Mr. Iqbal Mahmood  
Secretary  
Economic Relations Division  
Ministry of Finance  
Government of People’s Republic of Bangladesh  
Block 8, Room 3  
Sher-e-Bangla Nagar  
Dhaka

Dear Mr. Mahmood:

Re: Grant No. TF010378 (Integrated Agricultural Productivity Project)  
Additional Instructions: Disbursement

I refer to the Grant Agreement ("Agreement") between the People’s Republic of Bangladesh (the "Recipient") and the International Development Association ("World Bank"), acting as a Supervising Entity of the Global Agriculture and Food Security Program, for the above-referenced project, dated September 12, 2011. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF010378 ("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 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:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

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

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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
Plot E32, Agargaon
Sher-e Bangla Nagar
G.P.O. Box 97
Dhaka 1207, Bangladesh

Attention: Ms. Ellen A. Goldstein

(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
No. 11, Taramani Main Road
Taramani
Chennai 600 113, India

Attention: Ms. Samvita Reddy Arikatla
Finance Officer, Loan Department – Chennai

(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 and issuance of special commitment is 20% of advances to the designated account.
(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated. On segregated designated account will be established for the project and managed by the Project Management Unit of the Ministry of Agriculture.

- **Currency of Designated Account (subsection 5.4):** BDT.

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** A commercial bank / financial institution acceptable to the World Bank.

- **Ceiling (subsection 6.1):** Forecast for 2 quarters as provided in the quarterly Interim Unaudited Financial Report.

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 requests for Reimbursement and for reporting eligible expenditures paid from the Designated Account:**
  - Interim Unaudited Financial Report in the form attached (Attachment 4)

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

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** The period set out in the Grant Agreement for provision of Interim Unaudited Financial Reports, i.e. quarterly.

(iii) **Other Supporting Documentation Instructions:** Copies of bank account statement of the designated account should be attached to Application for Withdrawal for replenishment of designated account.

IV. Other Disbursement Instructions:

(i) In the case of the first request for withdrawal submitted to the World Bank before any withdrawal has been made, i.e. request for initial advances to the designated account, the Recipient shall submit to the World Bank only a statement with the projected sources and applications of funds for the six-month period following the date of such request.

(ii) Grant proceeds on deposit in designated account may be transferred to another account of the project, as long as these further advances are accounted for within reasonable time period or not to exceed 90 days.

V. 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). 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 Chau-Ching Shen, Senior Finance Officer at loa-sar@worldbank.org using the above reference.

Yours sincerely,

/s/: Sanjay Kathuria
Sanjay Kathuria

Acting Head of Bangladesh Country Office

Attachments
2. Form for Authorized Signatures
4. Form of Interim Unaudited Financial Report

Cc with copies: Mr. C Q K Mustaq Ahmed, Secretary, Ministry of Agriculture
Building 4, Room No. 422, Bangladesh Secretariat, Dhaka
Email: agrsec@bace-moe.gov.bd

Mr. Ujjal Bikash Dutta, Secretary, Ministry of Fisheries & Livestock
Building 6, Room 509, Bangladesh Secretariat, Dhaka
Email: fishlivsec@pace-moe.gov.bd