Mr. Ranjan Poudyal  
Country Director, Cambodia  
Save the Children International  
P.O. Box 34, Central Post Office  
Phnom Penh, Cambodia  

Mr. Jason Evans  
National Director, Cambodia  
World Vision International  
P.O. Box 479, Central Post Office  
Phnom Penh, Cambodia  

Re: Kingdom of Cambodia: Voice and Action: Social Accountability for Improved Service Delivery Project  
JSDF Grant No. TF0A1514 and TF0A1513  

Dear Mr. Poudyal / Mr. Evans:

In response to the request for financial assistance made on behalf of Save the Children International and World Vision International (each individually, “Co-Recipient” and collectively, “Co-Recipients”), I am pleased to inform you that the International Development Association (“World Bank”), acting as administrator of grant funds provided by Japan (“Donor”) under the Japan Social Development Fund, proposes to extend to the Co-Recipients for the benefit of the Kingdom of Cambodia (“Member Country”), a grant (“Grant”) in an amount not to exceed: (a) two million nine hundred thousand United States Dollars (U.S.$ 2,900,000) from TF0A1514 to Save the Children International; and (b) two million United States Dollars (U.S.$ 2,000,000) from TF0A1513 to World Vision International, 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”).

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. 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 Donor under the abovementioned trust fund, and the Co-Recipients’ right to withdraw their respective amounts of the Grant is subject to the availability of such funds.

Each Co-Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out its respective parts of the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm each Co-Recipient’s agreement to the foregoing by having an authorized officials of each Co-Recipient 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 last countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the copy of this Agreement countersigned by both Co-Recipients 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 DEVELOPMENT ASSOCIATION

By
Julia Fraser

AGREED:

SAVE THE CHILDREN INTERNATIONAL

By
Ranjjan Poudyal
Authorized Representative
Name: Ranjan Poudyal
Title: Country Director
Date: 20 November 2015

WORLD VISION INTERNATIONAL

By
Authorized Representative
Name: Jason Evans
Title: National Director
Date: 20 November 2015

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions

1.01. Standard Conditions. The Standard Conditions, with the modifications set forth in Section 1.02 below, constitute an integral part of this Agreement.

1.02. Modifications to the Standard Conditions. For the purposes of this Agreement, the Standard Conditions shall be modified as follows:

(a) The term “Recipient,” wherever used in the Standard Conditions, shall be replaced with the term “Co-Recipient”, and all provisions of the Standard Conditions applicable to the Recipient shall apply to the respective Co-Recipient.

(b) The term “Recipient’s Representative,” wherever used in the Standard Conditions, shall be replaced with the term “Co-Recipient’s Representative.”

(c) The words “the Project,” wherever used in the Standard Conditions (except for Section 2.10 and except for the words “the objectives of the Project,” which shall remain unchanged), shall be replaced with the words “the Co-Recipient’s Respective Parts of the Project.”

(d) The words “the proceeds of the Grant,” wherever used in the Standard Conditions, shall be replaced with the words “the proceeds of the Grant allocated to the Co-Recipient.”

(e) The words “amount of the Grant,” wherever used in the Standard Conditions (except in the first sentence of Section 3.01(a) and in Sections 3.02, 3.08 and 4.03(e)), shall be replaced with the words “amount of the Grant allocated to the Co-Recipient.”

(f) The following terms in paragraphs 6, 13, 14, 18 and 20 of the Appendix to the Standard Conditions shall be modified to read as follows:

“6. “Closing Date” means the date specified in the Grant Agreement (or such later date as the World Bank shall establish by notice to the Co-Recipients) after which the World Bank may, by notice to the Co-Recipients, terminate the right of the Co-Recipients to withdraw from the Grant Account.”

“13. “Grant Account” means the account opened by the World Bank in its books in the name of the Co-Recipients to which the Grant is credited in accordance with Section 3.01 (a).”

“14. “Grant Agreement” means the grant agreement between the Co-Recipients and the World Bank providing for the Grant, as such agreement may be amended from time to time. “Grant Agreement” includes these Standard Conditions as applied to the Grant Agreement, and all appendices, schedules and agreements supplemental to the Grant Agreement.”
“18. "Project" means the project described in the Grant Agreement, for which the Grant is made, as the description of such project may be amended from time to time by agreement between the Co-Recipients and the World Bank."

“20. Co-Recipient" means a party to the Grant Agreement to which a part of the proceeds of the Grant is made available for the financing of the Co-Recipient’s Respective Parts of the Project.”

1.03. **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 (including the cover letter to this Agreement and this Section) as follows:

(a) “Anti-Corruption Guidelines” means 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;

(b) “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised in July 2014;

(c) “Co-Recipient’s Respective Parts of the Project” means the respective parts of the Project to be carried out by each Co-Recipient as provided in Section 2.02 of this Annex;

(d) “Implementing Partner” means a local non-governmental organization which has received a Sub-grant from the respective Co-Recipient in accordance with the provisions of Section 2.03 (e) of this Annex;

(d) “Indigenous Peoples” means those social groups residing in any districts included in the Project who have a distinct social and cultural identity, and are susceptible to being disadvantaged in the development process induced by the Project or any part thereof;

(e) “Indigenous Peoples Engagement Protocol” means each protocol, in form and substance satisfactory to the World Bank and included in the Project Operations Manual, setting out the measures to be undertaken to ensure that, through free, prior and informed consultation, Indigenous Peoples are included in and receive the benefits from the Project in a culturally compatible manner acceptable to them, and do not suffer adverse effects as a result of the implementation of the Project;

(f) “NCDD-S” means the Secretariat of the Member Country’s National Committee for Subnational Democratic Development;

(g) “Operating Costs” means the reasonable costs of goods and non-consulting services required for the day-to-day coordination, administration and supervision of Project activities, leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses (including postage, telephone and internet costs), transportation, translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, and other administrative costs directly related to the Project, but excluding salaries of staff of the Recipient (other than consultants);
(h) "Project Operations Manual" means the manual adopted by the Co-Recipients, in form and substance acceptable to the World Bank, setting forth implementation, organizational, administrative, monitoring and evaluation, social safeguards, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project, as the same may be modified from time to time with the prior written approval of the World Bank, and such term includes any annexes or schedules to such manual;


(j) "Procurement Plan" means the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines;

(k) "Standard Conditions" means the Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012;

(l) "Sub-grant" means a grant to be made available by any of the Co-Recipients out of the proceeds of the Financing to selected Implementing Partners to finance the reasonable costs of training and other activities to be implemented by such Implementing Partners under Parts A and B of the Project; and "Sub-grants" means, collectively, all such Sub-grants;

(m) "Sub-grant Agreement" means the agreement to be entered into between the respective Co-Recipient and each selected Implementing Partner for the purposes of implementing and financing the activities to be implemented by such Implementing Partner under Parts A and B of the Project; and "Sub-grant Agreements" means collectively, all such Sub-grant Agreements; and

(n) "Training and Workshops" means the reasonable costs of goods and services required for the participation of personnel involved in training activities and workshops under the Project, including travel and subsistence costs for training or workshop participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course or workshop preparation and implementation, but excluding consultants’ fees.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to support the improvement of service delivery in schools, health centers and communes for rural households in selected districts in Cambodia. The Project consists of the following parts:

Part A: Access to Information and Budgets; Citizen Monitoring. Carrying out of a program of activities, including through the provision of Sub-grants, designed to improve citizen access to, and monitoring of, information and budget on education, health and commune services and functions in selected districts, including: (i) promoting citizens’ understanding and use of local information sets and budget literacy in relation to communes, health centers and schools; (ii) carrying out a facilitated process of participatory citizen monitoring on the operation of communes, health centers and schools, to be undertaken through a community scorecard process; and (iii)
action planning among local communities, district councilors, service providers and line ministry officials through the development and dissemination of results and joint accountability action plans.

**Part B: Capacity Building and Facilitation.** Carrying out a program of activities, including through the provision of Sub-grants, designed to strengthen the capacity of stakeholders involved in the implementation of Part I of the Project to support and implement processes of social accountability in selected districts, including: (i) developing a cadre of trained local community accountability facilitators; (ii) building the capacity of local civil society partners to mentor and coach the community facilitators to carry out the planned information, budget, citizen monitoring and action-planning activities; and (iii) providing a platform and defined process and guidelines for ongoing dialogue between government service providers and citizens, mediated by commune councils, local civil society organizations and community facilitators.

**Part C: Project Management, Monitoring, Evaluation, and Knowledge Dissemination.** Provision of technical and operational assistance for: (i) the coordination, administration, financial management, procurement, and social safeguard management of the Project; and (ii) the monitoring, evaluation, knowledge dissemination and audit of the Project.

2.02. **Project Execution Generally.** The Co-Recipients declare their commitment to the objectives of the Project. To this end, Save the Children International shall carry out the Project activities in selected districts in the Prey Veng, Pursat, Kratie, Stung Treng, and Tbong Khmum provinces of the Member Country, and World Vision International shall carry out the Project activities in selected districts in the Banteay Meanchey, Kompong Thom, Preah Vihear, Kompong Chhnang and Siem Reap provinces of the Member Country (the activities to be carried out by each Co-Recipient hereinafter referred to “the Co-Recipient’s Respective Parts of the Project”) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. **Institutional and Other Arrangements.** Without limitation upon the provisions Section 2.02, each Co-Recipient shall:

(a) not later than two (2) months after the date of the last countersignature of this Agreement, sign a memorandum of understanding with the NCDD-S, on terms acceptable to the World Bank, for the purpose of ensuring appropriate collaboration with NCDD-S and relevant subnational authorities of the Member Country in carrying out the Project activities, and thereafter carry out its responsibilities in accordance with the said memorandum of understanding.

(b) ensure that the Co-Recipient’s Respective Parts of the Project are carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that in the case of any conflict between the arrangements and procedures set out in the said manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree in writing, shall not amend, abrogate or waive any provision of the said manual.

(c) (i) furnish to the World Bank for review and approval as soon as available, but in any case not later than December 1 of each year, the detailed annual work plan and budget for the Project for each subsequent year of Project implementation, of such scope and detail as the World Bank shall have reasonably requested; and (ii) thereafter ensure that the Project is carried out in accordance with such plan and budget as agreed with the World Bank.
(d) through a process of informed participation, involve concerned Indigenous Peoples in the implementation of its Respective Parts of Project in accordance with the Indigenous Peoples Engagement Protocol, so as to ensure that the benefits under the Project are socially and culturally acceptable to such people and that Project activities are in harmony with their economic, social and cultural preferences and protect their customary user rights and, except as the World Bank shall otherwise agree in writing, not amend, abrogate or waive any provision of the said protocol.

(e) appraise, approve and administer Sub-grants to local non-governmental organizations ("Implementing Partners") in accordance with the eligibility criteria, procedures and arrangements set out in the Project Operations Manual and under Sub-Grant Agreements with the respective Implementing Partner, under terms and conditions acceptable to the World Bank, which shall include, *inter alia*:

(i) A description of the eligible Sub-project activities and expenditures to be financed out of the proceeds of the respective Sub-grant, and the amount of the Sub-grant which shall be denominated in USD;

(ii) The obligations of the respective Implementing Partner to: (A) carry out the Sub-project with due diligence and efficiency and in accordance with appropriate technical, economic, financial, managerial, environmental and social standards and practices, including in accordance with the provisions of the Project Operations Manual, the Indigenous Peoples Engagement Protocol and the Anti-Corruption Guidelines; (B) ensure that any goods and/or services to be financed out of the Sub-grant are procured in accordance with the provisions of Section III of this Schedule; (C) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Co-Recipient and the World Bank, the progress of the Sub-project and the achievement of its objectives; (D) submit regular progress reports and financial statements and maintain records and accounts adequate to reflect the operations, resources and expenditures related to the Sub-project in accordance with consistently applied accounting standards acceptable to the Co-Recipient and the World Bank, in accordance with consistently applied auditing standards acceptable to the Co-Recipient and the World Bank, and promptly furnish or cause to be furnished the statements as so audited to the Co-Recipient and the World Bank; (E) at the Co-Recipient’s or the World Bank’s request, have the financial statements for the Sub-project audited by independent auditors acceptable to the Co-Recipient and the World Bank, and promptly furnish or cause to be furnished to the Co-Recipient and the World Bank all such information as the Co-Recipient or the World Bank shall reasonably request relating to the foregoing; and

(iii) The right of the Co-Recipient to suspend or terminate the right of the Implementing Partner to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Implementing Partner’s failure to perform any of its obligations under the Sub-grant Agreement

2.04. **Donor Visibility and Visit.** (a) The Co-Recipients shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Japan Social Development Fund’s support for the Project.
For the purposes of Section 2.09 of the Standard Conditions, the Co-Recipients shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Member Country’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) Each Co-Recipient shall monitor and evaluate the progress of the Co-Recipient’s Part of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank and specified in the Project Operational Manual. Each Project 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.

(b) Each Co-Recipient shall 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 six (6) months after the Closing Date.

2.06. **Financial Management.** (a) Each Co-Recipients shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) Each Co-Recipient shall ensure that interim unaudited financial reports for the Co-Recipient’s Respective Parts of the Project are prepared and furnished to the World Bank as part of the Project 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) Each Co-Recipient shall have its Financial Statements for the Co-Recipient’s Respective Parts of the Project 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 (1) fiscal year of the respective Co-Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. **Procurement**

(a) **General.** All goods, non-consulting services and consultants’ 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 of the Procurement Guidelines, in the case of goods and non-consulting services;

(ii) Sections I and IV of the Consultant Guidelines, in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the Procurement Plan.

(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 and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
Particular Methods of Procurement of Goods and Non-consulting Services. All goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.

Particular Methods of Procurement of Consultants’ Services

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.

The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.

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

Eligible Expenditures. Each Co-Recipient may withdraw the proceeds of the Grant allocated to it 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 the Co-Recipient (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 Co-Recipient under 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 Grant No. TF0A1514 Allocated to Save the Children International (expressed in USD)</th>
<th>Amount of Grant No. TF0A1513 Allocated to World Vision International (expressed in USD)</th>
<th>Percentage of Expenditure to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>78,125</td>
<td>62,736</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ services</td>
<td>591,450</td>
<td>396,787</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Trainings and Workshops</td>
<td>551,658</td>
<td>1,069,444</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Operating Costs</td>
<td>299,335</td>
<td>192,270</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Sub-grants</td>
<td>1,379,432</td>
<td>278,763</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,900,000</td>
<td>2,000,000</td>
<td></td>
</tr>
</tbody>
</table>
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 this Agreement, except that withdrawals up to an aggregate amount not to exceed: (a) $290,000 equivalent in respect of Save the Children International under Grant No. TF0A1514; and (b) 200,000 equivalent in respect of World Vision International under Grant No. TF0A1513 may be made for payments made by the Respective Co-Recipient prior to this date but on or after October 3, 2015, for Eligible Expenditures.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.

Article IV
Additional Remedies

4.01. Additional Event of Suspension. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions is that the World Bank has suspended in whole or in part the right of any of the Co-Recipients to make withdrawals under the Grant Agreement because of a failure by any such Co-Recipient to perform any of its obligations under the Grant Agreement.

Article V
Co-Recipients’ Representative; Addresses

5.01. Co-Recipients’ Representative. The Co-Recipients’ Representatives referred to in Section 7.02 of the Standard Conditions are, respectively: (a) the Country Director for Cambodia, Save the Children International; and (b) the National Director for Cambodia, World Vision International.

5.02. Co-Recipients’ Addresses. The Co-Recipients’ Addresses referred to in Section 7.01 of the Standard Conditions are:

Save the Children International:
Country Director, Cambodia
P.O. Box 34, Central Post Office
Phnom Penh, Cambodia

World Vision International:
National Director, Cambodia
P.O. Box 479, Central Post Office
Phnom Penh, Cambodia

5.03. World Bank’s Address. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:
1-202-477-6391