



MR. CONSTANTINE CHIKOSI
Acting Country Director, South East Asia
(Brunei, Cambodia, Lao PDR, Malaysia, Myanmar, Thailand)
East Asia and Pacific Region

December 3, 2015

H.E. Mr. Apisak Tantiworawong
Minister of Finance
Ministry of Finance
Rama 6 Rd. Phayathai, 10400
Bangkok, Thailand

**Grant Agreement for
Kingdom of Thailand's Readiness Preparation Proposal
Readiness Fund of the FCPF Grant No. TF0A0984**

Excellency:

I wish to refer to the letter from the Kingdom of Thailand ("Recipient"), received on November 1, 2011 by the International Bank for Reconstruction and Development ("World Bank"), acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility (FCPF), requesting the World Bank to execute the grant awarded to the Recipient for formulating the Readiness Preparation Proposal in an amount of two hundred thousand Dollars (US\$ 200,000).

In 2013, the Participants Committee of the FCPF ("PC") reviewed the R-PP submitted by the Recipient and acknowledged the extensive efforts made by the Recipient and the high quality of the R-PP. Accordingly, the PC, through its Resolution PC/14/2013/6, decided to allocate grant funding to the Recipient in the amount of up to three million six hundred thousand Dollars (US\$ 3,600,000) ("Grant"), to enable it to move ahead with preparation for readiness, subject to the terms and conditions set out in said Resolution. The funds of up to two hundred thousand Dollars (US\$ 200,000) out of this US\$ 3,600,000 shall be used for the purpose of strengthening the Recipient's national feedback and grievance redress mechanism, in accordance with Resolution PC/Electronic/2012/1.

In response to the request for financial assistance made on behalf of the Recipient and the decisions of the PC referred to above, I am pleased to inform you that the World Bank agrees to extend the Grant in the amount of three million six hundred thousand Dollars (US\$ 3,600,000) on the terms and conditions set forth or referred to in this letter agreement ("Grant Agreement"), which includes the attached Annex, to assist in the financing of the Readiness Preparation Activities described in the Annex.

This Grant is funded out of the abovementioned FCPF trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Grant Agreement), the World Bank's payment obligations in connection with this Grant Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Grant Agreement and to carry out the Readiness Preparation Activities in accordance with the terms and conditions set forth or referred to in this Grant Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Grant Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Grant Agreement shall become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
Acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility

By 
Constantine Chikosi

AGREED:

KINGDOM OF THAILAND

By 
Authorized Representative

Name: Ms. Suttirat Rattanachot

Title: Deputy Permanent Secretary, Chief of Expenditure and Liability Management Group, Ministry of Finance

Date: 17 June 2016

CC: Mr. Suwit Rojanavanich, Director General of the Public Debt Management Office,
Ministry of Finance

Mr. Nipon Chotibal, Director General of the Department of National Parks, Wildlife and
Plant Conservation

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
- (2) Charter Establishing the Forest Carbon Partnership Facility, dated December 23, 2014.
- (3) Disbursement Letter of even date herewith, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
- (4) Guidelines on Preventing and Combating Fraud and Corruption in Project Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011.
- (5) Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, revised in July 2014.
- (6) Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, revised in July 2014.

**FCPF Grant No. TFOA0984
ANNEX****Article I
Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 (“Standard Conditions”), with the modifications set forth in the Appendix to this Agreement, constitute an integral part of this Grant Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Grant Agreement have the meanings ascribed to them in the Standard Conditions, in the Charter Establishing the Forest Carbon Partnership Facility (“Charter”), or in this Grant Agreement:

- (a) “Department of National Parks, Wildlife and Plant Conservation” or “DNP” means a department in the Recipient’s MoNRE which shall cause the Readiness Preparation Activities to be carried out in accordance with the provisions of this Grant Agreement.
- (b) “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework acceptable to the World Bank, which establishes the modalities and procedures to address potential negative environmental and social impacts from the implementation of REDD+ investments and demonstration activities as well as associated mitigation measures through employing best practices; and includes the screening criteria, procedures and institutional responsibilities for the safeguard policies that are triggered for subsequent REDD+ investments. The ESMF will also include a Resettlement Policy Framework, an Ethnic Group Planning Framework, and/or a Process Framework, as determined by the outcome of the SESA process.
- (c) “Ethnic Group Planning Framework” means the ethnic group planning framework acceptable to the World Bank, which establishes the modalities and procedures to ensure that local-forest dependent communities are able to participate in, and benefit from REDD+ investments and demonstration activities in a culturally appropriate way and that adverse impacts on them are avoided, or where not feasible, minimized or mitigated.
- (d) “FGRM” means feedback, grievance and redress mechanism, as referred to in Resolution PC/Electronic/2012/1.
- (e) “MoNRE” means the Recipient’s Ministry of Natural Resources and Environment.
- (f) “MRV” means measurement, reporting and verification.
- (g) “National REDD+ Office” means a national office which will be established by this Grant within the Recipient’s DNP.
- (h) “Process Framework” means the process framework acceptable to the World Bank, which establishes the modalities and procedures to address restrictions of access to legally designated parks and protected areas resulting from the implementation of REDD+ investments and demonstration activities.

- (i) “REDD+” means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.
- (j) “REDD+ Task Force” or “REDD+ TF” means an inter-ministerial and multi-sectoral task force composed of Recipient’s agencies, civil society organizations, local forest-dependent communities, private sector organizations, academia and research institutions.
- (k) “Regional REDD+ Units” mean units established by this Grant at the regional level.
- (l) “Resettlement Policy Framework” means the resettlement policy framework acceptable to the World Bank, which establishes the modalities and procedures to address potential land acquisition and resettlement from the implementation of REDD+ investments and demonstration activities.
- (m) “Strategic Environmental and Social Assessment” or “SESA” means the strategic environment and social assessment to be conducted as part of the Readiness process to assess the potential impact from national REDD+ programs and policies, formulate alternatives and mitigation strategies and enhance the decision-making process around the design of the national REDD+ framework.

Article II

Execution of Readiness Preparation Activities

2.01. ***Objectives and Description.*** The objective of the Grant is to support the development of the Readiness Preparation Activities. This will be achieved by supporting the preparation of the Recipient’s REDD+ strategy, the design of a national MRV system, and by producing technical work and policy advice. The Readiness Preparation Activities consist of the following parts:

Component 1: Support readiness organization and consultation

Activities under this component will provide support to the various REDD+ readiness organizations and consultations, including: supporting the establishment and/or operationalization of various partners involved in REDD+ process, including, *inter alia*, the National REDD+ Office and Regional REDD+ Units; developing outreach mechanisms through consultation and communications strategy; developing and implementing REDD+ outreach programs for relevant stakeholders including civil society organizations, forest-dependent local communities, ethnic minorities and youth; establishing and operationalizing technical, stakeholder and cross-sectorial working groups; and publicly disseminating the SESA work.

Component 2: REDD+ strategy preparation

Activities under this component will support the development of a REDD+ strategy including: supporting analytical work to prepare a REDD+ strategy; conducting consultation and studies on key issues related to REDD+, including, *inter alia*, drivers and underlying causes of deforestation and forest degradation, REDD+ strategy options, forest governance, land tenure, and benefit sharing arrangements; undertaking the SESA and preparing an ESMF; reviewing existing FGRMs, and as necessary, establishing or strengthening the FGRM(s); designing a safeguard monitoring system; and supporting the elaboration of the draft REDD+ strategy.

Component 3: Forest monitoring and emissions

Activities under this component will support the development of a reference emission level (“REL”) and MRV system, including: supporting the establishment of a REL by, *inter alia*, reviewing, compiling, analyzing information and developing a national REL estimate; providing technical support to, *inter alia*, develop models for emissions estimations; supporting the technical design and proposal for enhancing the national forest inventory and monitoring system to support REDD+; compiling, analyzing and disseminating information on the latest national forest inventory; and providing training to government officials and other stakeholders in MRV and software programming.

Component 4: Project management, monitoring and evaluation framework

Activities under this component will support the Readiness Preparation Activities management, financial and procurement monitoring, Readiness Preparation Activities monitoring and coordination of the operation.

2.02. **Execution Generally.** The Recipient declares its commitment to the objective of the Readiness Preparation Activities. To this end, the Recipient shall cause the Readiness Preparation Activities to be carried out by the DNP under the MoNRE, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Institutional and Other Arrangements.** (a) Without limitation upon the provision of paragraph 2.02 above, the Recipient shall ensure that, throughout the period of implementation of the Readiness Preparation Activities, the DNP has assigned staff and resources in adequate number acceptable to the World Bank, in order to carry out the Readiness Preparation Activities.

(b) all (i) terms of reference for any technical assistance or studies carried out under the Readiness Preparation Activities and (ii) safeguard instruments prepared on the basis of the SESA under the Readiness Preparation Activities pursuant to Section 2.01 of this Grant Agreement shall be consistent with, and pay due attention to, the World Bank’s environmental and social safeguards policies, as well as the Recipient’s own laws relating to the environment and social aspects;

(c) in drafting any laws or regulations under the Readiness Preparation Activities, due attention will be given to said policies and laws; and

(d) Readiness Preparation Activities do not include the implementation of REDD+ programs on the ground.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Readiness Preparation Activities.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donor(s) to visit any part of the Recipient’s territory for purposes related to the Readiness Preparation Activities.

2.05. Documents; Records.

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Readiness Preparation Activities are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.06. Monitoring, Reporting and Evaluation. (a) The Recipient shall, not later than December 31, 2017, prepare and furnish to the World Bank a mid-term progress report on the Readiness Preparation Activities in accordance with terms of reference acceptable to the World Bank, including the provisions of Section 6.3(b) of the Charter and Resolutions PC/7/2010/3 and PC/12/2012/2.¹

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.¹

2.07. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Readiness Preparation Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each six months, covering such six months, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

¹ Resolution PC/7/2010/3 requires the REDD Country Participant to submit a mid-term progress report to the PC according to a timetable that shall be jointly agreed in the Grant Agreement between the World Bank and the REDD Country Participant. When the World Bank receives the REDD Country Participant's mid-term progress report in accordance with the timetable set out in Section 2.05 of this Grant Agreement, it will forward the progress report to the PC for its review. Resolution PC/12/2012/2 specifies the process for the submission and review of mid-term progress report, including the format of such progress report.

2.08. *Procurement.*

(a) General. All goods, non-consulting services and consultants' services required for the Readiness Preparation Activities and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Procurement Guidelines"), in the case of goods, and non-consulting services;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Consultant Guidelines") in the case of consultants' services; and

(iii) The provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Readiness Preparation Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping Method.

(ii) The following methods, other than Shopping Method, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

(f) Document Retention. Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section 3.03 of this Agreement; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donor.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Grant Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Non-Consultancy Services, Consultancy Services, Training, Workshops and Operating Costs under the Readiness Preparation Activities	3,600,000	100%

For the purpose of Section 3.01, (i) the term “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Readiness Preparation Activities, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshop preparation and implementation (but excluding goods and consultant’s services); and (ii) the term “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of the implementation of the Readiness Preparation Activities, consisting of vehicle operation and maintenance, communication, and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, translation, consumables, travel cost and *per diem* for Readiness Preparation Activity staff for travel linked to the implementation of the Readiness Preparation Activities, and salaries of contractual staff for the Readiness Preparation Activities (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Grant Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is November 30, 2019.

Article IV
Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
Rama 6 Rd. Phayathai,
Bangkok, Thailand
Facsimile: +66 2 273 9167

4.03 **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C.20433
United States of America

Cable:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The following term and definition shall be added to the Appendix to the Standard Conditions as paragraph 18 bis to read as follows:

18bis “‘Readiness Preparation Activities’ means the activities, described in the Agreement, for which the Grant is made, as the description of said activities may be amended from time to time by agreement between the Recipient and the World Bank.”

2. The term “Project” and its definition shall be deleted in their entirety from the Standard Conditions; and all references throughout the Standard Conditions to the term “Project” shall be deemed to refer to the “Readiness Preparation Activities.”
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MR. CONSTANTINE CHIKOSI
Acting Country Director, South East Asia
(Brunei, Cambodia, Lao PDR, Malaysia, Myanmar, Thailand)
East Asia and Pacific Region

December 3, 2015

H.E. Mr. Apisak Tantiworawong
Minister for Finance
Ministry of Finance
Rama 6 Rd, Phayathai, 10400
Bangkok, Thailand

**Re: Grant Agreement for Kingdom of Thailand's Readiness Preparation Proposal – TF 0A0984
Additional Instructions: Disbursement Letter**

Excellency:

I refer to the Grant Agreement (“Agreement”) between Kingdom of Thailand (“Recipient”) and International Bank for Reconstruction and Development (“World Bank”), acting as trustee of the Readiness Fund of the Forest Carbon Partnership Facility (“FCPF”) for the above-referenced Readiness Preparation Activities of even date, herewith. The Agreement provides that the World Bank may issue additional arrangements regarding the withdrawal of the proceeds of Grant No.TF0A0984 (“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
- Direct Payment
- Advances

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

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Withdrawal Condition(s) in Section 3.02 of the 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, DC 20433
United States of America

Attention: Ulrich Zachau

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

The World Bank
26/F One Global Place
5th Ave., corner 25th St., Bonifacio Global City
Taguig City, Philippines

Attention: Loan 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 credentials ("SIDC") 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 SIDC 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 SIDC to Process Applications. By designating officials to use SIDC 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 Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Secure Identification Credentials 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 will be USD 60,000 for Direct Payment and Reimbursement applications.

(vi) Advances (sections 5 and 6)

- *Type of Designated Account[s] (Subsection 5.3):* Segregated,
- *Currency of Designated Account[s] (subsection 5.4):* USD
- *Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):* Krung Thai Bank Public Company Limited
- *Ceiling (subsection 6.1)* USD 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 requests for Reimbursement:*
 - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5);
 - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts subject to the World Bank's prior review; and
 - Statement of Expenditure in the form attached for all other payments/ contracts (Attachment 4).
- *For reporting eligible expenditures paid from the Designated Account:*
 - Statement of Expenditure in the form attached (Attachment 4)
 - Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts subject to The World Bank's Prior review;
 - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5); and,
 - A reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the bank statement.
- *For requests for Direct Payment:* records evidencing eligible expenditures(e.g., copies of receipts, supplier invoices) for amounts above the Minimum Value of Applications.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Monthly

IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

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 at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Vidya Narasimhan, Finance Officer at wfald-tf@worldbank.org using the above reference.

Sincerely yours,



Constantine Chikosi

CC: Mr. Suwit Rojanavanich, Director General of the Public Debt Management Office, Ministry of Finance

Mr. Nipon Chotibal, Director General of the Department of National Parks, Wildlife and Plant Conservation

Attachments:

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, dated March 1, 2013
4. Form of Statement of Expenditure
5. Form of Payments Against Contracts Subject to the World Bank's Prior Review

Prepared by: Srivathsan Sridharan, Finance Analyst – WFALN

Cleared with and CC: Robert Ragland Davis – Task team Leader
Sachiko Morita – Senior Counsel

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Country Director

Dear Country Director:

Re: Grant Agreement for Kingdom of Thailand's Readiness Preparation Proposal – TF 0A0984

I refer to the Grant Agreement (“Agreement”) between Kingdom of Thailand (“Recipient”) and International Bank for Reconstruction and Development (“World Bank”), acting as trustee of the Readiness Fund of the Forest Carbon Partnership Facility (FCPF) for the above-referenced Readiness Preparation Activities, dated [_____]. For the purposes of Section 3.04 of the Standard Conditions, as defined in the Agreement, any [¹one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Grant.

For the purpose of delivering Applications to the World Bank, [²each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [³individually] [⁴jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

[⁵This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (“SIDC”) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Recipient represents and warrants to the World Bank that it will deliver to each such

¹ Instruction to the borrower when sending this letter to the Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply.

² Instruction to the Recipient: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Association.*

³ Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

⁴ Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

⁵ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Tokens and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank.*

person a copy of the Terms and Conditions of Use of Tokens and will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the World Bank's records with respect to this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

**Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)⁶ will provide secure identification credentials (SIDC) to permit the Borrower⁷ to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.
2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (<https://clientconnection.worldbank.org>) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which

⁶ "Bank" includes IBRD and IDA.

⁷ "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.
3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. ***Security***

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. ***Reservation of Right to Disable SIDC***

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

6. ***Care of Physical Tokens***

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

7. ***Replacement***

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.

Statement of Expenditures (SOE)

Payments made during the period from _____ to _____

Date: _____

For expenditures against the contracts not subject to the World Bank's Prior Review

Application No.: _____

Grant No.: _____

SOE No.: _____

1	2	3	4	5	6	7	8
Item No.	Category No. (**)	Currency and Total Amount of Contract	Currency and Total Amount of Invoice Covered by Application (Net of Retention)	Eligible % from Article Schedule 2 – Section IV – A2 of Grant Agreement	Amount Eligible for Financing (4 x 5)	Exchange Rate	Remarks
TOTALS							

Supporting documents for this SOE retained at _____
(location)

(*) A separate SOE form should be used for retroactive financing
 (**) Items should be grouped by category; or alternatively, a separate SOE form may be used for each category

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

TRUST FUND NUMBER _____
ACCOUNT NUMBER _____ WITH (BANK) _____

- 1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) \$ _____
- 2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK -\$ _____
- 3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = \$ _____

4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____ \$ _____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____ + \$ _____ *

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____ + \$ _____ *

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

APPLICATION NO.	AMOUNT *
_____	_____
_____	_____

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + \$ _____

8. MINUS: INTEREST EARNED - \$ _____ *

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = \$ _____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: _____ SIGNATURE: _____
TITLE: _____

* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT