H.E. Mr. Phouphet Khamphounvong  
Minister of Finance  
Ministry of Finance  
That Luang Road, PO Box 46  
Vientiane, Lao PDR

Re: Lao People's Democratic Republic: Preparation of the Strengthening Protection and Management Effectiveness for Wildlife and Protected Areas  
Preparation Advance No. Q843  
Additional Instructions: Disbursement

Excellency:

I refer to the Advance Agreement ("Agreement") between the Lao People's Democratic Republic ("Recipient") and the International Development Association ("World Bank") for the preparation of the above-referenced Project, dated January 30, 2013. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Project Preparation Advance No. Q843 ("PPA"). 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 PPA 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 PPA:

- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Refinancing Date specified in the Agreement. Any changes to this date will be notified by the World Bank.
II. Withdrawal of PPA Proceeds

(i) Authorized Signatures (subsection 3.1). Applications for this PPA will be signed by the official(s) authorized to sign Applications as indicated in the letters dated April 13, 2007 signed by H.E. Chansy Phosikham and the Supplementary Authorization Letter for Electronic Disbursement dated March 19, 2012 signed by Dr. Viengthong Siphandone. Please notify the World Bank promptly should there be any change in the authorized officials in this regard.

(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  
23/F, The Taipan Place Building  
F. Ortigas, Jr Road, Ortigas Center  
Pasig City, Metro Manila  
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 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 2; 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.

(iii) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for reimbursement and direct payment is USD16,000.

(iv) Advances (sections 5 and 6).

- Type of Designated Account (subsection 5.3): Segregated. One segregated designated account will be established for the Project and managed by the National Treasury of the
Ministry of Finance.

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

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Bank of Lao PDR.

- **Ceiling (subsection 6.1):** USD 80,000

III. Reporting on Use of PPA 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 3) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) and
  - Statement of Expenditure in the form attached (Attachment 4) for all other expenditures/contracts that are not subject to the World Bank’s prior review.

- **For reporting eligible expenditures paid from the Designated Account:**
  - List of payments against contracts that are subject to the World Bank’s prior review, in the form attached (Attachment 3) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices);
  - Statement of Expenditure in the form attached (Attachment 4) for payments against contracts that are not subject to the Association’s prior review; and
  - A Designated Account Reconciliation Statement in the form attached (Attachment 5) and related bank statement.

- **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):** monthly.

IV. Other Disbursement Instructions: Further advance from the Designated Account to other account(s) of the Project is allowed, as long as such further advance is accounted for within a reasonable period of time 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 prepare and deliver Applications, monitor the near real-time status of the PPA, 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 Tony Shen, Senior Finance Officer at loaeap@worldbank.org or Carmenchu D. Austriaco at caustrialco@worldbank.org using the above reference.

Yours sincerely,

Annette Dixon
Country Director, Lao PDR
East Asia and Pacific Region

Attachment

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
3. Form of Payments Against Contracts Subject to the World Bank’s Prior Review
4. Form of Statement of Expenditure
5. Form of Designated Account Reconciliation Statement
Cc: Department of Planning and Cooperation, MoNRE
   Nahaideo Village, Chanthaboury district
   Vientiane Capital, Lao PDR
   virana.sonnasinh@gmail.com
Terms and Conditions of Use of Secure Identification Devices
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation

January 20, 2010

The World Bank (Bank) will provide secure identification devices (Tokens) to permit the Recipient 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.

A. Identification of Users.

1. The Recipient 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 Tokens to each person identified in the ASL (Signatory), as provided below. The Recipient shall also immediately notify the Bank if a Signatory is no longer authorized by the Recipient 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 delivery of Tokens. 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. Distribution, Initialization and Return of Tokens.

1. The Bank will physically deliver a Token to each Signatory in a manner to be determined by and satisfactory to the Bank.

2. At the time of delivery of a Token to a Signatory, the Signatory will receive a copy of these Terms and Conditions of Use for purposes of initializing the Token.

3. The Bank will verify that the Token, Temporary Password and Terms and Conditions of Use have been duly delivered to and received by the CC User.

4. Promptly upon receipt of the Token and Terms and Conditions of Use, the Signatory will access CC using his/her account name and CC Password and register his/her Token and set a personal identification number (PIN) to be used in connection with the use of his/her Token, after which the Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the Token, the Signatory will be a “Token User”. The Bank
will maintain in its database a user account (Account) for each Token User for purposes of managing the Token of the Token User. Neither the Borrower nor the Token User will have any access to the Account.

5. Prior to first use of the Token by the Token User for delivering Applications, the Recipient shall ensure that the Token User has received training materials provided by the Bank in use of the Token.

6. Tokens shall be promptly returned to the Bank upon request of the Bank.

C. Management of Tokens.

1. Tokens will remain the property of the Bank.

2. Use of the Token is strictly limited to use in the delivery of Applications by the Token User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the Token is prohibited.

3. The Bank assumes no responsibility or liability whatsoever for any misuse of the Token by the Token User, other representatives of the Borrower, or third parties.

4. The Recipient undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in delivery of a Token to each Token User) that each Token User is provided, understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

Security

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

4.2. The Token User shall not allow anyone else to utilize a Token to deliver an Application to the Bank.

4.3. The Token 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 Token User believes a third party has learned his/her PIN or has lost his/her Token he/she shall immediately notify clientconnection@worldbank.org.

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

Care of Tokens

4.6. 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, 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. 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 Token.

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

5. **Replacement**

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

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

6. **Reservation of Right to disable Token**

6.1 The Recipient shall reserve the right to revoke the authorization of a Token User to use a Token for any reason.

6.2 The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a Token, de-activate a Token User’s Account or both.
**Payments Made during Reporting Period**  
Against Contracts Subject to the World Bank's Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB's Non Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB's Share of Amt Paid to Supplier during Period</th>
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H.E. Mr. Phouphet Khamphounvong

January 30, 2013

Statement of Expenditures (SOE)

STATEMENT OF EXPENDITURES
(No Records Required for Submission)

Application No. __________________
Loan/Credit/Grant No. __________________

PAYMENTS MADE DURING THE REPORTING PERIOD FROM __________ TO __________

FOR EXPENDITURES UNDER CATEGORY __________
(Enumerate or list categories)

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<tr>
<th>Item No.</th>
<th>Name of Contractor/Supplier/Consultants</th>
<th>Description of Expenses/Claims</th>
<th>Contract Number and Contract Date</th>
<th>Contract Prior Reviewed (Y/N)</th>
<th>WB Control Number** (If applicable)</th>
<th>Contract Amount</th>
<th>Total Invoice Amount</th>
<th>% Eligibility</th>
<th>Amount Eligible for Financing</th>
<th>Amount Charged to Designated Account (If applicable)</th>
<th>Exchange Rate</th>
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Note: ** WB control number applicable only when contract was prior reviewed by the Bank

Supporting Documents for this SOE retained at ________________________________ (insert location)
DESIGNATED ACCOUNT RECONCILIATION STATEMENT

GRANT 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) = $______________

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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

<table>
<thead>
<tr>
<th>APPLICATION NO.</th>
<th>AMOUNT *</th>
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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