



# Technical Assistance Report

---

Project Number: 46534-002  
Regional—Capacity Development Technical Assistance (R-CDTA)  
June 2015

## Disbursement Seminars for Developing Member Countries

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
CPD	–	client portal for disbursements
CTL	–	Controller's Department
DMC	–	developing member country
SAI	–	supreme audit institution
TA	–	technical assistance

## NOTE

In this report, "\$" refers to US dollars.

<b>Vice-President</b>	T. de Longuemar, Finance and Risk Management
<b>Controller</b>	C. Kim, Controller's Department (CTL)
<b>Assistant Controller</b>	B. Reid, Loan Administration Division, CTL
<b>Team leader</b>	V. Sefesi, Financial Control Specialist, CTL
<b>Team members</b>	B. Kasilag, Financial Control Analyst, CTL
	F. Mathew, Senior Financial Control Specialist, CTL
	C. Planco, Senior Coordination and Administration Assistant, CTL

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## CONTENTS

	Page
CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE	1
A. Impact and Outcome	1
B. Methodology and Key Activities	2
C. Cost and Financing	2
D. Implementation Arrangements	2
IV. THE PRESIDENT'S DECISION	3
APPENDIXES	
1. Design and Monitoring Framework	4
2. Cost Estimates and Financing Plan	5

## CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 46534-002	
Project Name	Disbursement Seminars for Developing Member Countries	Department /Division	CTL/CTLA
Country Borrower	REG not applicable	Executing Agency	Asian Development Bank
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Public sector management	Economic affairs management		0.30
		Total	0.30
3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change Institutional development	No gender elements (NGE)	✓
5. Poverty Targeting		Location Impact	
Project directly targets poverty	No	Regional	High
6. TA Category:	B		
7. Safeguard Categorization Not Applicable			
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.30	
Capacity development technical assistance: Technical Assistance Special Fund		0.30	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		0.30	
9. Effective Development Cooperation			
Use of country procurement systems		No	
Use of country public financial management systems		No	

## **I. INTRODUCTION**

1. Disbursement is a vital part of the project cycle, and a key indicator in measuring the success of project implementation and resource transfers to developing member countries (DMCs) of the Asian Development Bank (ADB). ADB's Controller's Department (CTL) has been providing capacity development seminars on disbursement for DMCs since 1990. CTL plays a critical role in ensuring that disbursement transactions are processed efficiently and in compliance with ADB's policies and guidelines. CTL also provides guidance and support to executing agencies, implementing agencies, and ADB staff on disbursement-related policies and procedures during project implementation.

2. The disbursement seminars have been conducted for staff of executing agencies, implementing agencies, finance ministries, and supreme audit institutions (SAIs). They focus on enhancing the understanding of executing and implementing agencies on the application of ADB's disbursement procedures and support the resolution of disbursement-related issues faced by executing and implementing agencies in their respective projects.

3. This technical assistance (TA) will continue ADB's efforts to strengthen the institutional capacity of DMCs and related agencies to further improve the use of loan,<sup>1</sup> grant, and TA funds. In addition to supporting seminars on loan disbursement, this TA will support seminars on TA disbursement and promotion of the client portal for disbursements (CPD). The CPD will enable DMCs to prepare and submit online withdrawal applications. The design and monitoring framework is in Appendix 1.<sup>2</sup>

## **II. ISSUES**

4. Many executing and implementing agencies lack capacity for, and an understanding of or previous experience with ADB's loan and TA disbursement procedures. This causes submission of substandard withdrawal applications to ADB, which in turn creates an unnecessary administrative burden on the executing and implementing agencies, and ADB. It hinders the timely transfer of loan funds to DMCs and the successful implementation of projects.

5. Based on CTL's experience, institutional capacity issues can be attributed to various reasons. One common issue is the high turnover of experienced project staff handling disbursement. The staff concerned move to the private sector for opportunities that the executing and implementing agencies cannot match. As long as the turnover is an ongoing issue, the gap in institutional capacity continues. This gap is filled by new staff who have limited or no experience with ADB disbursement procedures. Such skills and knowledge gaps often contribute to problems encountered during project implementation. Without provision of timely intervention measures such as regular and proactive capacity development on disbursement procedures, lack of institutional capacity is expected to hamper project implementation.

## **III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE**

### **A. Impact and Outcome**

6. The impact will be greater mobilization of loan, and TA funds to DMC governments and recipients. The outcome will be staff at executing and implementing agencies with more

---

<sup>1</sup> For the purpose of this document, loan also means grant unless otherwise specified.

<sup>2</sup> The TA first appeared in the business opportunities section of ADB's website on 10 June 2015.

knowledge of ADB policies and procedures and the technical capabilities for project financial administration and use of the CPD system.

## **B. Methodology and Key Activities**

7. It is expected that 30 seminars, workshops, and trainings will be conducted during the TA period. An estimated 900 participants will attend—(i) finance and accounting staff of the executing and implementing agencies directly involved in disbursement, and (ii) representatives from finance ministries and SAs.

8. The seminars will cover topics such as:

- (i) loan and TA products and features;
- (ii) disbursement policies and procedures;
- (iii) country- and project-specific case studies and group discussions;
- (iv) preparation, submission, and monitoring of loan withdrawal applications and TA claims;
- (v) project accounting and monitoring compliance;
- (vi) government counterpart fund contributions and accounting systems;
- (vii) general audit issues for ADB projects in the DMC concerned; and
- (viii) CPD features and procedures.

9. ADB will coordinate closely with borrowers and recipients on seminar arrangements for effective implementation. Such coordination will help mitigate the risks mentioned in the design and monitoring framework.

## **C. Cost and Financing**

10. The TA is estimated to cost \$300,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V).

## **D. Implementation Arrangements**

11. ADB will be the executing agency and will implement the TA. The expected starting date is July 2015, the expected completion date is June 2017. TA proceeds will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

12. CTL will oversee TA activities and provide direct inputs to activities. ADB's resident missions will provide support on seminar delivery (for resident missions with disbursement units), mission concurrence, workshop schedules, and coordination with DMC governments on the nomination of participants.

13. No consultants will be engaged under the TA. The resource speakers will come from CTL and resident missions. Additional resource speakers will be invited from finance ministries and government agencies. Staff from SAs will be invited, as needed, to present general audit findings and issues from the audit of ADB's project financial statements.

14. The seminars will last 2 days on average. Longer seminars may be held depending on the needs of the DMC concerned and in consultation with CTL. On average, 40–50 participants are expected to attend each seminar to allow effective participation and facilitate knowledge

sharing. Seminars may be held more than once a year in a given DMC based on geographical location and spread, and number of participants. While the training program on loan and TA disbursements is the key TA output, it is expected that it will also help participants to gain a better understanding of the CPD system.

#### **IV. THE PRESIDENT'S DECISION**

15. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$300,000 on a grant basis for Disbursement Seminars for Developing Member Countries, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

**Impact the technical assistance is aligned with:**

Improved mobilization of loan, grant, and technical assistance funds to DMC government and recipients.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<b>Outcome</b> Staff at executing and implementing agencies have more knowledge of ADB policies and procedures and the technical capabilities for project financial administration and use of the client portal for disbursements	Percentage of participants satisfied with the relevance and usefulness of the seminar  Number of executing and implementing agencies successfully using the client portal for disbursements	Disbursement mission  Back-to-office report  Feedback documents and evaluation reports	Lack of commitment from participants  Relevant participants are not invited or are unable to attend  Inadequate information technology infrastructure of the executing and implementing agencies
<b>Output</b> Training program designed for participating DMCs	30 seminars or workshops or training sessions delivered	Seminar, workshop, and training session attendance  Back-to-office report  Feedback documents	Relevant staff not invited  Lack of commitment from participants

<b>Activities with Milestones</b> 1. Design the customized training materials with regular updates (Q3 2015–Q2 2017).  2. Coordinate with the governments, regional departments, and resident missions on mission concurrence, workshops schedule, and nomination of participants (Q3 2015–Q2 2017).  3. Select resource person (Q3 2015–Q2 2017).  4. Conduct seminars, workshops, and training sessions (Q3 2015–Q2 2017).	<b>Inputs</b>  <b>ADB: Technical Assistance Special Fund (TASF-V) \$300,000</b>
---	---

ADB = Asian Development Bank, DMC = developing member country, Q = quarter.

Source: Asian Development Bank.



# **COST ESTIMATES AND FINANCING PLAN** (\$'000)

<b>Item</b>	<b>Amount</b>
Asian Development Bank <sup>a</sup>	
1. Seminars, workshops, and training	
a. Seminar venues, training facilities, and representations <sup>b</sup>	159.0
b. Travel-related costs for seminar participants <sup>c</sup>	106.0
2. Miscellaneous administration and support costs	15.0
3. Contingencies	20.0
<b>Total</b>	<b>300.0</b>

<sup>a</sup> Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-V).

<sup>b</sup> Including interpretation costs for some developing member countries.

<sup>c</sup> Including Asian Development Bank resource persons.

Source: Asian Development Bank estimates.