Dr. Areepong Bhoocha-Oom  
Permanent Secretary  
Ministry of Finance  
Rama 6 Road, Phayathai  
Bangkok 10400  
Thailand

Re: Kingdom of Thailand: IDF Grant for Institutional Capacity Building on ICT Policies Project. IDF Grant No. TF097929

Dear Sir:

In response to the request for financial assistance made on behalf of the Kingdom of Thailand ("Thailand"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") acting as administrator of grant funds provided by the World Bank’s Institutional Development Fund ("IDF"), proposes to extend to Thailand, a grant in an amount not to exceed three hundred thousand United States Dollars (U.S.$300,000) ("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").

Thailand 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 Thailand’s agreement to the foregoing by having an authorized official of Thailand sign and date each of the two (2) originals of this Agreement, and returning one (1) original 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Annette Dixon  
Annette Dixon  
Country Director, Thailand  
East Asia and Pacific Region
AGREED:
KINGDOM OF THAILAND

By /s/ Chakkrit Parapuntakul
Authorized Representative

Name Mr. Chakkrit Parapuntakul

Title Director-General, Public Debt Management Office, Ministry of Finance

Date: December 3, 2010

Enclosures:

IDF Grant No. TF097929
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 July 1, 2008 (“Standard Conditions”) constitute an integral part of this Agreement.

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 help Thailand in developing policies for information and communication technologies (ICT) sector growth in Thailand, taking into account international best practices in order to achieve the goal of a “Smart Thailand”. The Project will build capacity at Thailand’s Ministry of Information and technology (MICT) through the provision of technical assistance. The Project consists of the following parts:

Part 1: Training of MICT Staff

1. Providing broadband, Information Technology and Information Technology Enabled Services (IT/ITES) sector development.

2. Organizing international Study Tours for two (2) high level policy makers in each of the areas relating to e-government, broadband and IT/ITES sector development.

Part 2: E-government Study

1. Conducting a study on e-procurement and preparing a report incorporating international best practices and offering recommendations for designing and implementing e-government initiatives, including translation of said report in Thai and its dissemination.

Part 3: Broadband Study

1. Conducting a study to determine policy recommendations for financing and extending broadband networks to rural areas in accordance with international best practices and preparing a report on extending broadband access, including translation of said report in Thai and its dissemination.

Part 4: IT/ITES Study

1. Conducting a background study on IT/ITES Small Medium Enterprises (SMEs) and preparing a report on said background study.
2. Conducting a study on IT/ITES SMEs based on the background report mentioned in paragraph 1 above, providing policy recommendations and an investment plan for initiatives targeted at growing IT/ITES SMEs in Thailand and preparing a report on said study, including translation of said report in Thai and its dissemination.

Part 5: IT Support

1. Providing up to ten (10) laptops and two (2) printers to senior policy makers in MICT.

Part 6: Audit

1. Conducting an audit of the Project.

2.02. **Project Execution Generally.** Thailand declares its commitment to the objectives of the Project. To this end, Thailand 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 (c) this Article II.

2.03. **Project Monitoring, Reporting and Evaluation.** (a) Thailand shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, 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 such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

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

(i) number of MICT staff trained on ICT sector policy issues

(ii) number of e-government policies adopted in the area identified for in the e-government study;

(iii) number of policy initiatives adopted in the area of rural broadband; and

(iv) number of IT/ITES policy initiatives based on recommendations made.

(c) Thailand shall, upon the World Bank’s request, 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 five (5) months after the Closing Date.

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

(b) Thailand 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 Thailand. The audited Financial Statements
2.05. **Procurement**

(a) **General.** All goods and 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 (excluding paragraph 1.16) of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”), in the case of goods; and

(ii) Sections I (excluding paragraph 1.24) and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services.

(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 the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods and Services (other than Consultants’ Services).**

(i) **Shopping.** 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 Based on Consultants’ Qualifications.** Services estimated to cost less than $200,000 equivalent per contract may be procured under Selection Based on Consultants’ Qualifications.

(B). **Individual Consultants selected on a sole source basis.**
(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.

### Article III

**Withdrawal of Grant Proceeds**

3.01.  **Eligible Expenditures.** Thailand 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 Thailand (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>Consultants Services</td>
<td>230,000</td>
<td>100%</td>
</tr>
<tr>
<td>Goods and Equipment</td>
<td>20,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training</td>
<td>20,000</td>
<td>100%</td>
</tr>
<tr>
<td>Study Tours</td>
<td>30,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>300,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the terms

“Training” means reasonable costs associated with attendance and participation in training and workshops of personnel involved in the implementation of the Project including travel, lodging 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.

“Study Tours means reasonable costs associated with study tours outside Thailand including travel, lodging and subsistence costs for participants.
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 Thailand.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2013.
Article IV
Thailand’s Representative; Addresses

4.01. **Thailand’s Representative.** Thailand’s Representative referred to in Section 7.02 of the Standard Conditions is the Permanent Secretary in the Ministry of Finance.

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

    Ministry of Finance
    Rama 6 Road, Phayathai
    Bangkok 10400
    Thailand

    Facsimile:
    66-2-618-4705 or 66-2-273-9058

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: INTBAFRAD
    Telex: 248423 (MCI) or 64145 (MCI)
    Facsimile: 1-202-477-6391