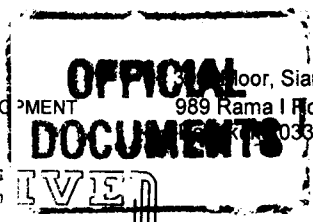


The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION



TF012663

9th Floor, Siam Tower
989 Rama I Road, Pathumwan
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Tel. +66 (0) 2686 8300
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November 16, 2012

BY:

Khun Chularat Suteethorn
Director General
Public Debt Management Office
Ministry of Finance
Rama VI Road, Phayathai
Bangkok 10400

องค์การบริหารจัดการก๊าซเรือนกระจก (องค์การมหาชน)
วันที่ 209 ลงวันที่ 28 10 56
เวลา 16-59 (ชื่อ) gpm

AND

Khun Prasertsuk Chamornmarin
Acting Executive Director
Thailand Greenhouse Gas Management
Organization (Public Organization)
120 Moo 3, 9th Floor, E Building,
Government Complex, Chang Wattana Rd.,
Tungsonghong, Laksi,
Bangkok 10210

Re: Grant Agreement for Market Readiness Proposal Partnership for
Market Readiness (PMR) Multi-Donor Trust Fund
Grant No. TF012663

Dear Sirs:

I wish to refer to the documents, PMR-NOTE-ORG-4 and PMR-NOTE-PA1-1, presented by the PMR Secretariat at the organizational meeting of the PMR and the first meeting of the Partnership Assembly, respectively, regarding the key phases in the PMR process. The documents illustrate the following two phases, which an Implementing Country Participant may request for financial support from the PMR: (i) *Preparation Phase* - formulation of the Market Readiness Proposal by the Implementing Country Participant; and (ii) *Implementation Phase* - implementation of the Market Readiness Proposal by the Implementing Country Participant.

Grants from the PMR will be made available to an Implementing Country Participant in two installments to support activities in the Preparation Phase and Implementation Phase. The first installment in the amount of US\$350,000 ("Preparation Phase Installment" or "Grant") will be made available to an Implementing Country Participant, upon the allocation by the governing body of the PMR and subject to the availability of funds, to assist the Implementing Country Participant in its formulation of the Market Readiness Proposal during the Preparation Phase.

The Partnership Assembly has decided to allocate the Preparation Phase Installment in the amount of US\$350,000 to the Kingdom of Thailand ("Thailand") through Resolution of the Partnership Assembly No.PA1/2011-4.

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In response to the request for financial assistance made on behalf of the Thailand Greenhouse Gas Management Organization (Public Organization) ("TGO"), 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 contributors ("Contributors") under the Partnership for Market Readiness Multi-Donor Trust Fund, proposes to extend to TGO, for the benefit of Thailand, a Preparation Phase Installment in an amount not to exceed three hundred and fifty thousand United States Dollars (US\$350,000) 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 Preparation Phase Activities described in the Annex.

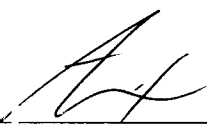
This Preparation Phase Installment is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Contributors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations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

The World Bank may subsequently enter into a supplementary agreement to this Agreement with Thailand and TGO for the purpose of extending a second phase installment to assist the Implementing Country Participant in its implementation of the Market Readiness Proposal during the Implementation Phase, upon the allocation of the funding by the governing body of the PMR and subject to the availability of funds.

Thailand and TGO represent, by confirming their agreement below, that each of them are authorized to enter into this Agreement and to carry out the Preparation Phase Activities in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm Thailand's and TGO's agreement to the foregoing by having an authorized official of Thailand and of TGO 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 by all parties.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By 
Annette Dixon
Country Director, Thailand
East Asia and Pacific Region

The World Bank

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AGREED:
KINGDOM OF THAILAND

AGREED:
THAILAND GREENHOUSE GAS
MANAGEMENT ORGANIZATION
(PUBLIC ORGANIZATION)

By: P. Suteethorn
Authorized Representative

By: C. Prasertsuk
Authorized Representative

Name: Ms. Chularat Suteethorn
Director-General,

Name: MRS. Prasertsuk Chamornmarn

Title: Public Debt Management Office

Title: Deputy Executive Director Acting Executive Director

Date: March 5, 2013

Date: February 13, 2013

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

**PMR Grant No. TF012663
ANNEX**

**Article I
Standard Conditions; Definitions**

1.01. Standard Conditions.

(a) 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 paragraphs (b), (c) and (d) below, constitute an integral part of this Agreement.

(b) The following term shall be inserted as paragraph 16(bis) of the Appendix to the Standard Conditions:

“16(bis). “Market Readiness Proposal” a proposal to be submitted by an Implementing Country Participant, which sets forth the road map or the plan for putting in place market readiness components.”

(c) The following term shall be inserted as paragraph 17(bis) of the Appendix to the Standard Conditions:

“17(bis). “PMR Governance Framework” means the constituting document of the PMR, adopted at the organizational meeting of the PMR, as may be amended from time to time in accordance with its terms.”

(d) The definition of the term “Project” in paragraph 18 of the Appendix to the Standard Conditions is replaced to read as follows, and wherever used in the Standard Conditions, the term “Project” is replaced by the term “Preparation Phase Activities”:

““Preparation Phase Activities” means the activities described in the Grant Agreement in relation to Thailand’s formulation of a Market Readiness Proposal, for which the Preparation Phase Installment is made.”

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, the PMR Governance Framework, or in this Agreement.

**Article II
Execution of Preparation Phase Activities**

2.01. Objectives and Description. The objective of the Preparation Phase Activities is to assist Thailand to formulate a Market Readiness Proposal (MRP). The Preparation Phase Activities consist of the following parts:

(a) conduct assessment and studies in the areas identified in the building blocks laid out in the latest available version of the Tool for the MRP;

(b) prepare terms of reference for activities, included in the MRP and to be undertaken during the implementation phase; and

(c) convene consultations with key entities, agencies, local officials and multi-stakeholders on the preparation of the MRP.

2.02. **Execution Generally.** TGO declares its commitment to the objectives of the Preparation Phase Activities. To this end TGO shall carry out the Preparation Phase Activities 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. **Contributor Visibility and Visibility.**

(a) Thailand shall take or cause to be taken and shall cause TGO to take all such measures as the World Bank may reasonably request to identify publicly the PMR contributor(s) support for the Preparation Phase Activities.

(b) For the purposes of Section 2.09 of the Standard Conditions, Thailand shall, upon the World Bank’s request, enable the representatives of the PMR contributor(s) to visit any part of Thailand’s territory for purposes related to the Preparation Phase Activities.

2.04. **Preparation Phase Activities Report and Completion Report.** TGO shall prepare the Preparation Phase Activities Report and Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Preparation Phase Activities Report shall cover the period of one (1) 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. The Completion Report shall be furnished to the World Bank not later than six months (6) after the Closing Date.

2.05. **Financial Management.**

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

(b) TGO shall ensure that interim unaudited financial reports for the Preparation Phase Activities are prepared and furnished to the World Bank as part of the Preparation Phase Activities Report not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) TGO shall have its Financial Statements for the Preparation Phase Activities audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. **Procurement.**

(a) General. All consultants’ services required for the Preparation Phase Activities and to be financed out of the proceeds of the Preparation Phase Installment shall be procured in

accordance with the requirements set forth or referred to in Sections I (excluding paragraph 1.25) 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 (“Consultant Guidelines”); and the provisions of this Section.

(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, III, IV and V of the Consultant Guidelines.

(c) 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 the Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Selection based on Consultants’ Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants, and (D) Single-source procedures for the Selection of Individual Consultants.

(d) Review by the World Bank of Procurement Decisions. Except as the World Bank shall otherwise determine by notice to TGO, the following contracts shall be subject to Prior Review by the World Bank:

(i) each contract for consultants’ services procured on the basis of Single-source Selection of consulting firms; and

(ii) each contract for consultants’ services procured on the basis of Single-source procedures for the Selection of Individual Consultants.

All other contracts shall be subject to Post Review by the World Bank.

**Article III
Withdrawal of Proceeds**

3.01. **Eligible Expenditures.** TGO may withdraw the proceeds of the Preparation Phase Installment 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 TGO (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 Preparation Phase Installment (“Category”), the allocations of the amounts of the Preparation Phase Installment to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Preparation Phase Installment Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Consultants' Services (including audits), Training and Workshops, and Incremental Operating Costs	350,000	100%
TOTAL AMOUNT	350,000	

For the purpose of Section 3.0 : (i) the term "Training and Workshops" means the costs associated with training and workshop participation of personnel involved in the implementation of the Preparation Phase Activities including 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; and (ii) the term "Incremental Operating Costs" means the operating costs incurred on account of the implementation of the Preparation Phase Activities including office supplies and consumables, utilities, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Preparation Phase Activities, and travel, lodging and per diems, but excluding salaries of officials of Thailand'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 countersignature of this Agreement by TGO and Thailand, except that withdrawals up to an aggregate amount not to exceed \$35,000 equivalent may be made for payments made prior to this date but on or after July 1, 2012, for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2015.

Article IV
Representative; Addresses

4.01. **TGO's Representative.** The TGO's Representative referred to in Section 7.02 of the Standard Conditions is its Executive Director.

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

Thailand Greenhouse Gas Management Organization (Public Organization)
120 Moo 3, 9th Floor, B Building,
Government Complex, Chang Wattana Rd.,
Tungsonghong, Laksi,
Bangkok 10210, THAILAND

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Tel. +66 (0) 2686 8300
Fax. +66 (0) 2686 8301

Facsimile:

(66) 2 143 8300

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
Washington, D.C.

Telex:

248423 (MCI) or
64143 (MCI)

Facsimile:

1-202-477-6391