January 10, 2012

Mr. Chakkrit Parapuntakul  
Director General  
The Public Debt Management Office  
Ministry of Finance  
Rama 6 Road, Phayathai  
Bangkok 10400  
Kingdom of Thailand

AND

Dr. Borwornsak Uwanno  
King Prajadhipok’s Institute  
The Government Complex Commemorating  
His Majesty the King's 80th Birthday Anniversary 5th (Southern Zone)  
120 Moo 3 Chaengwattana Road, Thung Song Hong, Laksi District, Bangkok 10210  
Thailand

Re: IDF Grant No. TF099462/P115923  
Capacity Support for the Design and Operation of the Independent  
Budget Research Office within the King Prajadhipok’s Institute Project

Dear Sirs:

In response to the request for financial assistance made on behalf of the King Prajadhipok’s Institute ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), proposes to extend to the Recipient for the benefit of the Kingdom of Thailand ("Member Country"), a grant in an amount not to exceed three hundred forty thousand United States Dollars (U.S.$340,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this 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. Accordingly, in the event that any Donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in
connection with this Agreement which exceed the amount of funds made available to the World Bank by the Donors for the purposes of the Grant.

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

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

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Annette Dixon
Country Director, Thailand
East Asia and Pacific Region

AGREED:
Kingdom of Thailand
Ministry of Finance

By

Authorized Representative
Name: Ms. Chularat Suteethorn
Title: Director-General, Public Debt Management Office, Ministry of Finance
Date: November 9, 2012

AGREED:
KING PRAJADHIPOK’S INSTITUTE

By

Authorized Representative
Name: BORNWNSAK UWANNO
Title: Secretary General
Date: 24-07-2012
Encl. osures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to assist Parliament in strengthening non-partisan national budget analysis and assessment in Thailand through establishing an independent budget analysis office within King Prajadhipok’s Institute. The Project consists of the following parts:

Part 1: Strategic Planning and Design Process

Develop and adopt a strategic plan to operationalize the mission of the Independent Budget Office.

Part 2: Building Capacity to Implement the Strategic Plan

1. Strengthen the capacity of the Independent Budget Office to perform budget analysis for the benefit of the parliament and civil society groups.

2. Develop an organizational chart, finalize the recruitment policies, and develop an operational manual, all for the Independent Budget Office.

3. Conduct a Training of Trainers program for the Independent Budget Office staff who will then design and deliver a training program targeted at parliamentarians, parliamentary staff and civil society organizations on how to use budget analysis developed by the Independent Budget Office.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project 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. **Project Monitoring, Reporting and Evaluation.**

(a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) Development of a strategic plan for the Independent Budget Office;

(ii) The organizational chart and operational development of an organizational chart and operational plan for the Independent Budget Office;

(iii) The Independent Budget Research Office staffs’ knowledge enhanced; and

(iv) The independent budget analysis published.

In addition, the Recipient should produce a Completion Report no later than 5 months after the closing date.

2.04. **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 Project are prepared and furnished to the World Bank not later than after the end of each forty-five (45) days, covering the semester, 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.

2.05. **Procurement**

(a) General. All goods and consultants’ services required for the Project 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 (“Procurement Guidelines”), in the case of goods; and

(b) Definitions. 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

(i) Goods shall be procured under contracts awarded on the basis of Shopping.

(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 may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Selection of Individual Consultants and (B) Single-source procedures for the Selection of Individual Consultants subject to the World Bank’s prior review.

(e) Review by the World Bank of Procurement Decisions. The (i) first contract for goods, (ii) the first contract for individual consultants, (iii) all contracts with individual consultants selected on Sole Source basis, and (iv) all contracts to cost more than fifty thousand United States dollar equivalent (US$ 50,000), shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

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) 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 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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works and consultants' services under the Project, including audit</td>
<td>258,440</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and Workshops under the Project</td>
<td>81,560</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>340,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this paragraph, “Training and Workshops” means training and workshops conducted in the territory of the Recipient or abroad, including purchase and publication of materials, rental of facilities, refreshments, consumables, course fees, and travel and subsistence of trainees.

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 countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

**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 Dr. Borwornsak Uwanno

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

King Prajadhipok’s Institute  
The Government Complex Commemorating His Majesty the King’s 80th Birthday Anniversary 5th (Southern Zone)  
120 Moo 3 Chaengwattana Road, Thung Song Hong, Laksi District, Bangkok 10210

Telex: (662) 141 - 9600  
Facsimile: (02) 143 - 8174

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:
January 10, 2012

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or
Facsimile: 1-202-477-6391

Washington, D.C. 64145 (MCI)