H.E. Dr. Aun Pornmoniroth  
Minister  
Ministry of Economy and Finance  
Phnom Penh, Cambodia  

Re: Kingdom of Cambodia: TFSCB Grant for Enhancement of Poverty Analysis Capacity Project  
TFSCB Grant No. TF0A0113  

Excellency:  

In response to the request for financial assistance made on behalf of the Kingdom of Cambodia ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Trust Fund for Statistical Capacity Building ("TFSCB"), proposes to extend to the Recipient a grant in an amount not to exceed three hundred fifty thousand United States Dollars (U.S.$350,000) ("Grant") 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 Donors. 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 Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.  

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

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the...
countersigned copy of this Agreement by sixty (60) days, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Constantine Chikosi
Acting Country Director, South East Asia
(Brunei, Cambodia, Lao PDR, Malaysia, Myanmar, Thailand)
East Asia and Pacific Region

Enclosures:

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

Name: AUN PORN MONIROTH, Ph.D
Title: Minister of Economy & Finance
Date: February 03, 2016
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions constitute an integral part of this Agreement.

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 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) “CPI” means consumer price index;

(d) “MoP” means the Recipient’s Ministry of Planning;

(e) “National Institute of Statistics” means the institute under the MoP mandated to plan, collect and process economic and social statistics;

(f) “National Working Group on Poverty Measurement” or “NWGPM” means the inter-ministerial group in charge of poverty measurement and conducting independent analysis linking poverty to policy decision;

(g) “National Strategy for Developing Statistics” or “NSDS” means the Recipient’s medium-term strategy which aims to strengthen the national statistical system;

(h) “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, including 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, excluding salaries, allowances and honoraria of officials of the Recipient’s civil service);

(i) “PARIS21” means the Partnership in Statistics for Development in the 21st Century;

(k) “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;

(l) “Standard Conditions” means the Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012; and

(m) “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 Project’s objectives are to help strengthen Cambodia’s national statistical system through the development of a National Strategy for Developing Statistics (NSDS) and to improve the government’s capacity to produce and interpret poverty and inequality indicators.

The Project consists of the following parts:

Part 1. Support to the NSDS

Carrying out of a program of activities designed to support the development of the intermediate phases of NSDS applying the PARIS21 protocol.

Part 2. Capacity Building to Produce and Interpret Poverty and Inequality Statistics

Carrying out of a program of activities, including: (i) training to enhance the capacity of the Recipient to independently produce and interpret poverty statistics; and (ii) identifying, documenting, and assessing potential poverty issues and gaps concerning indigenous peoples and other vulnerable groups in Cambodia.

Part 3. Provincial and National CPI Pilot

Carrying out of a program of activities to improve the collection and processing of current provincial and national level CPI, including: (a) revision of the current price questionnaire and the provincial and national CPI formula (weights); (b) establishment of a revised protocol for data revision and data flow between central and provincial statistical offices; and (c) delivery of training to provincial staff on price collection methodologies, sampling and software use, including provision of necessary hardware and software; (d) data collection/processing in selected provinces; and (e) estimation and publication of a pilot provincial CPI and the national CPI using new adjustments/data.
Part 4. Project Management

Provision of technical and operational assistance for the implementation, administration and management of the Project, including for financial management, procurement, monitoring and evaluation, reporting and auditing activities.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MoP, 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. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress 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 the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) A draft of the NSDS developed by the Recipient;

(ii) Improved capacity for poverty monitoring and analysis as evidenced by the publication of two (2) poverty analysis notes authored by the core members of the NWGPM; and

(iii) Improved price data collection, as evidenced by the preparation and publication of pilot provincial and nationally representative CPIs using a new methodologically sound framework.

(c) The 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.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each semester, covering the semester, in form and substance satisfactory to the World Bank.
The Recipient shall have its Financial Statements 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 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.

2.06. **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.

(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Shopping; and (B) Direct Contracting.

(d) **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, 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) Selection based on Consultants’ Qualifications; (B) Selection of Individual Consultants; and (C) Single-source procedures for the Selection of Individual Consultants.
(e) **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.

(f) **Document Retention.** Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section 3.03 of this Agreement; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donor.

(g) Unless otherwise agreed to between the Recipient and the World Bank, and for the purposes of this Section, guidance for implementing the Procurement Guidelines and the Consultant Guidelines is provided in the Kingdom of Cambodia’s Updated Procurement Manual for all Externally Financed Projects/Programs, promulgated pursuant to Sub-Decree 74 on Promulgating the Updated Standard Procedures for Implementing All Externally Financed Projects/Programs, dated May 22, 2012.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant 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 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 100% of Eligible Expenditures consisting of goods, non-consulting services, consultants’ services, Operating Costs and Training and Workshops.

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 the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017.
Article IV
Recipient’s Representative; Addresses

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Economy and Finance.

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

Ministry of Economy and Finance
Street 92, Sang Kat Wat Phnom
Phnom Penh
Kingdom of Cambodia

Facsimile:
855-23-427798
855-23-430241

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
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:
1-202-477-6391