

Disbursement procedures

No amount from any Fund loan may be withdrawn by the borrower until all the conditions of effectiveness of the relative loan agreement have been satisfied and the Fund has declared such loan agreement effective.

The proceeds of the financial assistance of the Fund can only be disbursed to meet the expenditures on the goods, services or other purposes specified in the relative agreement between the Fund and the beneficiary of the loan or other financial assistance.

It is necessary that certain forms prepared by the Fund be used for making withdrawals from loans and other financial assistance. These forms cover the following cases:

- ❖ Reimbursement of expenditures already made by the Borrower.
- ❖ Discharging outstanding amounts due to suppliers, contractors or consultants with whom a contract was made by the Borrower.
- ❖ Effecting payments to banking institutions in accordance with the provisions of undertakings by the Fund to reimburse such institutions in respect of payments made under documentary letters of credit issued at the request of the borrower.