Dear Hon. Maria Kiwanuka:

Re: Cities Alliance – Transforming Settlements of Urban Poor in Uganda: A Secondary Cities Support Programme (TSUPU)
Grant No. TF097675 and TF096260
Additional Instructions: Disbursement
First Restatement of the Disbursement Letter

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development and International Development Association ("World Bank"), acting as administrator of grant funds provided under the Cities Alliance Land, Services and Citizenship Trust Fund and Cities Alliance Multi Donor Trust Fund, and the Ministry of Finance, Planning and Economic Development of Uganda ("Recipient") for the above-referenced project, dated December 16, 2010. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF097675 and TF 96260 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is first Restatement of the Disbursement Letter dated December 16, 2010 for the above referenced project restating Section I (i) to include Direct Payment as additional Disbursement Method, Section II (v) minimum value of applications and Section III (i) stating the supporting documentation required for Direct Payment. All other provisions of the Disbursement Letter dated December 16, 2010, except as amended, shall remain in force and effect.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), 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 Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Advance
• Reimbursement – for eligible expenditures covered under the Final Project audit and in excess of advances disbursed under this Grant subject to a maximum of USD 50,000 under TF096260
• Direct Payment – only for TF096260

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

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions(s) in the Grant Agreement.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) 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, N.W.
Washington D.C. 20433
United States of America
Attention: William John Cobbett
Program Manager
Mail Stop: MC4-413
Finance, Economics and Urban Department

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank
1818, H Street, N.W.
Washington D.C. 20433
United States of America
Attention: William John Cobbett
Program Manager
Mail Stop: MC4-413
Finance, Economics and Urban Department

(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 3; 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 for Direct Payment is USD 40,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Pooled
- **Currency of Designated Account (subsection 5.4):** USD
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Bank of Uganda
- **Ceiling (subsection 6.1):** TF 97675 – USD 800,000 and TF 96260 – USD 400,000

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 for eligible expenditures paid from the Designated Account:**
  - Applications for advances should be accompanied by the documents specified in Attachment 4A and 4B, including Interim Financial Reports in the format specified.

- **For reporting for Reimbursements:**
Applications for reimbursement should be accompanied by the documents specified in Attachment 4A, including:

1. Audited Financial Statements referred to in Attachment 4A and as specified in the Agreement, and
2. Completion Report referred to in Attachment 4A and as specified in the Agreement.

- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** The periodicity specified in the Agreement for furnishing Interim Unaudited Financial Reports.

**IV. Other Important 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 the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact the Finance Officer at CTRLD-TF@worldbank.org using the above reference.

Yours sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

[Vidya Narasimhan](#)
Finance Officer, CTRLN
Attachments (remain valid as provided in the original disbursement letter)

Cc with copies: