Financing Agreement

(COVID-19 Emergency Response Project)

between

KINGDOM OF CAMBODIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between KINGDOM OF CAMBODIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fourteen million six hundred thousand Special Drawing Rights (SDR 14,600,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

2.05. The Payment Dates are April 1 and October 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project and the MPA Program. To this end, the Recipient shall carry out the Project through its Ministry of Health in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister at the time responsible for finance.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministry of Economy and Finance
Street 92
Sangkat Wat Phnom, Khan Daun Penh
Phnom Penh
Kingdom of Cambodia; and

(b) the Recipient’s Electronic Address is:

Facsimile: E-mail:
(855-23) 725-341 gdicdm@mef.gov.kh
(855-23) 427-798

5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association’s address is:
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and
(b) the Association's Electronic Address is:

Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

KINGDOM OF CAMBODIA

By

Authorized Representative

Name: AUN PORN MONIROTH, Ph.D
Title: Deputy Prime Minister
Minister of Economy and Finance
Date: APRIL 02, 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ingoma Dobrja
Title: Country Manager
Date: April 02, 2020
The objective of the Project is to assist the Recipient in its efforts to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.

The Project constitutes a phase of the MPA Program and consists of the following parts:

**Part 1: Case Detection and Management**

Establishing and upgrading laboratory, isolation and treatment centers and equipping them with medical supplies and furniture and network installation.

**Part 2: Medical Supplies and Equipment**

Procuring medical supplies and equipment needed for activities outlined in the COVID-19 Master Plan, including business continuity of essential services.

**Part 3: Preparedness, Capacity Building and Training**

Supporting activities related to preparedness, capacity building and training based on the COVID-19 Master Plan, including, *inter alia*, (i) coordination at the national, provincial and district levels; (ii) EOC functionalization (including sub-national coordination and support for preparedness; (iii) human resources for implementation, supportive supervision and subnational support; (iv) support for screening people entering into the country at designated points of entry (airports and border crossings; (v) strengthening call/hotline centers; (vi) strengthening community- and event-based surveillance for COVID-19; (vii) risk communication and community engagement (RCCE), behavioral and sociocultural risk factors assessments, production of RCCE strategy and training documents, production of communication materials; and monitoring and evidence generation.
Part 4: Project Implementation and Monitoring

Strengthening the capacity of MOH and its related departments in implementing the Project in the areas of procurement, financial management, environmental and social safeguards, monitoring and evaluation, reporting, recruitment and training of Project staff and technical consultants.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

For the purposes of ensuring the efficient and effective carrying out of the Project, the Recipient shall maintain, at all times during the implementation of the Project, Project implementation structures within MOH with functions and resources satisfactory to the Association, and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association.

B. Project Operations Manual

The Recipient shall by no later than one (1) month after the Effective Date adopt and thereafter apply throughout the implementation of the Project, the Project Operational Manual (provided, however, that in the case of any conflict between the arrangements and procedures set out in said manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of said manual.

C. Annual Work Plans and Budget

1. The Recipient shall furnish to the Association, for review and approval not later than October 30 of each year during the implementation of the Project (or such later date as the Association may agree), an annual work plan and budget ("AWPB") for the Project containing relevant Project activities and expenditures proposed to be included in the Project in the subsequent year.

2. The Recipient shall ensure that the Project is implemented in accordance with the AWPB accepted by the Association for the respective year; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Association.

D. Environmental and Social Standard

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:

(a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

(b) sufficient funds are available to cover the costs of implementing the ESCP;

(c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

(d) any of the ESCP, or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the PSCP, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall:

(a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP, and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, and the Environmental and Social Standards.

4. The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.
5. Without limitation upon the foregoing, the Recipient shall ensure that each contract for civil works to be financed out of the proceeds of the Financing or by counterpart funds under the Project shall include the obligation of the relevant contractor to carry out such works in accordance with the Safeguards Instruments.

6. The Recipient shall ensure that: (i) construction works to be carried out under the Project are limited to renovation and refurbishment of the existing public health facilities and of other buildings for the purposes of quarantine or isolation, and installation of pre-fabricated units; and (ii) any civil works to be carried out under the Project are undertaken on the existing facilities and within their established footprints.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than ninety (90) days after the end of each calendar year, covering the calendar year.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project</td>
<td>14,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>14,600,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.

2. The Closing Date is December 31, 2022.
### SCHEDULE 3

#### Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each October 1 and April 1, commencing October 1, 2026 to and including April 1, 2058</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.
APPENDIX

Definitions

1. “Annual Work Plans and Budget” means the plan and budget to be prepared for the Project and agreed with the Association, on an annual basis as provided for in Section I.C of Schedule 2 to this Agreement.

2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.

3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.


5. “COVID-19 Master Plan” means a costed action plan prepared by the Ministry of Health in collaboration with development partners to strengthen Cambodia’s COVID-19 containment and mitigation capacity.

6. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, publicly disclosed on March 20, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

7. “EOC” means the Recipient’s emergency operation center.


10. “Incremental Operating Costs” means Project-related incremental expenses incurred on account of Project implementation and management, including the rental of office space; operation, maintenance, rental and insurance of vehicles; fuel; communications supplies and charges; advertisements; books and periodicals; office administration and maintenance costs; bank transaction charges; utility charges; travel and per diem; and salary for non-government additional health workers, per diem and accommodation for volunteers doing monitoring at check-points, and overtime payments for existing government health workers.

11. “Ministry of Health” or “MOH” means the Recipient’s ministry responsible for public health.

12. “MPA Program” means the multiphase programmatic approach program supported by the Association and designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.


14. “Project Operational Manual” or “POM” means the manual to be adopted by the Recipient pursuant to Section 1.B of Schedule 2 to this Agreement, as such manual can be amended from time to time with a prior written approval of the Association.

15. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

16. “Training” means the reasonable costs associated with training under the Project, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and per
diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.