment, a copy of the Bank guarantee required and issued in accordance with the terms of the relevant contract or purchase order should be presented.

Fourthly: Items Representing Cost of Importing:

It is necessary that claims for payment of freight, insurance and other importing expenses be presented in a manner which will enable the Fund to relate each of such items to the specific goods relating thereto which the Fund has agreed to finance.

PROCESSING WITHDRAWAL APPLICATIONS:

Firstly: The Fund shall, upon the receipt of a withdrawal application, examine such application and its supporting documents, to ascertain that the information therein stated conforms with the terms of the Loan Agreement and the documents annexed thereto.

Secondly: After approval of the withdrawal application the Fund will issue its instructions for payment to the beneficiary who shall be advised that payment has been effected with particulars of the amount paid and currency of payment. The Fund shall advise the Borrower accordingly stating the value of the amount paid in Kuwiyati Dinars at the date of payment.

In case the Fund, for any reason does not approve the withdrawal application, the Borrower shall be advised accordingly, stating the reasons for such disapproval.

Thirdly: The Fund shall pay the full amount due without any deduction and the commission, if any, charged by the bank for transferring the amount shall be charged to the Loan Account and the Borrower shall be advised accordingly.

You may refer to example No. 2 (page 40)

CASE II
Form (2-1)

Date:
Fund Loan No. :
Application SL. No. :

To : Kuwait Fund for Arab Economic Development
P.O. Box. 2921
13030 Safat,
State of Kuwait.

Attn.: Disbursement Department

Dear Sirs:

Subject: Withdrawal Application for Payment of _____
_____ (currency and amount) for
discharge of an outstanding payment due

Pursuant to the Loan Agreement dated _____ between

and Kuwait Fund for Arab Economic Development, the undersigned hereby applies for
withdrawal from the Loan Account referred to above and confirms that:-

1. The said amount is required to meet payments by the Borrower as described in the attached summary sheet(s).
2. The undersigned has not heretofore withdrawn or applied for withdrawal from the said Loan any amount for payment of the requested amount, nor obtained any loan, credit, or grant from any other source for such purpose, other than short term loan/s or credit/s (if any) secured in anticipation of the withdrawal of the amount applied for herein and to be repaid out of the funds to be withdrawn hereunder as described in the attached summary sheet(s).
3. The said amount is required for the execution of the Project referred to in Article _____ Section _____ of the Loan Agreement. The goods and/or services purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.
4. At the date of this application there is no existing default under any provision of the said Loan Agreement.
5. The Amount of this application represents the Fund's share of the value of the invoices attached hereto in the same currency stated therein.

Please pay the said amount as follows:-

Deposit said amount in the same currency or its equivalent in _____
(kind of currency) to the account of _____
(name of beneficiary) with the bank _____
(name and address of the bank).

.....
The Borrower

By.....

Authorized Signature
(Name and Designation)

CASE II
FORM (2-2)
Summary Sheet

Date :
Fund Loan :
Application SL. No. :
Summary Sheet No. :

Category reference of the List of Goods to which the requested amounts pertain

1	2	3	4	5	6	7	8	9	10	Notes	
Serial No.	Item No. as in the List of Goods	Description of Goods or Services	Date and No. of Contract or Purchase Order		Expected Delivery date of goods or Services	Names and Address of beneficiary	Date of Payment due	Amount Due	Fund's share as in the List of Goods		Notes
			Date of approval by Fund						%	Amount	
Total											

..... The borrower Representative

..... (Authorized Signature)

..... (Name and Designation)

CASE III

ISSUING AN AGREEMENT TO REIMBURSE

Where the Borrower causes a Letter of Credit to be issued in favour of the Beneficiary for payment of the value of goods/services and in case the Correspondent bank* (advising-confirming) requests the issuance of agreement to reimburse by the Fund in respect of such Letter of Credit, the Borrower may request the Fund to issue an agreement to reimburse the bank for payments effected by the said bank under and in accordance with the Letter of Credit. The said Agreement may be either Qualified or Irrevocable.

CASE III (A)

ISSUING A QUALIFIED AGREEMENT TO REIMBURSE

The expression 'Qualified' means that the Fund shall not be obliged to reimburse the correspondent bank for the amounts paid by it against a letter of credit covered by the Fund's Qualified Agreement to Reimburse if such payments were made after the date of cancellation of the Loan or after the date of suspension of withdrawal from its proceeds in accordance with the terms of the Loan Agreement.

PREPARATION OF WITHDRAWAL APPLICATIONS:

Firstly: Form and contents of a Withdrawal Application:

1. The withdrawal application should be typed either in Arabic, English or French, and consists of:
 - a. The formal application typed of Form No. (3A-1) attached hereto.
 - b. A summary sheet(s) typed on Form No. (3A-2) attached hereto.
 - c. A legible copy of the letter of credit which has been issued by the issuing bank.**
 - d. A signed copy of the contract or purchase order according to which the payments are to be made, should be submitted to the Fund, in case such a copy has not already been provided.
2. The formal application and the summary sheet(s) should be signed by the person or persons authorized to sign such application on behalf of the Borrower.

* The correspondent bank is the bank who advises or confirms the Letter of Credit.

** The issuing bank is the bank issuing the L/C and is ordinarily in the country of the Borrower.

3. The correspondent bank is required to submit to the Fund an Application to issue an agreement to reimburse on Form No. (3A-3) attached hereto. The issuing bank in the country of the Borrower shall provide the correspondent bank with copies of the form to be used for the purposes of this application. This application is not considered a formal application to issue an agreement to reimburse.

Secondly: Preparation of Summary Sheet/s:

The summary sheet(s) should be completed with all the required information and shall particularly indicate the number and description of the respective item in the list of goods set forth in the Loan Agreement and the detailed breakdown of each item, if any.

PROCESSING WITHDRAWAL APPLICATIONS:

The Fund shall, upon the receipt of the application examine such application. If the application is approved, the Fund shall forward the original and a copy of the Qualified Agreement on Form No. (3A-4) attached hereto together with a copy of the proposed Letter of Credit to the correspondent bank. The Fund may issue the said Agreement Prior to receipt of the correspondent bank's application on Form No. (3A-3) referred to in para (3) Firstly above. Upon receipt by the Fund of a copy of the said Agreement duly signed by the correspondent bank the Fund shall forward a copy thereof to the borrower. In case the Fund for any reason, does not approve the withdrawal application, the Borrower shall be informed in writing of the reasons for such disapproval.

DISBURSEMENT UNDER LETTERS OF CREDIT

Firstly: The correspondent bank shall promptly after each payment effected under and in accordance with the said Letter of Credit covered by the Fund's Qualified Agreement to Reimburse submit to the Fund a typed report evidencing payment with a request for reimbursement of the amount so paid on Form No. (3 A-5) attached hereto, together with a copy of the Supplier's invoice. In case the bank's report includes no reference to the shipping documents against which payment has been made, the correspondent bank shall provide the Fund with a copy of the Bill of Lading.

Secondly: The Fund shall pay the amount requested directly to the Correspondent Bank under advice to the said bank and the Borrower. Upon receipt by the Fund of the relevant debit advice from its bank, the Fund shall advise the Borrower accordingly giving details of the amount paid, currency and date of payment and the equivalent amount in Kuwaiti Dinars charged to the Loan account. In order to minimize the time taken between the date of payment of amount due to the supplier by the correspondent bank and date of reimbursement of the said bank by the Fund, the Fund may, considering the interest of the Borrower, accept a tested telex request submitted in the form approved by the Fund provided:

- a) The correspondent bank shall have previously agreed that a tested telex in the prescribed form constitutes a signed request for reimbursement of the amount paid under and in accordance with the terms of the Letter of Credit mentioned in the telex.
- b) The Fund shall have received an affirmation by the Correspondent Bank that it has effected payment of the said amount under and in accordance with the terms of the said Letter of Credit and that it has transmitted to the Fund by mail, the bank's report of payment and request for reimbursement referred to the Firstly above, together with a copy of the requested documents.

Thirdly: The Fund shall not pay any amount to the Correspondent Bank in case of breach of any of the terms of the Letter of Credit or expiry of its validity except where payment has been effected by the bank pursuant to a commonly accepted banking practice or upon the Fund's and the Borrower's approval.

AMENDMENT OF THE LETTER OF CREDIT:

The Letter of Credit may be amended as follows:

- 1) The Borrower shall submit to the Fund an application on Form No. (3A-6) attached hereto with a copy of the proposed amendment. In case of urgency special arrangements may be made for dispatch of the Application for amendment by fax or telex, with the originals sent later by mail.
- 2) Upon receipt of such application the fund shall examine it and if approved the fund shall notify the correspondent bank, the issuing bank and the Borrower, accordingly by letter or telex as the case may be.

You may refer to example No.3A (page 43)

CASE III
Form (3A-1)

**BORROWER'S APPLICATION FOR QUALIFIED AGREEMENT TO
REIMBURSE AND WITHDRAWALS PURSUANT THERETO**

.....
(Currency and amount of Withdrawal Application)

Date

Fund Loan No.....

Application Serial No.....

To : Kuwait Fund for Arab Economic Development
P.O. Box 2921, Safat 13030, Kuwait.

Attention: Disbursement Department

Dear Sirs:

Pursuant to the Loan Agreement dated
Between Kuwait Fund for Arab Economic Development (Hereinafter called the Fund) and
..... (hereinafter called the Borrower) the
Borrower hereby certified and confirms as follows:

1. At the request of (name of the correspondent bank) the Borrower hereby requests the Fund to issue a Qualified Agreement to Reimburse the said bank, in accordance with such terms as the Fund may prescribe, amounts which shall have been paid by the correspondence bank under and in accordance with the terms of the Letter of Credit referred to in the attached summary sheet(s), as the same may be amended from time to time with the written approval of the Fund.
2. The Borrower irrevocably authorizes and requests the Fund to reimburse the correspondent bank from time to time, in respect of amounts, which shall have been paid by it, under and in accordance with the terms of the said Letter of Credit. The amounts so paid by the Fund in satisfaction of its obligation to the correspondent bank, under the said agreement, shall be deemed withdrawn from the Loan, and the Fund is entitled, when paying such amounts to rely, absolutely, conclusively and finally, on the written statements submitted by the correspondent bank, confirming that the said amounts have been paid under and in accordance with the terms of the said Letter of Credit.
3. The said amounts are required to enable the Borrower to meet expenditures due and payable in (kind of currency) as set forth in the attached summary sheet(s).
4. The Borrower has not heretofore withdrawn nor submitted an application for withdrawal of any amount from the Loan, nor obtained from any other source any loan credit or grant for payment of said amounts.

5. The said amounts are due and payable for the purposes of execution of the project described in the Loan Agreement. The goods and/or services purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.
6. At the date of this application there is no existing default in the performance of any of the obligations of the Borrower under said Loan Agreement.
7. The Fund shall be under no obligation to reimburse the correspondent bank for payments under such letter of credit made by it subsequent to the date of any suspension of the Borrower's right to make withdrawal from the Loan Account or subsequent to the date of any cancellation pursuant to the Loan Agreement, provided, however, that the Fund may, in its discretion, reimburse the correspondent bank for any amounts expended by it after any such suspension or cancellation, and the amount so reimbursed shall be deemed withdrawn by the Borrower from the Loan Account.

.....
The Borrower

By.....

Authorized Signature
(Name and Designation)

CASE III
FORM (3A-2)
Summary Sheet

Date :
Fund Loan :
Application SL. No. :
Summary Sheet No. :

For Issuing of a Qualified Agreement by the Fund to Reimburse payments to be
made by (indicate name of Correspondent Bank)

1	2	3	4		5	6	7	8	Notes
Item No. as in the list of Goods	Description of Goods or Services	Date and No. of Contract or Purchase Order	Issuing Bank		Name and address of correspondent Bank	Expiry Date of L/C	Names and Address of beneficiary	Currency and amount	
			Name	L/C No.					

.....
Name of Borrower

.....
(Authorized Signature)

.....
(Name and Designation)

**CASE III (A)
Form (3A-3)**

**CORRESPONDENT BANK'S REQUEST FOR QUALIFIED AGREEMENT
TO REIMBURSE**

Date:.....
Letter of Credit No.:
Loan No.:.....

To : Kuwait Fund for Arab Economic Development
P.O. Box. 2921 Safat, 13030 Kuwait.
Attention: Disbursement Department.

Dear Sirs,

We have been requested by.....(Name and address of
the Issuing Bank) to.....(advise or confirm)
A documentary letter of credit No.....(of Issuing Bank) for account of.....
.....(Name and address of the Borrower) in the amount of
..... in favour of.....(Name and
Address of Supplier) relating to.....
(Description of Merchandise).....
Expiring on.....

We hereby request the Fund to issue a Qualified Agreement to Reimburse us for
payments which shall be made by us under and in accordance of the said Letter of Cred-
it. Upon receipt of such agreement in form satisfactory to us, we will (advise or confirm)
.....the said Letter of Credit.

In the meantime, pending the receipt of the said agreement we enclose herewith a
copy of the proposed Letter of Credit.

Very truly yours,

.....
(Name and Address of Bank)

By.....
(Authorized Signature)
(Name and Designation)

CASE III (A)
Form (3A-4)

QUALIFIED AGREEMENT TO REIMBURSE

To:.....
(Correspondent Bank)
.....
.....
(Address)

Date:
Letter of Credit No.:
Loan No.:

Dear Sirs,

We transmit herewith copy of a Letter of Credit which we understand you are prepared to (advise or confirm).....for account of(Name of Borrower) In favour of(Name and Address of the Beneficiary).....In the amount of..... relating to..... Expiring on

At the request of(Borrower's Name) and in consideration of your agreement and acceptance, we hereby agree to reimburse you for payments which shall be made by you to or on the order of the said beneficiary under and in accordance with the terms of said letter of credit set forth in the enclosed copy thereof as the same shall be amended or extended from time to time with our written approval. Reimbursement shall be made by us promptly but not later than 30 days after receipt by us written request therefore as hereinafter provided.

This agreement is subject to the following terms and conditions:

1. That you will issue, advise or confirm the said letter of credit.
2. The Fund is under no obligation to reimburse you for any such payment as aforesaid unless type-written request therefore sufficiently identifying the items of said letter of credit to which such payment relates, accompanied by a copy of the supplier's invoice, shall have been mailed to us promptly after such payment is made.
3. The Fund is under no obligation to pay any amount in respect of interest on or commission, expenses or other charges in connection with the said letter of credit.
4. In case of cancellation in whole or part of the said letter of credit you will advise us promptly of such cancellation and the amount cancelled. Also you will advise us promptly upon expiry of validity of or final payment of the goods under the said letter of credit indicating the amount of the unused balance thereunder, if any.
5. In the event the right to make withdrawals under the Loan Agreement between the said borrower and the Fund Dated.....is suspended or cancelled pursuant to provisions of the Loan Agreement, we shall not be obliged to reimburse you for any payments made by you subsequent to the date of such suspension or cancellation, anything in any other provision or part of said Loan Agreement to the contrary notwithstanding.

Please confirm your acceptance of this Agreement on the foregoing terms and conditions by signing the Form of Acceptance of this Agreement and returning a signed copy thereof to us.

Very truly yours,
Kuwait Fund for Arab Economic Development
(Authorized Signature)

FORM OF ACCEPTANCE

We confirm our acceptance of the foregoing agreement on the terms and conditions above stated. The letter of credit referred to above bears our number.....

.....
(Name & Address of Bank)

Date:

.....
(Authorized Signature)

.....
(Name & Designation)

CASE III (A)
Form (3A-5)

BANK'S REPORT OF PAYMENT AND REQUEST FOR REIMBURSEMENT

Date:
Our Letter of Credit No. :
Loan No. :
Agreement to Reimburse No. :

To: Kuwait Fund for Arab Economic Development
P.O. Box. 2921 Safat, 13030 Kuwait.

Attention : Disbursement Department.

Dear Sirs,

We hereby confirm that we have paid
.....(Currency and Amount).....
on
to or to the order of(Name and Address of Beneficiary)
..... under and in accordance
with the above-mentioned Letter of Credit. Such payment was made against delivery of documents
specified in the said letter of credit evidencing:

Shipment of merchandise specified below per R.R.

from to.....
B/L No..... dated..... or

Shipment of said merchandise per S.S.....
from..... to.....
B/L No..... dated or

Shipment of merchandise per Vehicle
from..... to.....
B/L No..... dated or

Shipment of merchandise by air
from..... to.....
Air Way bill No..... dated..... or

Storage of said merchandise at.....
on..... Deposit Certificate No.....
dated

Brief Description of Merchandise

Said documents have been disposed of as follows:

.....
Copy of the supplier's invoice is attached.

Such payment was made in accordance with the terms of said Letter of Credit as set forth in the copy
enclosed with your Agreement to Reimburse No and amendments
thereto, if any, approved in writing by you. We hereby request reimbursement of the above
amount pursuant to said Agreement to Reimburse, by transferring said amount to us directly or
to our Account No.with Bank (Name and Address of the Bank).

Very truly yours

.....
(Name and Address of Bank)

By.....

Authorized Signature
(Name and Designation)

CASE III (A)
Form (3A-6)

**BORROWER'S APPLICATION FOR APPROVAL OF AMENDMENT
OF LETTER OF CREDIT**

Date:.....
Fund Loan No. :.....
Application No. :.....
Agreement No. :.....
Issuing Bank's L/C No.:.....

To : Kuwait Fund for Arab Economic Development
P.O. Box. 2921 Safat, 13030 Kuwait.
Attention : Disbursement Department.

Dear Sirs,

It has been agreed with the Supplier (Name of Supplier) to amend the above mentioned letter of credit, as indicated in the attached copy of the amendment, and the correspondent bank has been asked to effect said amendment. As such amendment is subject to your approval in accordance with the terms of your relevant Qualified Agreement to Reimburse, therefore you are kindly requested to confirm directly to (Name and Address of the correspondent bank) your approval of such proposed amendment.

.....
The Borrower

By.....

(Authorized Signature)
(Name and Designation)

CASE III (B)

ISSUING AN IRREVOCABLE AGREEMENT TO REIMBURSE

PREPARATION OF WITHDRAWAL APPLICATIONS

Firstly: Form and Contents of a Withdrawal Application:

1. The withdrawal application should be typed either in Arabic, English or French, and consists of:
 - a. The formal application on Form No. (3 B-1) attached hereto.
 - b. A Summary Sheet/s on Form No. (3B-2).
 - c. A legible copy of the letter of credit which has been issued by the issuing bank.
 - d. A signed copy of the contract or purchase order, according to which the payments are to be made, should be submitted to the Fund, in case such copy is not already been provided.
2. The formal application and the summary sheet should be signed by the person or persons authorized to sign withdrawal applications.
3. The correspondent bank is requested to submit to the Fund an application on Form No. (3B-3) attached hereto. The issuing bank in the country of the Borrower shall provide the correspondent bank with copies of the form to be used for the purposes of this application.

Secondly: Preparation of the Summary Sheet/s:

The summary sheet(s) should be completed with all the required information and shall particularly indicate the number and description of the respective item of the list of goods set forth in the Loan Agreement and the detailed breakdown of each such item, if any.

PROCESSING WITHDRAWAL APPLICATIONS:

The Fund shall, upon receipt of the withdrawal application, examine such application. If the application is approved the Fund shall issue the required Irrevocable Agreement to Reimburse on Form No. (3B-4) attached hereto and enclose therewith a copy of the proposed letter of credit. The Fund may issue the Irrevocable Agreement to Reimburse prior to receipt of the correspondent bank's request on Form No. (3B-3) attached hereto referred to in para (3) firstly above. The Fund shall upon issuance of the Irrevocable Agreement to Reimburse dispatch a copy thereof to the Borrower. After receipt of such an Agreement duly signed and accepted by the Correspondent Bank, the Fund shall forward a copy thereof to the Borrower.

If for any reason the Fund does not approve the withdrawal application, the Borrower shall be advised accordingly by letter stating the reasons for such disapproval.

DISBURSEMENT UNDER LETTER OF CREDIT:

Firstly: The Correspondent Bank shall, promptly after each payment effected under and in accordance with the said letter of credit, submit to the Fund a report evidencing payment with a request for reimbursement of the said amount on Form No. (3B-5) attached here to together with a copy of the Supplier's invoice. In case the Bank's report includes no reference to the shipping documents against which shipment has been made, the correspondent bank shall provide the Fund with a copy of the bill of lading.

Secondly: The Fund shall pay the amount requested directly to the correspondent bank under advice to the said bank and the Borrower. Upon receipt by the Fund of the relevant debit advice from its bank, the Fund shall advise the Borrower accordingly giving details of the amount paid, currency and date of payment and the equivalent amount in Kuwaiti Dinars charged to the Loan Account. In order to minimize the time taken between the date of payment of amount due to the supplier by the correspondent bank and the date of reimbursement of the said bank by the Fund, the Fund may, considering the interest of the Borrower, accept a tested telex request submitted in the form approved by the Fund provided:-

- a. The correspondent bank shall have previously agreed that a tested telex in the prescribed form constitutes a request for reimbursement of the amount paid under and in accordance with the terms of the letter of credit mentioned in the said telex.
- b. The Fund shall have received an affirmation by the Correspondent Bank that it has effected payment of the said amount under and in accordance with terms of the said letter of credit and that it has transmitted or shall transmit to the Fund, by mail, the Bank's report of payment and request for reimbursement referred to in Firstly above together with a copy of the Supplier's invoice.

Thirdly: The Fund shall not pay any amount to the correspondent bank in case of breach of any of the terms of the letter of credit or expiry of its validity except where payment has been effected by the bank pursuant to a commonly accepted banking practice or upon the Fund's and Borrower's approval.

AMENDMENT OF THE LETTER OF CREDIT:

The letter of credit may be amended as follows:

1. The Borrower shall submit to the Fund an application on Form No. (3B-6) attached hereto with a copy of the proposed amendment. In case of urgency special arrangements may be made for dispatch of the application for amendment by cable or telex.
2. Upon receipt of such application the Fund shall examine it, and if approved, the Fund shall notify the correspondent bank accordingly by letter, cable or telex as the case may be.

You may refer to example No.3B (page 47)

CASE III (B)
Form(3B-1)

**BORROWER'S APPLICATION FOR ISSUING AN IRREVOCABLE
AGREEMENT TO REIMBURSE AND WITHDRAWALS PURSUANT THERETO**

.....
(Currency and amount of Withdrawal Application)

Date :

Fund Loan No.:.....

Application Serial No.:.....

To : Kuwait Fund for Arab Economic Development

P.O. Box. 2921 13030 Safat, State of Kuwait.

Attn. : Disbursement Department

Dear Sirs:

Pursuant to the Loan Agreement dated..... between
the Kuwait Fund for Arab Economic Development (hereinafter called the Fund)
and(hereinafter called the Borrower)

The Borrower hereby certifies and confirms as follows:-

1. At the request of (name of correspondent bank) the Borrower hereby requests the Fund to issue an irrevocable Agreement to reimburse the said bank in accordance with such terms as the Fund may prescribe, amounts which shall have been paid by the correspondent bank under and in accordance with the terms of the letter of credit referred to in the attached summary sheet(s), as the same may be amended from time to time with the written approval of the Fund.
2. The Borrower irrevocably authorizes and requests the Fund to reimburse the correspondent bank, from time to time, in respect of amounts which shall have been paid by it under and in accordance with terms of the said letter of credit. The amounts so paid by the Fund in satisfaction of its obligation to the correspondent bank under the said Agreement, shall be deemed withdrawn from the Loan; and the Fund is entitled, when paying such amounts to rely absolutely, conclusively and finally on the written statements submitted by the correspondent bank confirming that the said amounts have been paid under and in accordance with the terms of the said letter of credit.
3. The said amounts are required to enable the Borrower to meet expenditures due and payable in (kind of currency) as set forth in the attached summary sheet(s).
4. The Borrower has not heretofore withdrawn not submitted an application for the withdrawal of any amount from the Loan, not obtained from any other source any loan, credit or grant for payment of the said amounts.
5. The said amounts are due and payable for the purposes of the Project prescribed in the Loan Agreement; the goods and/or services purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.

6. At the date of this application there is no existing default in the performance of any of the obligations of the Borrower under said Loan Agreement.
7. No cancellation of the Loan pursuant to the provisions of the Loan Agreement shall be effective with respect to any part of the loan as to which the Fund shall have issued an Irrevocable Agreement to Reimburse pursuant to this application.
8. The obligation of the Fund under the said Irrevocable Agreement to Reimburse shall continue to be valid until:
 - a. The Fund receives a written notice by the correspondent bank of the cancellation of the said letter of credit specifying the amount cancelled.
 - b. With respect to any unused balance under the said letter of credit upon the expiry of validity thereof or final payment thereunder, the Fund receives a written notice from the correspondent bank specifying the amount of such unused balance.

.....
The Borrower

By:.....

(Authorized Signature)

(Name & Designation

CASE III
FORM (3B-2)
Summary Sheet

Date :
Fund Loan :
Application SL. No.:
Summary Sheet No.:

For Issuing of a Irrevocable Agreement by the Fund to Reimburse payments to be
made by (name of Correspondent Bank)

1	2	3	4		5	6	7	8	Notes
Item No. as in the list of Goods	Description of Goods or Services	Date and No. of Contract or Purchase Order	Issuing Bank		Name and address of correspondent Bank	Expiry Date of L/C	Names and Address of beneficiary	Currency and amount	
			Name	L/C No.					

..... Name of Borrower

..... (Authorized Signature)

..... (Name and Designation)

CASE III (B)
Form (3B-3)

**CORRESPONDENT BANK'S REQUEST FOR IRREVOCABLE
AGREEMENT TO REIMBURSE**

Date:
Our Letter of Credit No.
Loan No. :

To :Kuwait Fund for Arab Economic Development
P.O. Box. 2921 13030 Safat, State of Kuwait.

Attn. : Disbursement Department

Dear Sirs:

We have been requested..... (Name and Address of the Issuing Bank)
to..... (advise/confirm)
a documentary letter of credit No.
for account of.....(Name and Address of the Borrower)
in the amount of
in favour of.....(Name and Address of Supplier)
relating to.....(Description of Merchandise)
expiring on

We request an Irrevocable Agreement by Kuwait Fund to reimburse us for payments which shall be made by us under and in accordance with the said letter of credit. Upon receipt of such agreement in form satisfactory to us we will
(advise/confirm) said letter of credit.

In the meantime, pending the receipt of the necessary agreement, we are enclosing copy of the proposed letter of credit.

Very truly yours,

.....
(Correspondent Bank)

By:
(Authorized Signature)
(Name and Designation)

CASE III (B)
Form (3B-4)

IRREVOCABLE AGREEMENT TO REIMBURSE

To:..... Date:.....
(Correspondent Bank) Your Letter of Credit No.:.....
..... Issuing Bank & Credit No.:.....
(Address)
Agreement No.....Loan No.....

Dear Sirs:

We transmit herewith a copy of a letter of credit which we understand you are prepared to(advise or confirm)
for account of.....(name and address of the Borrower)
in favour of.....(name and address of supplier)
in the amount of.....
relating to.....
expiring on.....

At the request of.....
and in consideration of your agreement and acceptance hereof as provided below, we hereby agree to reimburse you for payments which shall be made by you to or on the order of said beneficiary under and in accordance with the terms of said letter of credit as set forth in the enclosed copy thereof as the same shall be amended or extended from time to time with our written approval. Reimbursement shall be made by us promptly but not later than 30 days after receipt by us of written request therefore as hereinafter provided.

This agreement is subject to the following terms and conditions:

1. That you will issue, advise or confirm said letter of credit.
2. That we shall not be obliged to reimburse you for any such payment unless written request therefore, sufficiently identifying the items on said letter of credit to which such payment relates and accompanied by a copy of the supplier's invoice, shall have been mailed to us promptly after such payment is made.
3. That we shall not be obliged to pay you any amount in respect of interest on, or commission, expenses or other charges in connection with said letter of credit.
4. That you agree that upon cancellation in whole or in part of said letter of credit you will advise us promptly thereof and of the amount of such cancellation; and that upon expiration, of, or final payment under said letter of credit, you will advise us promptly thereof and of the amount of the unused balance thereunder, if any.

Please confirm your acceptance of this agreement on the foregoing terms and conditions by signing the form of acceptance of this agreement and returning a signed copy thereof to us.

Very truly yours,

Kuwait Fund for Arab Economic Development

FORM OF ACCEPTANCE

We confirm our acceptance of the foregoing agreement on the terms and conditions above stated. The letter of credit above referred to bears our number.....

.....
(Bank's name and address)

By:
(Authorized Signature)
(Name and Designation)

CASE III (B)
Form (3B-5)

BANK'S REPORT OF PAYMENT AND REQUEST FOR REIMBURSEMENT

Date:.....
Our Letter of Credit No. :.....
Loan No. :.....
Agreement to Reimburse No. :.....

To : Kuwait Fund for Arab Economic Development
P.O. Box. 2921 Safat, 13030 Kuwait.

Attention : Disbursement Department.

Dear Sirs,

We hereby confirm that we have paid.....
.....(Currency and Amount).....

on.....
to or to the order of..... (Name and Address of Beneficiary)
..... under and in accordance

with the above specified Letter of Credit. Such payment was made against delivery of documents specified in the said letter of credit evidencing:

Shipment of merchandise specified below per R.R.

from..... to.....

B/LNo..... dated..... or

Shipment of said merchandise per S.S.....

from..... to.....

B/LNo..... dated..... or

Shipment of merchandise per Vehicle.....

from..... to.....

Document of freight No..... dated..... or

Shipment of merchandise by air.....

from..... to.....

Air Way bill No..... dated..... or

Storage of said merchandise at.....

on..... Deposit Certificate No.....

dated.....

Brief Description of Merchandise.....

Said documents have been disposed of as follows:

.....
Copy of the supplier's invoice is attached.

Such payment was made in accordance with the terms of said Letter of Credit as set forth in the copy enclosed with your Agreement to Reimburse No.....

and amendments thereto, if any, approved in writing by you. We hereby request reimbursement of the above amount pursuant to said Agreement to Reimburse, by transferring said amount to us directly or to our Account No.

with Bank (Name and Address of the Bank).

Very truly yours

.....
(Name and Address of Bank)

By

Authorized Signature
(Name and Designation)

CASE III (B)
Form (3B-6)

**BORROWER'S APPLICATION FOR APPROVAL OF AMENDMENT
OF LETTER OF CREDIT**

Date :.....
Fund Loan No. :.....
Application No. :.....
Agreement No. :.....
Issuing Bank's L/C No. :.....

To : Kuwait Fund for Arab Economic Development
P.O. Box. 2921 Safat, 13030 Kuwait.

Attention : Disbursement Department.

Dear Sirs,

It has been agreed with the Supplier (Name of Supplier) to amend the above--mentioned letter of credit, as indicated in the attached copy of the amendment, and the correspondent bank has been asked to effect said amendment. As such amendment is subject to your approval in accordance with the terms of your relevant Irrevocable Agreement to Reimburse, therefore you are kindly requested to confirm directly to (Name and Address of the correspondent bank) your approval of such proposed amendment.

.....
The Borrower

By.....
(Authorized Signature)
(Name and Designation)

FORM OF AUTHORIZATION

The Director General
Kuwait Fund for Arab Economic Development
P.O. Box 2921, Safat
13030 Kuwait.

Dear Sir:

According to Article.....Section of the
Loan Agreement No for.....

Project, please be advised that the officials, whose names and specimen signatures appear below, are authorized to sign the withdrawal applications and all other correspondence relating to the said Loan. These officials are authorized to sign *

Name of Authorized Signatory	Designation	Specimen Signature

Borrower's Representative

By:

(Name and Designation)

.....
(Signature)

* Please indicate the nature of authorization whether:

1. Individually, or
2. Each two together, or
3. Each two together, one signature at least being of Category "A"

EXAMPLE NO. 1

WITHDRAWAL APPLICATION ACCORDING TO CASE I FOR REIMBURSEMENT

- Fill in Forms (1-1) and (1-2).
- Borrower's request to pay the amount of U.S. Dollars 150,000/- for amounts already paid to the consultant (MMC) according to Invoice No. 10 dated 1/5/2000 payable under contract No. (A1 A) dated 1/1/2000 approved by Kuwait Fund on 20/12/1999.
- The amount is payable under Item No. 3 of the list of goods relating to loan No. 9999 dated 30/11/1999 with a financing share of 100%.
- The purchaser is the Ministry of public works in the country of the Borrower.
- The Bank of the Beneficiary is BBB, London, United Kingdom.

THE SUPPORTING DOCUMENTS FOR THE WITHDRAWAL APPLICATIONS ACCORDING TO CASE I

- DOCUMENTS TO BE PRESENTED BEFORE THE SUBMISSION OF WITHDRAWAL APPLICATION:-
 - Signed copy or certified original of the contract relating to the beneficiary or the purchase order. *
- DOCUMENTS ATTACHED TO THE WITHDRAWAL APPLICATION.
 - Invoice issued by the Beneficiary. *
 - Evidence of payment to the Beneficiary. (refer to pages 6,7, and 8) *
 - Shipping documents.
- OTHER DOCUMENTS REQUIRED:
 - For advance payments: a copy of the Bank Guarantee.

**The documents required to be enclosed with said withdrawal application are
those marked in red colour.**

CASE I
Form (1-1)

Date : 01/June/2000

Fund Loan No. : 9999

Application SI. No. : 1

To:

Kuwait Fund for Arab Economic Development
P.O. Box. 2921 13030 Safat
State of Kuwait.

Attn. : Disbursement Department

Dear Sirs:

Subject: Withdrawal Application for Reimbursement of **US\$ 150,000/- (U.S. Dollars one hundred fifty thousand only)**.

Pursuant to the Loan Agreement dated **30/11/1999** between **Government of the Borrower** and the Kuwait Fund for Arab Economic Development, the undersigned hereby applies for withdrawal from the Loan Account and confirms that:-

1. The requested amount is required to reimburse the undersigned for expenditures made in said currency as described in the attached **summary sheet(s)**.
2. The undersigned has not heretofore withdrawn or applied for withdrawal from the said Loan any amount by way of reimbursement, nor obtained any loan, credit, or grant from any other source for such purpose, other than short term loan/s credit/s (if any) secured in anticipation of the withdrawal of the amount herein applied for and to be repaid out of the funds to be withdrawn hereunder as described in the attached summary sheet(s)
3. The said amount has been paid in satisfaction of obligations incurred in respect of execution of the Project referred to in Articles 3 Section 3.01 of the Loan Agreement. The goods and /or services so purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.
4. At the date of this application there is no existing default under any provision of the said Loan Agreement.
5. The Amount of this application represents the Fund's share of the value of the invoices attached hereto in the same currency stated therein.

Please pay the said amount as follows:-

Deposit said amount for the account of the **Government of the Borrower** ,
Account No. **000-100 with BBB Bank, London, UK**

Government of the Borrower

The Borrower

By **The Ministry of Public Works**

CASE I
FORM (1-2)
Summary Sheet

Date : 01/June/2000
Fund Loan : 9999
Application SL. No. : 1
Summary Sheet No. : 1

Category reference of the List of Goods to which the requested amounts pertain

1 Serial No.	2 Item No. as in the List of Goods	3 Description of Goods or Services	4 Date and No. of Contract or Purchase Order		5 Article & Section No. in the Contract according to which payment is due (if any)	6 Expected Delivery date of goods or Services	7 Names and Address of beneficiary	8 Date of Payment due	9 Amount Due	10 Fund's share as in the List of Goods		Notes
			Date of approval by Fund							%	Amount	
1	3	Consultancy Services	AIA dated 1/1/2000	20/12/1999	33.01	1/5/2000	Government of the Borrower	Nearest	US\$ 150,000/-	100	US\$ 150,000/-	
Total											US\$ 150,000/-	

Government of the Borrower

.....
(Authorized Signature)
Ministry of Public work

EXAMPLE NO. 2

WITHDRAWAL APPLICATION ACCORDING TO CASE II THE DISCHARGE OF AN OUTSTANDING PAYMENT DUE

- Fill in Forms (2-1) and (2-2).
- Borrower's request to pay the amount of U.S. Dollars 150,000/- for the discharge of an outstanding payment due to the consultant (MMC) according to Invoice No. 10 dated 1/5/2000 payable under contract No. (A1A) dated 1/1/2000 approved by Kuwait Fund on 20/12/1999.
- The amount is payable under Item No. 3 of the list of goods relating to loan No. 9999 dated 30/11/1999 with a financing share of 100%.
- The purchaser is the Ministry of Public Works in the country of the Borrower.
- The Bank of the Beneficiary is BBB, London, United Kingdom.

THE SUPPORTING DOCUMENTS FOR THE WITHDRAWAL APPLICATIONS ACCORDING TO CASE II

- DOCUMENTS TO BE PRESENTED BEFORE THE SUBMISSION OF WITHDRAWAL APPLICATION:-
 - Signed copy or certified original of the contract relating to the beneficiary or the purchase order. *
- DOCUMENTS ATTACHED TO THE WITHDRAWAL APPLICATION.
 - Invoice issued by the Beneficiary. *
 - Evidence of payment to the Beneficiary (please refer to pages 11 and 12)
 - Shipping documents.
- OTHER DOCUMENTS REQUIRED:
 - For advance payments: a copy of the Bank Guarantee.

The documents required to be enclosed with said withdrawal application are those marked in red colour.

CASE II

Form (2-1)

Date : 01/June/2000
Fund Loan No. : 9999
Application SL. No. : 1

To:
Kuwait Fund for Arab Economic Development
P.O. Box. 2921
13030 Safat
State of Kuwait.

Attn. : Disbursement Department

Dear Sirs:

Subject: Withdrawal Application for Payment of **US\$ 150,000/- (U.S. Dollars one hundred fifty thousand only)** for the discharge of an outstanding payment due.

Pursuant to the Loan Agreement dated 30/11/1999 between **Government of the Borrower** and the Kuwait Fund for Arab Economic Development, the undersigned hereby applies for withdrawal of **USD 150,000/-** from the Loan Account referred to above and confirms that:-

1. The said amount is required to meet payments by the Borrower as described in the attached **summary sheet(s)**.
2. The undersigned has not heretofore withdrawn or applied for withdrawal from the said Loan any amount for payment of the requested amount, nor obtained any loan, credit, or grant from any other source for such purpose, other than short term loan/s credit/s (if any) secured in anticipation of the withdrawal of the amount applied for herein and to be repaid out of the funds to be withdrawn hereunder as described in the attached summary sheet(s).
3. The said amount is required for the execution of the Project referred to in Article 3 Section **3.01** of the Loan Agreement. The **goods** and/or services so purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.
4. At the date of this application there is no existing default under any provision of the said Loan Agreement.
5. The Amount of mis application represents the Fund's share of the value of the invoices attached hereto in the same currency stated therein.

Please pay the said amount as follows:-

Deposit said amount in the same currency of its equivalent in **US\$ 150,000/-**, in account of **MMC Account No. 400 10 20 with BBB, London, UK**

Government of the Borrower.

By The Ministry of Public Works

CASE II
FORM (2-2)
Summary Sheet

Date : 01/June/2000
Fund Loan : 9999
Application SL. No. : 1
Summary Sheet No. : 1

Category reference of the List of Goods to which the requested amounts pertain

1 Serial No.	2 Item No. as in the List of Goods	3 Description of Goods or Services	4 Date and No. of Contract or Purchase Order		5 Article & Section No. in the Contract according to which payment is due (if any)	6 Expected Delivery date of goods or Services	7 Names and Address of beneficiary	8 Date of Payment due	9 Amount Due	10 Fund's share as in the List of Goods		Notes
			Date of approval by Fund							%	Amount	
1	3	Consultancy Services	ALA dated 1/1/2000	20/12/1999	33.01	1/5/2000	MMIC, New York, U.S.A.	Nearest	US\$ 150,000/-	100	US\$ 150,000/-	
Total											US\$ 150,000/-	

Government of the Borrower

.....
(Authorized Signature)
Ministry of Public work

EXAMPLE NO. 3 (A)

APPLICATION TO ISSUE A QUALIFIED AGREEMENT TO REIMBURSE AS IN CASE III (A)

- Fill in Forms No. (3A-1) and (3A-2).
- The Borrower requests to issue a Qualified Agreement to Reimburse for the amount of U.S. Dollar 540,000/-, to cover L/C No. 1234 which was issued by GKM Bank in favour of TTC, for the purpose of buying spare parts as per contract no. (I 40) dated 1/2/2000 and approved by K. F. on 15/1/2000.
- This amount is payable under Item No. 6 of the List of Goods.
- Pertaining to Loan No. 888, dated 15/12/1999, and the financing share is 100%.
- The purchaser of the project is Ministry of Electricity of the Borrower's country.
- The Letter of Credit expiry date is 15/5/2000. The correspondent bank is BT bank, Head Office, Tokyo, Japan.

THE SUPPORTING DOCUMENTS REQUIRED FOR WITHDRAWAL AS PER CHASE III (A):

- Documents to be sent before submitting Withdrawal Application:
 - An approved original or signed copy of the beneficiary's contract or purchase order. *
- Documents to be enclosed with the withdrawal application:
 - Copy of the L/C *
- Other requested documents:
 - A copy of the Performa invoice if mentioned in L/C*

The documents required to be enclosed with said withdrawal application are those marked in red colour.

CASE III (A)
Form (3A-1)

**BORROWER'S APPLICATION FOR QUALIFIED AGREEMENT TO
REIMBURSE AND WITHDRAWALS PURSUANT THERETO**

U.S. DOLLARS 540,000/-

Date : 20/2/2000
Fund Loan No. : 8888
Application Serial No. : 10

To : Kuwait Fund for Arab Economic Development
P.O. Box 2921, Safat 13030, Kuwait.

Attention: Disbursement Department

Dear Sirs:

Pursuant to the Loan Agreement dated 15/12/1999 between Kuwait Fund for Arab Economic Development and the Borrower, The Borrower hereby certified and confirms as follows:

1. At the request of **BT Bank** the Borrower hereby requests the Fund to issue a Qualified Agreement to Reimburse the said bank, in accordance with such terms as the Fund may prescribe, amounts which shall have been paid by the correspondence bank under and in accordance with the terms of the Letter of Credit referred to in the attached summary sheet(s), as the same may be amended from time to time with the written approval of the Fund.
2. The Borrower irrevocably authorizes and requests the Fund to reimburse the correspondent bank from time to time, in respect of amounts, which shall have been paid by it, under and in accordance with the terms of the said Letter of Credit. The amounts so paid by the Fund in satisfaction of its obligation to the correspondent bank, under the said agreement, shall be deemed withdrawn from the Loan, and the Fund is entitled, when paying such amounts to rely, absolutely, conclusively and finally, on the written statements submitted by the correspondent bank, confirming that the said amounts have been paid under and in accordance with the terms of the said Letter of Credit.
3. The said amounts are required to enable the Borrower to meet expenditures due and payable in **(U.S. DOLLARS)** as set forth in the attached summary sheet(s).
4. The Borrower has not heretofore withdrawn nor submitted an application for withdrawal of any amount from the Loan, nor obtained from any other source any loan credit or grant for payment of said amounts
5. The said amounts are due and payable for the purposes of execution of the project described in the Loan Agreement. The goods and/or services purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.
6. At the date of this application there is no existing default in the performance of any of the obligations of the Borrower under said Loan Agreement.

7. The Fund shall be under no obligation to reimburse the correspondent bank for payments under such letter of credit made by it subsequent to the date of any suspension of the Borrower's right to make withdrawal from the Loan Account or subsequent to the date of any cancellation pursuant to the Loan Agreement, provided, however, that the Fund may, in its discretion, reimburse the correspondent bank for any amounts expended by it after any such suspension or cancellation, and the amount so reimbursed shall be deemed withdrawn by the Borrower from the Loan Account.

The Government of the Borrower

By: The Ministry of Electricity
Authorized Signature

CASE III (A)
FORM (3A-2)
Summary Sheet

Date : 20/02/2000
Fund Loan : 8888
Application SL. No. : 10
Summary Sheet No. : 1

For Issuing of Qualified Agreement by the Fund Reimburse payments to be made by BT Bank, Tokyo

1 Item No. as in the list of Goods	2 Description of Goods or Services	3 Date and No. of Contract or Purchase Order		4 Issuing Bank		5 Names and Address of Cor- respondent Bank	6 Expiry Date of L/C	7 Name and address of Beneficiary	8 Currency and amount	Notes
		Date of approval by Fund	No.	Name	L/C No.					
6	Spare Parts	I-40 dated 1/2/2000		BKM	1234	BT, Tokyo, Japan	15/5/2000	TTC, Tokyo, Japan	US\$ 540,000/-	
		15/1/2000								

The Government of the Borrower

.....
(Authorized Signature)
The Ministry of Electricity

EXAMPLE NO. 3 (B)

WITHDRAWAL APPLICATION ACCORDING TO CASE NO. 3 (B) ISSUING IRREVOCABLE AGREEMENT TO REIMBURSE

- Use Form (3B-1) and (3B-2) Summary sheet.
- The Borrower requests to issue Irrevocable Agreement to Reimburse for the amount of US\$ 540,000/-to cover the Letter of Credit No. 1234 issued by BKM in favour of TTC, Tokyo, Japan for supplying machine parts under the Contract Agreement No. (I 40) that was signed on 1/2/2001 and approved by the Fund on 15/01/2000.
- The referred is payable under item No. 6 of the List of Goods for Loan No. 888 that was signed on 15/12/1999. The financial share of this item is 100%.
- The purchaser of the project is Ministry of Electricity of the Borrower's country.
- The Letter of Credit expiry date is 15/05/2000 and the correspondent bank is BT, Head Office, Tokyo, Japan.

THE SUPPORTING DOCUMENTS REQUIRED FOR WITHDRAWAL AS PER CASE III (B):

- **Documents to be sent before submitting withdrawal application:**
 - a signed copy of the referred supplying contract, approved by the Fund *
- **Documents to be enclosed with withdrawal application:**
 - copy of the Letter of Credit. *
- **Other documents needed:**
 - A copy of list of Performa invoice mentioned in L/C *

The documents required to be enclosed with said withdrawal application are those marked in red colour

CASE III (B)
Form (3B-1)

**BORROWER'S APPLICATION FOR ISSUING AN IRREVOCABLE
AGREEMENT TO REIMBURSE AND WITHDRAWALS PURSUANT THERETO**

US\$ 540,000/-

Date: 20/02/2000
Fund Loan No: 8888
Application Serial No.: 12

To

Kuwait Fund for Arab Economic Development
P.O. Box. 2921
13030 Safat, State of Kuwait.

Attn. : Disbursement Department

Dear Sirs:

Pursuant to the Loan Agreement dated 15/12/1999 between the Kuwait Fund for Arab Economic Development and Borrower country. The Borrower hereby certifies and confirms as follows:-

1. At the request of BT Bank the Borrower hereby requests the Fund to issue an irrevocable Agreement to reimburse the said bank in accordance with such terms as the Fund may prescribe, amounts which shall have been paid by the correspondent bank under and in accordance with the terms of the letter of credit referred to in the attached summary sheet(s), as the same may be amended from time to time with the written approval of the Fund.
2. The Borrower irrevocably authorizes and requests the Fund to reimburse the correspondent bank, from time to time, in respect of amounts which shall have been paid by it under and in accordance with terms of the said letter of credit. The amounts so paid by the Fund in satisfaction of its obligation to the correspondent bank under the said Agreement, shall be deemed withdrawn from the Loan; and the Fund is entitled, when paying such amounts to rely absolutely, conclusively and finally on the written statements submitted by the correspondent bank confirming that the said amounts have been paid under and in accordance with the terms of the said letter of credit.
3. The said amounts are required to enable the Borrower to meet expenditures due and payable in (U.S. DOLLAR) as set forth in the attached summary sheet(s).
4. The Borrower has not heretofore withdrawn not submitted an application for the withdrawal of any amount from the Loan, not obtained from any other source any loan, credit or grant for payment of the said amounts.
5. The said amounts are due and payable for the purposes of the Project prescribed in the Loan Agreement. The goods and/or services purchased are suitable for the purpose and the cost and terms of purchase thereof are reasonable.

6. At the date of this application there is no existing default in the performance of any of the obligations of the Borrower under said Loan Agreement.
7. No cancellation of the Loan pursuant to the provisions of the Loan Agreement shall be effective with respect to any part of the loan as to which the Fund shall have issued an Irrevocable Agreement to Reimburse pursuant to this application
8. The obligation of the Fund under the said Irrevocable Agreement to Reimburse shall continue to be valid until:
 - i. The Fund receives a written notice by the correspondent bank of the cancellation of the said letter of credit specifying the amount cancelled.
 - ii. With respect to any unused balance under the said letter of credit upon the expiry of validity thereof or final payment thereunder, the Fund receives a written notice from the correspondent bank specifying the amount of such unused balance.

The Government of the Borrower

By

(Authorized Signature)

Ministry of Electricity

CASE III (B)
FORM (3B-2)
Summary Sheet

Date : 20/02/2000
Fund Loan : 8888
Application SL. No. : 12
Summary Sheet No. : 1

For Issuing of Irrevocable Agreement by the Fund Reimburse payments to be made by BT Bank, Tokyo

1 Item No. as in the list of Goods	2 Description of Goods or Services	3 Date and No. of Contract or Purchase Order		4 Issuing Bank		5 Names and Address of Cor- respondent Bank	6 Expiry Date of L/C	7 Name and address of Beneficiary	8 Currency and amount	Notes
		Date of approval by Fund	No.	Name	L/C No.					
6	Spare Parts	1 40 dated 1/2/2000	1234	BKM	1234	BT, Tokyo, Japan	15/5/2000	TTC, Tokyo, Japan	US\$ 540,000/-	
		15/1/2000								

The Government of the Borrower

.....
(Authorized Signature)
The Ministry of Electricity