This booklet is intended to guide borrowers of project loans made by The Arab Bank for Economic Development in Africa (BADEA) on procedures to be followed for withdrawing the proceeds of such loans.

The procedures outlined in the following pages:

conform in general to those operated by institutions similar to BADEA. A standard approach has been taken whenever possible so that eventually a common procedure covering the requirements of all such institutions may be developed to the mutual benefit of borrowers and lenders.

cover most disbursement requirements; however circumstances will inevitably occur requiring action outside the scope of these procedures and in that case special arrangements can be made between the borrower and BADEA.

This document in no way supplants, prejudices or amends the word or intention of binding agreements between the borrower and BADEA. Rather it should be regarded as a guide to the disbursement of funds under the loan agreement.
1. **INTRODUCTION**

1.1. **PURPOSE**

   Procedures are required for the withdrawal of proceeds from BADEA development loans so that:

   **For the borrower:**

   - Proceeds are delivered as quickly as possible therefore avoiding delays to the project and additional charges to the borrower.

   **For the lender:**

   - BADEA achieves compliance with the terms of its charter and in particular with Article 10 (VI) thereof which states "The Bank shall take any and all steps necessary to ensure that loans are used exclusively for the purpose for which they were made available, due regard being paid to economy considerations in expenditures and to efficiency considerations in implementation".

1.2. **PRINCIPLES:**

   Three principles underly the disbursement of project loans by BADEA. These are:

   - that the goods and services acquired with the proceeds of the loan, conform to procurement procedures agreed by the borrower and BADEA.

   - that goods and services so provided by the loan are in fact supplied and delivered in accordance with the terms of loan agreement;

   - that disbursements made from the loan are in payment of the specific goods and services provided above.
<table>
<thead>
<tr>
<th>METHOD OF DISBURSEMENT</th>
<th>SUPPLIER</th>
<th>BORROWER</th>
<th>BANK</th>
<th>BADEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROCEDURE 1</td>
<td>1. charges %</td>
<td>2.</td>
<td>3. Apply for Reimbursement</td>
<td>4. Reimbursement</td>
</tr>
<tr>
<td>Reimburse to Borrower</td>
<td>Pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROCEDURE 2</td>
<td>1. Charge</td>
<td>2.</td>
<td>3. Apply for Payment</td>
<td>Pay</td>
</tr>
<tr>
<td>Direct Payment to Supplier</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment Guarantee on Letter of Credit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment Letter of Credit</td>
<td>6. Pay Letter of Credit</td>
<td>7. Request Repayment</td>
<td>Repay 8</td>
<td>Request 9</td>
</tr>
<tr>
<td>Amended of Letter of Credit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amendment</td>
<td>10.</td>
<td>Amendment</td>
<td>Approve Amendment 11</td>
<td></td>
</tr>
</tbody>
</table>
Project loan disbursements are made by BADEA in accordance with its obligation under the loan agreement signed by BADEA and the borrower. Consequently all conditions pertaining to the effectiveness of the agreement are to be completed before disbursements are made. At the date on which the loan agreement becomes effective, BADEA opens a loan account on behalf of the borrower against which disbursement drawings are made.

1.3. PROCEDURES

In accordance with the principles stated, BADEA generally makes disbursements only against specific goods or services supplied or to be supplied. There are three main methods by which these payments are made (see diagram opposite). These are specified in Sections 4 - 6 of the booklet but can be summarized as follows:

Procedure 1: Reimbursement to the borrower.

The borrower has paid for goods or services supplied or to be supplied, BADEA reimburses the borrower.

Procedure 2: Direct payment to the supplier.

The borrower receives notice of charge for goods or services supplied or to be supplied, and notifies BADEA of these charges. BADEA pay the supplier direct.

Procedure 3: Repayment Guarantee on Letter of Credit.

Where goods are to be supplied under Letter of Credit, the bank opening the Letter of Credit on behalf of the borrower, or the bank confirming the Letter of Credit, may require that BADEA agrees to guarantee payment of the Letter of Credit, after application for the guarantee by the bank concerned through the borrower, BADEA makes disbursement directly to the bank on their request for reimbursement. In this case reimbursement is made only on condition that evidence of shipment has been received by the bank concerned.

In general, preference is given to disbursements by reimbursement (Procedure 1) or to the direct payment method (Procedure 2). In order to encourage their use, BADEA will in principle be prepared in approved cases to issue letters to suppliers on request of the borrower, confirming that the item concerned is an approved purchase under the loan agreement with BADEA, and that provided the loan agreement remains in force, BADEA will make direct payments to the supplier on behalf of the borrower in the manner provided by the relevant supplier contract.
Under necessary circumstances BADEA will consider entering into an agreement to reimburse banks on Letters of Credit opened or confirmed by them (Procedure 3). This will normally be a qualified agreement, only in exceptional circumstances will be an irrevocable agreement to reimburse be issued, since this involves further commitment by BADEA for which an additional fee must be charged to the borrower.

2. GENERAL MATTERS:

In connection with the main procedures mentioned above, there are a number of supplementary matters to be brought to the attention of the borrower in order to ensure that the withdrawal of the loan, proceeds efficiently.

2.1. PAYMENTS PRIOR TO SHIPMENT:

If the borrower’s application for disbursement of the loan relates to an account payable prior to shipment being made, a copy of the contract or purchase order should be forwarded to BADEA's inspection. Evidence of shipment should be forwarded to BADEA as soon as possible after shipment in the manner illustrated in the "Documentation Return Letter" FORM 8. This evidence of shipment should be accompanied by the documents not previously submitted such as supplier’s invoice and payment evidence if applicable.

2.2. PROGRESS PAYMENT:

If the borrower’s application for disbursement of the loan relates to a progress payment on the basis of work performed, a copy of the contract should be submitted on the first instance only, together with evidence of payment and an engineer’s certificate or mission progress report showing the payment was due. The supplier’s final invoice should be submitted attached to the "Documentation Return Letter", FORM 8, as soon as possible after completing the work.

2.3. SHIPMENT EXPENSES :

Claims for the payment of benefit, insurance and other shipment expenses should be presented in a manner which will enable BADEA to relate each item to the goods being financed.

2.4. PAYMENT CURRNCY:

All development loans financed by BADEA are denominated in US. DOLLARS, unless specified otherwise in the loan agreement with the borrower. The draw down of a loan will therefore normally take place in US. dollars.
However, when applications for disbursement are denominated in a currency other than dollars, then BADEA will deem such an application as an order to purchase with dollars the currency required and to attribute the dollars cost of the purchase to the borrower's loan account. The rate of exchange for such currency transactions will normally be the actual rate (including charges) obtained by BADEA in converting dollars on the payment date unless otherwise stated in the loan agreement. BADEA, however, reserves the right to use a fair market rate in cases where it has disbursed against an existing holding of the currency concerned.

When BADEA agrees to guarantee a Letter of Credit in favor of an opening or confirming bank, the amount guaranteed can only be stipulated in US dollars. This dollar limitation clause in the guarantee agreement ensures that BADEA's liability is limited to an aggregate reimbursement equivalent to the dollar amount stated. The aggregate repayment amount in dollars is determined by BADEA using exchange rates at the time at which the individual repayments are made.

In general, the dollar limitation stated in the guarantee agreement is calculated by BADEA at the current rate of exchange prevailing at the time of signing of the guarantee agreement together with the margin to cover normal currency fluctuations.

2.5. **TELEX AND CABLE APPLICATIONS:**

Where the borrower's bank is to be reimbursed for goods and services provided by the loan, then arrangements can be made for the bank to apply for repayments by tested telex or cable. Tested telex or cable applications by the borrower's bank for repayments, will only be accepted by BADEA provided that:

- The exchange of test cypress is formally acknowledged by the bank concerned and BADEA.
- Written agreement is provided by the borrower's bank that such an application constitutes a request for reimbursement of a payment made in accordance with the loan agreement.

The borrower will be notified by BADEA of repayments made to the borrower's bank including full details of amount, currency and value date.

2.6. **NUMBERING SYSTEM :**

Each item on every disbursement application should be uniquely identifiable. For this reason, applications for all methods of disbursement should carry a standard reference number.
Therefore the following documents should be numbered consecutively commencing with the number on:

- each application letter;
- each summary statement forwarded with an application letter;
- each item on each summary sheet (maximum number of ten item/sheet).

Each reference number therefore should have three components and should for example be written 3-9-5 (i.e. application letter 3; summary statement 9, item 5).

3 PRELIMINARY PROCEDURES:

Before disbursement of the loan can commence, those terms and convenience stated in the loan agreement between BADEA and the borrower, which are precedent to withdrawal of the loan proceeds, must be carried out. Among these are two conditions which are of particular importance in ensuring that the procedures for disbursement of the loan operate effectively:

- that the persons who will sign disbursement applications have been properly authorized and have provided BADEA with authenticated specimen signatures,
- that a list entitled “Schedule of goods and Services” is drawn up in agreement with the borrower and BADEA either as part of the loan agreement or separately.

Usually both of these conditions are fully incorporated in the loan agreement; nevertheless, they form an essential and integral part of the disbursement procedures and are therefore detailed as preliminary procedures below.

3.1 AUTHORISED SIGNATURE:

As soon as the borrower has authorized the signatories to disbursement apply actions, evidence should be sent to BADEA as illustrated in FORM 1. This letter should:

- state that the signatories have authority to apply for loan disbursements from a specified commencement date;
- be authenticated by signature of the borrower’s representatives designated to act in relation to the loan agreement.

The receipt of this letter will be duly confirmed by BADEA and this confirmation, unless otherwise stated by the loan agreement, will be required before the commencement of the disbursement.
3.2. **SCHEDULE OF GOODS AND SERVICES:**

If the loan agreement between the borrower and BADEA stipulates but does not include a list of Goods and Services to be provided, then the borrower and BADEA should agree to the "Schedule of Goods and Services" as illustrated in the Example Form to be sent to BADEA.

In general, the schedule of Goods and Services lists:

- the main categories of Goods and Services to be acquired under the terms of the loan agreement with BADEA;
- the amount of the loan allocated to each category to be borne by BADEA;
- the proportion with each category of the expenditure to be borne by BADEA divided into Goods and Services originating locally and abroad. This often applies when BADEA finances the loan jointly with other institutions.

The schedule of Goods and Services may be supplemented by more detailed lists of major items if required by BADEA. In all cases, formal agreement between the borrower, BADEA and co-operators if applicable, is required before amendment of these schedules.

If the schedule of Goods and Services is not incorporated in the loan agreement then it should be authorized by the signatories to the loan agreement. Receipt of the schedule will be duly confirmed by BADEA, and, unless otherwise stated in the loan agreement will be required before the commencement of disbursement.

4 **PROCEDURES:**

1. **REIMBURSEMENT TO BORROWER:**

This procedure covers cases when a charge has been made by suppliers or contractors for the supply of Goods and Services or a claim by the borrower in settlement of letter of credit payments. This charge or claim has been paid by the borrower and an application for reimbursement is made to BADEA in accordance with the terms of the loan agreement.

From the stage of supplication for reimbursement by the borrower, the procedure has two steps:-

- application for Reimbursement,
- notification of Payment.
4.1. **APPLICATION FOR REIMBURSEMENT:**

The borrower should prepare an application for reimbursement from BADEA. This application should contain:

4.1.1. **Application Letter:**

1. Two copies of an application letter signed by an authorized signatory of the borrower should be submitted to BADEA.

2. Application letters should be submitted in similar manner to that illustrated in FORM 3.

A separate application letter should be submitted for each currency in which payment is requested.

4.1.2. **Summary Statement:**

1. Two copies of each summary statement listing individual items expended, each page signed by an authorized signatory of the borrower, should be submitted to BADEA.

2. Summary statements for items for which the borrower is requesting reimbursement should be submitted in a similar manner to that set out in the attached FORM 5 and 6 to be used for payments to suppliers and contractors respectively.

3. Separate summary sheets should be prepared

   * item in each category as denoted on the schedule of Goods and Services to be as financed as contained in the loan agreement.

   * item of expenditure incurred prior to signing date of the loan agreement, in accordance with terms allowing retroactive expenditure from a specific date, up to the specified aggregate amount.

4. All items for the same supplier or contractor within each category should be listed consecutively.
4.1.3. **Documentation:**

One copy of all relevant documentation (originals or legible copies) should be forwarded by the borrower to BADEA in connection with each reimbursement application as follows:

1. Suppliers Invoice
2. One of the following documents to evidence payments:
   * recited supplier’s invoice (unless provided under 1 above);
   * formal receipt from supplier;
   * canceled banker’s cheque or draft;
   * bank’s “Report of Payment” as illustrated in FORM 7, when the payment was made to the borrower’s bank in payment of a letter of credit.
   * any other evidence satisfactory to BADEA
3. One of the following documents to evidence shipment:
   * bill of lading together with the shipment insurance schedule and certificate if available;
   * bank’s report of payment stating that the borrower’s bank has seen the necessary documents evidencing shipment at the time payment in settlement of the letter of credit was made.
   * notification from the supplier or forwarder confirming that goods have been supplied and providing details of shipment.

4.2. **Notification of Payment:**

When BADEA is satisfied that the application is in order, BADEA will notify the borrower of the amount reimbursed, the currency and the value date. If, for any reason, an application is not approved by BADEA, the borrower will be notified by letter together with the reasons for such disapproval.

5. **Procedure 2 - Direct Payment to Supplier:**

This procedure covers cases where the borrower has passed on to BADEA the charges made by suppliers or contractors for the supply of Goods and Services. On receipt of the disbursement application from the borrower, BADEA pays the supplier or contractor directly after checking compliance with the terms of the loan agreement.
From the stage of application for disbursement by the borrower, this procedure has two steps:

- Application for Disbursement,
- Notification of Payment.

5.1. APPLICATION FOR DISBURSEMENT:

The borrower should prepare an application for direct payment by BADEA of charges made.
This application should contain:

5.1.1. Application Letter:

1. Two copies of an application letter signed by an authorized signatory of the borrower should be submitted to BADEA;

2. Application Letters should be submitted in a similar manner to that illustrated in FORM 4,

3. A separate application letter should be submitted for each currency to be paid.

5.1.2. Summary Statements:

1. Two copies of the summary statement listing individual items to be disbursed, each page signed by an authorised signatory of the borrower, should be submitted to BADEA.

2. Summary statements for items for which the borrower is requesting disbursement should be submitted in a similar manner to that set out in the attached FORMS 5 and 6 to be used for payments to be made to suppliers and contractors respectively.

3. Separate summary sheets should be prepared for:

* items in each category as denoted on the schedule of Goods and Services to be financed as contained in the loan agreement;

* items of expenditure incurred prior to the signing date of the loan agreement in accordance with terms allowing retroactive expenditure from a specified date up to a specified aggregate amount;

* all items for the same supplier or contractor within each category should be listed consecutively.
5.1.3 **Documentation:**

One copy of all relevant supporting documentation (original or legible copies) should be forwarded to BADEA in connection with each application for disbursement as follows:

1. Supplier’s invoice.
2. One of the following documents to evidence shipment:
   * bill of lading with the shipment insurance schedule and certificate if available,
   * notification from supplier or forwarder confirming that goods have been supplied and providing details of shipment.
3. Certificate of origin for goods originating outside the borrower’s country, prepared by recognized institutions governing international and commercial practice.

5.2. **NOTIFICATION OF PAYMENT:**

When BADEA is satisfied that the application is in order, BADEA will pay the supplier and notify the borrower of the amount disbursed, the currency and the value date. If for any reason, an application is not approved by BADEA, the borrower will be notified by letter together with the reasons for such disapproval.

6. **PROCEDURE:**

3 - **REPAYMENT GUARANTEE ON LETTER OF CREDIT:**

This procedure covers cases where goods have been imported by the borrower on a letter of credit (LC) opened by the borrower’s bank, and BADEA has guaranteed reimbursement to the bank for payments made in settlement of the LC. In general, the bank concerned, whether opening or confirming the LC, requested BADEA via the borrower to issue a qualified or irrevocable guarantee for repayment of the LC, if approved, BADEA sends the guarantee directly to the bank concerned. As payment is made by the bank under the LC, then the bank applies directly to BADEA for reimbursement. If the LC required amendment, then the bank must apply to the borrower and BADEA for approval before the amendment is made.
From the stage of application by the bank for reimbursement guarantee, the procedure has four steps:

* Application for Guarantee;
* Issue of Guarantee;
* Application for Repayment;
* Amendment of Letter of Credit.

In all cases the same procedures are used for processing qualified and irrevocable guarantees except that the forms are different.

6.1. APPLICATION FOR GUARANTEE:

On request of the bank concerned, the borrower should obtain copies of the LC and other relevant documentation and prepare an application for repayment guarantee. This application should contain:

6.1.1. Application Letter:

1. Two copies of an application letter for repayment guarantee signed by the authorised signatory of the borrower should be submitted to BADEA.

2. Application letters should be submitted in a manner similar to FORM 9 for qualified guarantees and to FORM 10 for irrevocable guarantees.

3. A separate application letter should be submitted for each letter of credit to be guaranteed and therefore for each currency in which payment is requested.

6.1.2. Summary Statement:

1. Two copies of each summary statement listing individual items to be disbursed under the letter of credit, each page signed by an authorised signatory or the borrower, should be submitted to BADEA.

2. Summary statements for items for which the borrower is requesting reimbursement guarantee should be submitted in a similar manner to that illustrated in FORM 11.

3. Separate summary sheets should be prepared for items in each category as denoted on the "schedule of Goods and Services" to be financed as contained in the loan agreement.
6.1.3. **Letter of Credit:**

1. Two copies of the proposed LC should be submitted to BADEA with the application for repayment guarantee.

2. The LC should contain terms which require the supplier to present to the bank concerned at least the following:
   * Supplier's Invoice,
   * Bill of Lading together with the shipment insurance schedule and certificate,
   * Certificate of Origin.

6.1.4. **Documentation:**
One copy of the contract or purchase order (original or legible copies) if available, should be forwarded to BADEA for application to guarantee a LC. This is particularly important in the case of progress payments but would normally be carried out as part of the procedure agreed with BADEA.

6.2. **ISSUE OF GUARANTEE:**

1. If the application for repayment for guarantee is approved, BADEA sends to the bank concerned:
   * Two copies of the letter for qualified repayment guarantee as illustrated in FORM 12 or the irrevocable repayment guarantee as illustrated in FORM 13.
   * One approved and endorsed copy of the proposed LC to which the repayment guarantee relates.

2. If the guarantee is acceptable, the bank concerned should return one copy of the payment guarantee duly signed as accepted by an authorised signatory of the bank.

3. BADEA also sends one copy of the repayment guarantee to the borrower.
6.3. **APPLICATION FOR REIMBURSEMENT:**

1. After making payments to the supplier under the letter of credit, the bank concerned should complete the "Application for Letter of Credit Repayment" in the manner illustrated in FORM 14. This form should be:

   * either sent direct to BADEA after payment,
   
   or sent as confirmation following a tested telex or cable to BADEA requesting reimbursement. This method is only permissible after written agreement between BADEA and the bank concerned and the exchange of test ciphers. In both cases a copy of the supplier's invoice relating to the payment should be attached to the application form.

2. On approval of the application for repayment BADEA effects payment to the bank concerned in the manner prescribed.

3. Notification repayment is sent by BADEA to the borrower.

6.4. **AMENDMENT OF LETTER OF CREDIT:**

1. If amendments to the LC for which BADEA has issued a repayment guarantee are required, then the bank concerned should send two copies of the mended LC as proposed to the borrower.

2. If satisfied with amendment, the borrower should prepare an "Application for Letter of Credit Amendment" in the manner illustrated in FORM 15. This form must be signed by an authorized signatory of the borrower and sent with both copies of the amended LC to BADEA.

On receipt and approval of the LC amendment, BADEA will endorse one copy of the revised LC and return it direct to the bank concerned under covering letter. The borrower will also be informed that the amendment has been accepted by BADEA.
# INDEX TO SAMPLE FORMS AND LETTERS

<table>
<thead>
<tr>
<th>FORM NO:</th>
<th>PAGE NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. &quot;Authorized Signatures&quot; Letter</td>
<td>17</td>
</tr>
<tr>
<td>2. &quot;Schedule of Goods and Services&quot; example</td>
<td>18</td>
</tr>
<tr>
<td>3. &quot;Application for Reimbursement&quot; Letter</td>
<td>19</td>
</tr>
<tr>
<td>4. &quot;Application for Direct Payment&quot; Letter</td>
<td>21</td>
</tr>
<tr>
<td>5. &quot;Summary Statement for Suppliers&quot; Form</td>
<td>22</td>
</tr>
<tr>
<td>8. &quot;Documentation Return&quot; Letter</td>
<td>26</td>
</tr>
<tr>
<td>10. &quot;Application for irrevocable Repayment Guarantee&quot; Letter</td>
<td>30</td>
</tr>
<tr>
<td>11. &quot;Summary Statement for Letter of Credit&quot;</td>
<td>34</td>
</tr>
<tr>
<td>12. &quot;Qualified Repayment Guarantee&quot; Letter</td>
<td>36</td>
</tr>
<tr>
<td>13. &quot;Irrevocable Repayment guarantee&quot; Letter</td>
<td>38</td>
</tr>
<tr>
<td>15. &quot;Application for Letter of Credit Amendment&quot; Letter</td>
<td>39</td>
</tr>
</tbody>
</table>
FORM (1)

TO:  
THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA  
(BADEA)  
P. O. BOX NO. 2640  
KHARTOUM / SUDAN

AUTHORISED SIGNATURE

PROJECT: NAME

We hereby invest the following signature with the authority to apply for loan disbursement from BADEA on behalf of the borrower, jointly or severally, under mentioned project with effect from (date) until such time as further notice is given by us.

<table>
<thead>
<tr>
<th>SIGNATORY</th>
<th>DESIGNATION</th>
<th>SPECIMEN SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
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<td>2.</td>
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<td></td>
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</tbody>
</table>

BORROWER:


CERTIFIED BY:


DATE

(Authorised Representative)
FORM (2)

SCHEDULE OF GOODS AND SERVICES

LOAN NAME

BORROWER

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>GOODS AND SERVICES</th>
<th>ALLOCATION TO BE BORNE BY BADEA</th>
<th>EXPENDITURE TO BE FINANCED BY BADEA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Local U.S.$</td>
<td>Overseas U.S.$</td>
</tr>
<tr>
<td>1. TRANSPORT</td>
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<td></td>
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</tr>
<tr>
<td>2. EQUIPMENT</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3. TRAINING</td>
<td></td>
<td></td>
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<td>4. CONTINGENCY</td>
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<td></td>
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</tbody>
</table>

Signed .................................. TOTAL: .............. Date: ..................

GUIDELINES: BORROWER KM: 21-41
TO:
The Arab Bank for Economic Development in Africa (BADEA)
P. O Box No. 2640
KHARTOUM / SUDAN

ATTENTION: Disbursement Section

Date: 
BADEA Loan No.: 
Application Serial No. 
Currency 

Gentlemen,

APPLICATION FOR REIMBURSEMENT

Pursuant to the above mentioned Loan Agreement dated between The Arab Bank for Economic Development in Africa (BADEA) and (THE BORROWER), the borrower hereby certifies and agrees as follows:

1. The Borrower hereby applies for withdrawal from the Loan Account, opened under said loan agreement, of the sum of currency 
Amount

2. Said amount is required to reimburse the Borrower for expenditure made in said currency as described in the attached summary statement (a) which form (s) an integral part of this application;

3. The Borrower has not previously withdrawn from said Loan Account or applied for the withdrawal from said Loan Account of any amounts for the purpose of reimbursing the Borrower for meeting such expenditures; and the Borrower has not obtained and will not obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the Borrower, other than such short-term loans or credits (if any) established in anticipation of the withdrawal applied for herein and to be repaid pro ratae with the funds withdrawn summary statement (s).
FORM (3)

4. Such expenditures were made for the purpose specified in the said Loan Agreement, the Goods and Services so purchased are appropriate for such purpose, the cost and terms of purchase thereof are reasonable, and the Borrower hereby certifies that none of the expenditure were made to a person or business appearing on the list of prohibited suppliers last notified to the Borrower by BADEA.

5. At the date of this application there is no existing default under the said Loan agreement, and to the best of the Borrower’s knowledge and belief, of the Guarantor under the Guarantee Agreement (if any) referred to therein.

Please make payment as follows:

Cheque or transfer to the order of:

NAME OF PAYEE ............................................................

(OR)

DEPOSIT: .................................................................

(Name of Depository Bank) ............................................

ACCOUNT No. ...........................................................

This application consists of this page and signed and numbered summary statements.

Name of Borrower ....................................................

BY: .................................................................

Authorised
Representative
FORM (4)

TO:
The Arab Bank for Economic Development in Africa (BADEA)
P.O.Box No. 2640
KHARTOUM / SUDAN
ATTENTION: Disbursement Section

Date: ........................................
BADEA Loan No.: ...........
Application Serial No. .......
Currency .................................

APPLICATION FOR DIRECT PAYMENT

Pursuant to the above mentioned Loan Agreement dated ........... between The Arab Bank for Economic Development in Africa (BADEA) and ................. (THE BORROWER), the borrower hereby certifies and agrees as follows:

1. The Borrower hereby applies for withdrawal from the Loan Account, opened under said loan agreement, of the sum of currency .........................
   Amount .................................................................

2. Said amount is required to meet expenditure to be made in said currency as described in the attached summary statement (a) which form (s) an integral part of this application;

3. The Borrower has not previously withdrawn from said Loan Account or applied for the withdrawal from said Loan Account of any amounts for the purpose of reimbursing the Borrower for meeting such expenditures, and the Borrower has not obtained and will not obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the Borrower, other than such short-term loans or credits (if any) established in anticipation of the withdrawal applied for herein and to be repaid pro rata with the funds withdrawn summary statement (s).
FORM (4)

4. Such expenditures were made for the purpose specified in the said Loan Agreement, the Goods and Services so purchased are appropriate for such purpose; the cost and terms of purchase thereof are reasonable; and the Borrower hereby certifies that none of the expenditure were made to a person or business appearing on the list of prohibited suppliers last notified to the Borrower by BADEA.

5. At the date of this application there is no existing default under the said Loan agreement, and to the best of the Borrower’s knowledge and belief, of the Guarantor under the Guarantee Agreement (if any) referred to therein.

Please make payment as follows:

Cheque or transfer to the order of:

NAME OF PAYEE:  
ADDRESS:  
DEPOSIT:  
(Name of Depository Bank)  
ACCOUNT No.  

This application consists of this page and signed and numbered summary statements.

Name of Borrower

BY:  
Authorised Representative.
<table>
<thead>
<tr>
<th>Remarks</th>
<th>Item No.</th>
<th>Amount Total</th>
<th>No. of Goods</th>
<th>Description of Goods</th>
<th>Date of Goods</th>
<th>Reception Date</th>
<th>Sub-Category</th>
<th>Item No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

**Summary Statement for Suppliers**

**Form (S)**

- Project Name:
- Currency:
- Category Number:
- Date:

---

Delete as appropriate:
### FORM (6)
**SUMMARY STATEMENT FOR CONTRACTORS**

**FORCE ACCOUNT AGENCIES**

<table>
<thead>
<tr>
<th>Category Number:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency:</td>
<td>BADEA Loan No.</td>
</tr>
<tr>
<td>Project Name:</td>
<td>Summary Statement No.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description of Expenditure</th>
<th>Period Relating to</th>
<th>Date and Contract No., or Purchase Order No.</th>
<th>Name and Address of Contractor/Agent</th>
<th>Date Payment</th>
<th>Total Amount</th>
<th>Amount to be paid by BADEA</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

**CARRIED FORWARD/FINAL**

**TOTAL**

* Delete as appropriate

**BY:**

**(Authorised Representative)**

**(Name of Borrower)**
FORM (7)
REPORT OF PAYMENT

Name of Commercial Bank

Project Name: .................................................................
Date of Payment: ............................................................
License No. ..................................................................
BADEA Loan No.: ...........................................................
TO: .................................................................................
(Name of Borrower or Borrower's Representative)

(Address)

We report having paid the sum of currency .................................................
Amount .............................................................
To .................................................................
(Name of Supplier)

(Address of Supplier)

Under L/C No. ............................................................
established by: ............................................................
(Name and address of correspondent)

Our Payment commission amounts to US $ ..............................................
Payment was effected against delivery of the documents as specified in and in
accordance with the terms and conditions of the Letter of Credit mentioned above
evidencing shipment of .................................................................

Per S. S. ................................................ Or R. R. ................................................
from ................................................ to: ................................................
(Port of Shipment) (Destination)
or storage or manufacture of the goods described at ..........................
The documents have been disposed of as follows:
The bill of lading, warehouse receipt or certificate of manufacture have been
........................................................................................................................................
Copy of the Supplier's invoice and Certificate of Origin are attached.

Yours very truly,

.................................................................
(Authorised Signature)
TO:
The Arab Bank for Economic Development in Africa
(B A D E A )
P. O. Box No. 2640
KHARTOUM/SUDAN

Date: ............................................

BADEA Loan No.: ..............................

ATTENTION: Disbursement Section

DOCUMENTATION RETURN

We attach documents described below to support of disbursement application previously made with respect to which BADEA has made Loan disbursements.

<table>
<thead>
<tr>
<th>BORROWER APPLICATION No.</th>
<th>SUMMARY STATEMENT Page No.</th>
<th>Reference Item No.</th>
<th>Description, date and identifying numbers of document enclosed</th>
</tr>
</thead>
</table>

Attached: Documents listed above

Yours very truly

............... 

(Name of Borrower)

Signed: 

............... 

(Authorised Representative)
APPLICATION FOR QUALIFIED REPAYMENT GUARANTEE

TO:
The Arab Bank for Economic Development in Africa (BADEA)
P. O. Box No. 2640
KHARTOUM/SUDAN

Date: ........................................
BADEA Loan No.: ..........................
Application Serial No.: ..................
LC No.: ....................................

ATTENTION: Disbursement Section

In accordance with the Loan Agreement dated ..............................................
between The Arab Bank for Economic Development in Africa (hereinafter called
BADEA) AND ..........................................................

(hereinafter called the Borrower), the Borrower hereby certifies and agrees as
follows:

1. In accordance with the request(s) by ..............................................
   Commercial Bank (hereinafter called the Commercial Bank) annexed to the
   attached summary sheet(s), the Borrower requested BADEA to issue a
   qualified agreement to reimburse the Commercial Bank whereby BADEA shall
   agree, on such terms and conditions as it shall deem appropriate, to reimburse
   the Commercial Bank for payments which shall be made by the Commercial
   Bank under each letter of credit specified in such summary sheet(s) as the
   same shall be amended from time to time with the written approval of
   BADEA;

2. The Borrower hereby irrevocably authorizes and requests BADEA to pay to
   the Commercial Bank from time to time, as withdrawals from the Loan
   Account, such amounts as shall be requested by the Commercial Bank to
   reimburse it for payments which shall be made by it under said letter(s) or
   credit as the same shall be amended from time to time. BADEA may
   conclusively rely on any written statement by the Commercial Bank that any
   payment has been made by it under and in accordance with the terms of a
   designated letter of credit and amendments, if any, thereto;
3. Said amounts are required to enable the Borrower to meet expenditure to be made or to be provided in ................................ (insert currency) as set forth in such summary sheet(s) which form(s) an integral part of this application;

4. The Borrower has not heretofore withdrawn from the Loan Account or applied for the withdrawal from the Loan Account of any amounts for the purpose of reimbursing the Borrower for or meeting such expenditure and has not obtained and will not obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to it;

5. Such payments will be made for the purpose specified in said Loan Agreement, the goods purchased or to be purchased by means of such payments are appropriate for such purpose, 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, and, to the best of the Borrower's knowledge and belief of the Guarantor under the Guarantee Agreement, (if any), referred to therein;

7. The Borrower hereby agrees that if, because of the dollar limitation BADEA cannot disburse the full amount of the foreign currency needed to reimburse the Commercial Bank for payments made under a Letter of Credit, BADEA is hereby authorized to disburse any uncommitted portion of the loan to cover the deficiency;
FORM (9)

8. No cancellation pursuant to Section ................. Of the Loan Agreement shall be effective with respect to any part of the Loans as to which BADEA shall have issued a qualified agreement to reimburse pursuant to this application;

9. BADEA shall not be obligated to reimburse the Commercial Bank for payments under such letter (s) of credit made by it subsequent to the date of any suspension of the Borrower’s right to make withdrawals from the Loan Account under Section ..................... of said Loan Agreement; provided, however, that BADEA in its discretion, may reimburse the Commercial Bank for any amounts expended by it, after any such suspension or cancellation, and the amount so reimbursed shall be deemed as withdrawal by the Borrower from the Loan Account.

This application consists of this page and ....................... signed and numbered summary sheet (s).

by: ......................................................

(Authorised Representative)
FORM (10)

APPLICATION FOR IRREVOCABLE REPAYMENT GUARANTEE

TO:

The Arab Bank for Economic Development in Africa (BADEA)
P. O. Box No 2640
KHARTOUM/SUDAN

Date ........................................
BADEA Loan No.: ..........................
Application Serial No.: ...........
LC No.: ...................................

ATTENTION: Disbursement Section

PROJECT NAME: ........................................

In accordance with the Loan Agreement dated
between The Arab Bank for Economic Development in Africa (hereinafter called BADEA) AND

(hereinafter called the Borrower), the Borrower hereby certifies and agrees as follows:

1. In accordance with the request (s) by ..........................................................
Commercial Bank (hereinafter called the Commercial Bank) annexed to the
attached summary sheet (s), the Borrower requested BADEA to issue a qualified agreement to reimburse the Commercial Bank whereby BADEA shall agree, on such terms and conditions as it shall deem appropriate, to reimburse the Commercial Bank for payments which shall be made by the Commercial Bank under each letter of credit specified in such summary sheet (s) as the same shall be amended from time to time with the written approval of BADEA.
FORM (10)

2. The Borrower hereby irrevocably authorizes and requests BADEA to pay to the Commercial Bank from time to time, as withdrawals from the Loan Account, such amounts as shall be requested by the Commercial Bank to reimburse it for payments which shall be made by it under said letter (s) or credit as the same shall be amended from time to time. BADEA may conclusively rely on any written statement by the Commercial Bank that any payment has been made by it under and in accordance with the terms of a designated letter of credit and amendments, if any, thereto;

3. Said amounts are required to enable the Borrower to meet expenditure to be made or to be provided in (insert currency) as set forth in such summary sheet (s) which form (s) an integral part of this application;

4. The Borrower has not heretofore withdrawn from the Loan Account or applied for the withdrawal from the Loan Account of any amounts for the purpose of reimbursing the Borrower for or meeting such expenditure and has not obtained and will not obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to it;

5. Such payments will be made for the purpose specified in said Loan Agreement; the goods purchased or to be purchased by means of such payments are appropriate for such purpose; 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; and, to the best of the Borrower's knowledge and belief of the Guarantor under the Guarantee Agreement, (if any), referred to therein;
FORM (10)

7. The Borrower hereby agrees that if, because of the dollar limitation BADEA cannot disburse the full amount of the foreign currency needed to reimburse the Commercial Bank for payments made under a Letter of Credit, BADEA is hereby authorized to disburse any uncommitted portion of the loan to cover the deficiency;

8. The obligation of BADEA to the Commercial Bank under such reimbursement Guarantee shall not be deemed to terminate:
   a) with respect to any amount of any such letter of credit which shall be canceled, until the date of receipt by BADEA of written notice from Commercial Bank specifying the amount of such cancellation; or

   b) with respect to any unused balance under any such letter of credit upon final payment thereunder or upon the expiration thereof, until the date of receipt by BADEA of written notice from the Commercial Bank specifying the amount of such unused balance.

This application consists of this page and .................................. signed and numbered summary sheet (s).

..............................................................

(Borrower)

by: ..............................................................

(Authorised Representative)
<table>
<thead>
<tr>
<th>REMARK</th>
<th>LC No.</th>
<th>BADEA under</th>
<th>Amount to be paid by</th>
<th>LC Expiry Date</th>
<th>Supplier Name and Address</th>
<th>Order No.</th>
<th>Purchase Order Date</th>
<th>Contract No.</th>
<th>Description of Goods</th>
<th>Sub-categorisation</th>
<th>Expected Shipment Date</th>
<th>Shipment No.</th>
<th>Item No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
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<td>6</td>
<td>8</td>
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<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
FORM (12)
QUALIFIED REPAYMENT GUARANTEE

The Arab Bank for Economic Development in Africa (BADEA)
P.O. Box No. 2640
KHARTOUM/SUDAN

TO:

........................................................................................................................................

Project Name: ...............................................................................................................

Gentlemen,

We attach herewith a copy of a letter of credit which we understand you are prepared to issue, advise or confirm for account of ..........................................

in favor of ..................................................................................................................

in the amount of ...........................................................................................................

relating to .....................................................................................................................

expiring on ....................................................................................................................

At the request of
and in consideration of your acceptance hereof as provided below, we hereby agree to reimburse you or your correspondent bank located in ......................................................... 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 from time to time with our written approval, except that amendments covering the expiry date and shipping date(s) may be extended up to ..................................................

Without our prior written approval. Provided, however, that we shall not be obligated to make reimbursement to you in ..................................................... in an aggregate amount which shall exceed the equivalent of US $ .................................... As determined by us when reimbursements are made pursuant to this agreement. We are required to make a dollar limitation because the loan is denominated in U.S. Dollars. We shall reimburse you after receipt by us of a request as hereinafter provided:

1. That you will issue, advise or confirm said letter of credit as the case may be.

2. That we shall not be obligated to reimburse you for any such payment unless written request therefor, sufficiently identifying the item on said letter of credit to which payment relates and accompanied by a copy of the supplier's invoice shall have been transmitted to us at our office above, promptly after such payment is made;
3. That we shall not be obligated to you 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;

5. That, in the event the right to make withdrawals under the Loan Agreement between the said Borrower and BADEA dated ................. Should be suspended pursuant to Article ................. Of said Loan Agreement, or the amount of said loan allocated to the items covered by this qualified agreement to reimburse should be canceled pursuant to Articles of said Loan Agreement we shall not be obligated to reimburse you for any payments by you subsequent to the date of such suspension or cancellation, anything in any other article 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 on the enclosed copy of this letter and returning it to us.

Very truly yours,

THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA
(BADEA)

BY: ...........................................................

(Authorised Signature)

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 ............... 

......................................................

COMMERCIAL BANK

BY: ...........................................................

(Authorised Signature)

Date: ...........................................................
FORM (13)

IRREVOCABLE REPAYMENT GUARANTEE

The Arab Bank for Economic
Development in Africa (BADEA) Guarantee No.
P. O. Box No. 2640
KHARTOUM/SUDAN

TO: ....................................................................................................................... Date:

....................................................................................................................... BADEA Loan No.
....................................................................................................................... Application Serial No
....................................................................................................................... Your L. C. No.

Gentlemen,

We attach herewith a copy of a letter of credit which we understand you are prepared

to issue, advise or confirm for account of .............................................................

in favor of ...............................................................................................................

in the amount of ....................................................................................................

relating to .............................................................................................................

expiring on ...........................................................................................................

At the request of

and in consideration of your acceptance hereof as provided below, we hereby agree
to reimburse you or your correspondent bank located in ..........................................

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 from time to time with our written approval, except that amendments
covering the expiry date and shipping date(s) may be extended up to ......................

Without our prior written approval. Provided, however, that we shall not be

obligated to make reimbursement to you in ..................................................... in an aggregate amount

which shall exceed the equivalent of US $ .................................................... As determined by us when

reimbursements are made pursuant to this agreement. We are required to make a
dollar limitation because the loan is denominated in U.S. Dollars.

We shall reimburse you after receipt of a request as hereinafter provided:

This agreement is subject to the following terms and conditions:

[signature]
FORM (13)

1. That you will issue, advise or confirm said letter of credit as the case may be;

2. That we shall not be obligated to reimburse you for any such payment unless written request therefor, sufficiently identifying the item on said letter of credit to which payment relates and accompanied by a copy of the supplier's invoice shall have been transmitted to us at our office above, promptly after such payment is made;

3. That we shall not be obligated to you 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 on the enclosed copy of this letter and returning it to us.

Very truly yours

THE ARAB BANK FOR ECONOMIC DEVELOPMENT IN AFRICA
(B A D E A)

BY: ......................................................

(Authorised Signature)

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 ..................

......................................................

COMMERCIAL BANK

BY: ......................................................

(Authorised Signature)
APPLICATION FOR LETTER OF CREDIT REPAYMENT

The Arab Bank for Economic Development in Africa (BADEA)
P.O. Box No. 2640
KHARTOUM/SUDAN

Date: ........................................
BADEA Loan No.: ...........................
Application Serial No.: ....................
Your L.C. No.: ..............................
Our L.C. No.: ..............................

ATTENTION: Disbursement Section

Gentlemen,

Project name ..................................

We have paid, currency .................. amount .................. on ........ To ........
(name of beneficiary under the above numbered letter of credit covering merchandise
(name of merchandise). The supplier’s invoice relative to this payment is attached.

Such payment was made against delivery of documents in said letter of credit evidencing:

* either shipment of merchandise specified above per ...... (Name of transport, Vessel name) from .......... Bill of lading No Airway bill No etc.
or ........................................ ..................................

* country of manufacture and origin of merchandise as ..........
(Country name.)
These documents have been disposed of as follows:

Such payment was made in accordance with the terms of the said letter of credit as set forth in the copy thereof enclosed with your repayment guarantee dated .......... And amendments thereof, if any, approved in writing by you.

In accordance with the said Repayment Guarantee, we agree reimbursement of the above.

Yours very truly

Name of Bank ......................

BY: ........................................
(Authorised Signature)
FORM (15)

APPLICATION FOR LETTER OF CREDIT AMENDMENT

The Arab Bank for Economic Development in Africa (BADEA)
P.O. Box No. 2640
KHARTOUM/SUDAN

Date: ...........................................
BADEA Loan No.: ...................................
Application Serial No: ..................................
Your L.C. No.: .....................................
Our L.C. No.: .....................................

ATTENTION: Disbursement Section

Gentlemen,

Project name ..........................................................

We attach two copies of the proposed amendment to the Letter of Credit Number above at the request dated ................. Of ............ (Bank concerned).

If acceptable, we request your approval of the proposed amendment be sent to the above bank.

Name of the Borrower ............................................

Signed: ..........................................................

( Authorised Signature)