

KINGDOM OF THAILAND: COUNTRY FINANCING PARAMETERS

Date: November 15, 2010

The Country Financing Parameters for the Kingdom of Thailand set out below have been approved by the Regional Vice President, East Asia and Pacific Region, and are being posted on the Bank's internal website.

Item	Parameter	Remarks/Explanation
A. Cost Sharing. Limit on the proportion of individual project cost that the Bank may finance.	Full financing, excluding taxes	While continuing to emphasize borrower commitment and ownership of individual projects, the Bank would finance all cost except taxes unless specifically requested by the client on case by case basis. The upper limit on cost sharing will not be applied differently in different sectors. However, specific arrangements would be determined for individual projects, taking into account project specific considerations. As a general practice, counterpart funding will be encouraged.
B. Recurrent Cost Financing. Any limits that would apply to the overall amount of recurrent expenditures that the Bank may finance.	No country-level limit	No country-level limit on Bank financing of recurrent costs is proposed. On a project by project basis, the Bank may finance recurrent costs after careful consideration of the sustainability of project achievements and implied future budgetary outlays within the overall context of Thailand's aggregate fiscal position and prospects.
C. Local Cost Financing. Are the requirements for Bank financing of local expenditures met, namely that: (i) financing requirements for the country's development program would exceed the public sector's own resources (e.g., from taxation and other revenues) and expected domestic borrowing; and (ii) the financing of foreign expenditures along would not enable the Bank to assist in the financing of individual project.	Yes	The requirements for local cost financing are met.
D. Taxes and Duties. Are there any taxes and duties that the Bank would not finance?	Yes	According to the Public Debt Management Act B.E.2548 (2005)" section 22, taxes and duties will be financed by the client for loan financed projects.