H.E. Mr. Somdy Douangdy  
Deputy Prime Minister  
Minister of Finance  
Ministry of Finance  
23rd Singha Road  
Saysettha District  
Vientiane, Lao PDR

Re: Clean Cook Stove Initiative Project  
CI- DEV Grant No. TFB0555  
ESMAP Grant No. TFB0599

Additional Instructions: Disbursement and Financial Information Letter

Excellency,

I refer to the Grant Agreement (“Agreement”) between the International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as administrator of the Carbon Initiative for Development (Ci-Dev) and Energy Sector Management Assistance Program (ESMAP), and the Lao People’s Democratic Republic (the “Recipient”) for the above-referenced project, dated August 1, 2019. The Standard Conditions, as defined in the Grant Agreement, provide that the Bank may issue additional instructions regarding the withdrawal of the proceeds of the above-mentioned Grants (“Grants”), and may set out Project specific financial reporting requirements. This letter (“Disbursement and Financial Information Letter”), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grant Funds

The World Bank Disbursement Guidelines for Projects, dated February 1, 2017, (“Disbursement Guidelines”) are available in the World Bank's public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information 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

The table in Schedule 1 provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.
(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01 (c) of the Standard Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the Bank’s web-based portal “Client Connection” at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Bank. 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, available in the World Bank’s public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The Recipient must prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports (“IFR”) for the Project covering the semester.

(ii) Audits.

Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank’s website (http://www.worldbank.org) and “Client Connection”. The World Bank recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,

[Signature]

Nicola Pontara
Country Manager, Lao PDR
East Asia and Pacific Region

The World Bank Office, Xieng Ngeun Village, Cao Fa Nam Road, Chanthabouly District, Vientiane, Lao PDR/Phone: (856-21) 266200/ Fax: (856-21) 266299
Attachments
1. Form of [Statement of Expenditure (SOE)]
2. Combined designated account reconciliation statement
3. [Form of Authorized Signatory Letter]

Cc with copies: Mr. Angkhansada MUANGKHAM
Deputy Director General of Department of External Finance and Debt Management
Ministry of Finance
23rd Singha Road
Vientiane, Lao PDR
Telephone no.: 856-20-55694219
Email: angkhansada@yahoo.com

Mr. Chantho MILATTANAPHENG
Acting Director General of the Institute of Renewable Energy Promotion
P.O. Box 4708
Ministry of Energy and Mines
Vientiane, Lao P.D.R
Telephone no.: 856-20-99990243
Fax no.: 856-21-453182
Email: hmtapro2016@gmail.com

Ph.D. Seumkham THOUUMMAVONGSA
Deputy Director General of the Institute of Renewable Energy Promotion
P.O. Box 4708
Ministry of Energy and Mines
Vientiane, Lao P.D.R
Telephone no.: 856-20-22212619
Fax no.: 856-21-453182
Email: seumkham@gmail.com
## Schedule I - Disbursement Provisions

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country</th>
<th>Recipient</th>
<th>Closing Date</th>
<th>Section III.B.2 of Schedule 2 to the Grant Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF xxx</td>
<td>Lao People's Democratic Republic</td>
<td>Lao People's Democratic Republic</td>
<td></td>
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<tr>
<td>TF xxx</td>
<td>Clean Cook Stove Initiative Project</td>
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</tr>
</tbody>
</table>

### Disbursement Methods, and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods Available</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure in the form attached (attachment 1)</td>
</tr>
</tbody>
</table>
| Advance (into a Designated Account) | Yes               | a) Statement of Expenditure in the form attached (Attachment 1)  
|                      |                   | b) Designated account reconciliation statement together with copy of Bank statement (Attachment 2) |
| Special Commitments  | No                |                                               |

### Designated Account (Section 5 and 6 **)

<table>
<thead>
<tr>
<th>Type</th>
<th>Pooled account to receive funds from two Trust Funds: TF xxx and TF xxx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>Bank of Lao PDR</td>
</tr>
<tr>
<td>Frequency of Reporting, Subsection 6.3 (**)</td>
<td>Monthly</td>
</tr>
</tbody>
</table>

### Minimum Value of Applications (subsection 3.5)

The Minimum Value of Applications for Reimbursement, and Direct Payment is USD 20,000.

### Authorized Signatures

(Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 3 of this letter

An authorized signatory letter in the Form attached (Attachment 3) 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  
Level 21, Sule Square, 221, Sule Pagoda Road, Kyauktada Township

The World Bank Office, Xieng Ngeum Village, Cao Fa Ngum Road, Chanthabouly District, Vientiane, Lao PDR/Phone: (856-21) 2662000/ Fax: (856-21) 266299
Yangon 11182, Myanmar
Attention: Gevorg Sargsyan,
Acting Country Director

**Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)**
The Withdrawal Applications and its supporting documentation will be electronically sent via the Bank’s system Client Connection. For WAs if they will be submitted in paper, please provide completed and signed Applications for withdrawal, together with supporting documents, together with a copy of the commercial bank letter of credit, to the address indicated below:
The World Bank
26th Floor, One Global Place
5th Avenue Corner 25th Street
Bonifacio Global City
Taguig City, Philippines 1634
Attention: Loan Department

**Other**
*Retroactive financing is allowed under category 2 only*

* Select the agreed supporting documentation, and add the following “in the format provided in Attachment 2 of this letter”
**Sections and subsections indicated relate to the Disbursement Guidelines for Investment Project Financing dated February 2017.

Attachment 1
### Statement of Expenditures

(No Records Required for Submission)

**Payments Made During the Reporting Period From** ___________________________ TO ___________________________

The following expenditures have been incurred during the retroactive financing period (please tick)

- [ ] Yes
- [ ] No

The following expenditures have been incurred during the closing date of the credit/grant (please tick)

- [ ] Yes
- [ ] No

The following expenditures are for activities completed before the closing date of the credit/grant (please tick only when the submission of application are during grace period)

- [ ] Yes
- [ ] No

#### Table: Payments Made During the Reporting Period

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Name of Contractor / Supplier / Consultants</th>
<th>Brief Description of the Expenditure</th>
<th>Contract Prior Reviewed (Y/N)</th>
<th>Contract # (Client Connection #) for Prior Review Contracts</th>
<th>Contract currency and amount (original + amendment)</th>
<th>Invoice Number</th>
<th>Date of Payment</th>
<th>Total Amount of Invoice covered by application (net of retention)</th>
<th>% Eligibility</th>
<th>Amount Eligible for Financing</th>
<th>Exchange Rate</th>
<th>Amount charged to Designated account</th>
<th>Date of withdrawal from the Designated account</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

**TOTAL**

|                | XXX | XXX |

**Supporting Documents for this SOE retained at** ___________________________ (Insert location)

**Signed:** ___________________________

Name of Project Director
### Designated Account Reconciliation Statement for Pooled Account

**TF Nos. xxxx**

**Account No.**

**Bank's name**

<table>
<thead>
<tr>
<th>Description</th>
<th>TF xxx</th>
<th>TF xxx</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. a. Total Advance by World Bank (TF XXX)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>b. Total Advance by World Bank (TF XXX)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total: Advance by World Bank</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>2. Less: Total amount recovered by World Bank (TF XXX)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Less: Total amount recovered by World Bank (TF XXX)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total: Amount recovered by World Bank</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>3. a. Equals: Present outstanding amount advanced to Designated Account (TF XXX)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>b. Equals: Present outstanding amount advanced to Designated Account (TF XXX)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total: Present outstanding amount advanced to Designated Account</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>4. a. Balance of Designated Account per attached Bank statement (TF XXX)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Breakdown by Financier</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>as of</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. Total amount claimed in this application (IDAXXX or XXX ....)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>(appn no.)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6. Amounts not yet credited to account at date of bank statement from past applications</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>(Enter application numbers below)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7. Interest earned</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(0.00)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>8. Total amount withdrawn and not yet claimed</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>(Enter explanations below: Deduction and not yet replenished)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>9. Total Advance accounted for (#s 4 through 8)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>10. Difference to be explained</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>11. Explanation of any difference between the totals appearing on lines 3 and 9</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bank charge</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(Amounts)</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Advanced Accounted For</strong></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>12. Undeclared amount without explanation</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**

(i) Withdraw application is created but fund is not credited to the PIU bank account

(ii) PIU has paid from Designated account but not report in this period due to: Pending treasury certification; pending staff advance liquidations or other reasons.

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The World Bank Office, Xieng Ngeun Village, Cao Fa Ngum Road,
Chanthabouly District, Vientiane, Lao PDR/Phone: (856-21) 266200/ Fax: (856-21) 266299
Form of Authorized Signatory Letter
[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
Level 21, Sule Square, 221,
Sule Pagoda Road,
Kyauktada Township

Yangon 11182, Myanmar

Attention: Mr. Gevorg Sargsyan,

Dear [Acting Country Director]:

Re: Clean Cook Stove Initiative Project
CI- DEV Grant No. xxx
ESMAP Grant No. xxx

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development/International Development Association ("Bank"), acting as administrator of the Carbon Initiative for Development (Ci-Dev) and Energy Sector Management Assistance Program (ESMAP), and the Lao People’s Democratic Republic (the “Recipient”), dated [ ], providing the above Grants. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under these Grants.

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

---

1 Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the World Bank/Association.

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 World Bank/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 World Bank/Association.
This 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] [Association] by electronic means. In full recognition that the [World Bank] [Association] 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] [Association] that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the [World Bank] [Association] records with respect to this Agreement.

[Name], [position]  
Specimen Signature: ______________________

[Name], [position]  
Specimen Signature: ______________________

[Name], [position]  
Specimen Signature: ______________________

Yours truly,

/ signed /

[Position]