May 11, 2011

Mr. Fabian Kasi
Managing Director
Centenary Rural Development Bank
Plot No.7 Entebbe Road,
Talenta House
P.O. Box 1892
Kampala, Uganda

Re: Uganda: Agriculture Finance Support Facility Grant to Centenary Rural Development Bank
AgriFin Grant No. TF097886
Additional Instructions: Disbursement

Dear Mr. Kasi:

I refer to the Letter Agreement (“Agreement”), of even date, between the International Bank for Reconstruction and Development and the International Development Association (“World Bank”), acting as administrator of grant funds provided by the Bill and Melinda Gates Foundation, under the Agriculture Finance Support Facility Trust Fund (“AgriFin”), and the Centenary Rural Development Bank (“Recipient”) for the above-referenced project. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF097886 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment I), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Method (section 2). The following Disbursement Methods may be used under the Grant:
   • Advance
   • Reimbursement

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date as specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment II) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
1818 H Street NW
Washington, D.C. 20433
Attention: Juergen Vogele, Director,
Agriculture & Rural Development Department

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank
1818 H Street NW
Washington, D.C. 20433
Attention: Loan Department, Disbursement Management Division

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices (“Tokens”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment III; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is US$60,000 equivalent for reimbursement.
Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Pooled
- **Currency of Designated Account (subsection 5.4):** United States Dollars (US$)
- **Financial Institution at which the Designated Account will be opened (subsection 5.5):**
  Centenary Rural Development Bank.
- **Ceiling (subsection 6.1):** US$300,000

III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For reporting eligible expenditures paid from the Designated Account:**
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment V) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices);
  - Interim Financial Report in the form attached (Attachment IV); and
  - Designated Account Reconciliation statement in the form attached (Attachment VI) and a copy of the related bank statement.

- **For requests for Reimbursement:**
  - List of payments against contracts that are subject to the Bank’s prior review, in the form attached (Attachment V) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices); and
  - Interim Financial Report in the form attached (Attachment IV);

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):**
  Semi-annual.

IV. Other Important Information


From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website ([https://clientconnection.worldbank.org](https://clientconnection.worldbank.org)). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic
delivery can be effected. For more information about the website and registration arrangements, please contact our Client Connection team by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact CTRFC’s Trust Fund team at LOATF@worldbank.org using the above reference.

Yours sincerely,

/s/ Juergen Voegele
Director
Agriculture & Rural Development Department

Attachments
1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
4. Form of Interim Financial Reports
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review
6. Form of Designated Account Reconciliation Statement