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Administration Agreement between the European Commission and the International Bank for Reconstruction and Development and the International Development Association concerning the Cambodia Trust Fund for Public Finance Management (PFM) and Service Delivery Multi-Donor Trust Fund No. TF073207; Donor Reference No. ACA/2019/407-648

This Administration Agreement is concluded under Indirect Management in the context of the Framework Agreement between the World Bank Group and the European Commission dated April 15, 2016 (the "Framework Agreement") which sets the general conditions for this Administration Agreement. The Framework Agreement shall be applicable and form an integral part of this Administration Agreement for the Trust Fund.

1. The International Bank for Reconstruction and Development and the International Development Association (collectively the "Bank") acknowledge that the European Commission (the "Donor", and together with the Bank, the "Parties" and each a "Party") agrees to provide the sum of two million Euros (€2,000,000) (the "Contribution") for the Cambodia Trust Fund for Public Finance Management (PFM) and Service Delivery (Multi-Donor Trust Fund No. TF073207) (the "Trust Fund"), in accordance with the terms of this Administration Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Administration Agreement.

2. The Contribution shall be used to finance the activities set forth in the "Cambodia Trust Fund for Public Finance Management (PFM) and Service Delivery Description" attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Administration Agreement, including the "Standard Provisions" attached hereto as Annex 2 and the provisions on "Governance" attached hereto as Annex 3.

3. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in Section 1 above ("Contribution Currency") into such bank account designated by the Bank (each amount deposited hereinafter referred to as an "Installment") upon submission of a payment request by the Bank:

(A) Promptly following countersignature – EUR 1,000,000
(B) By October 2020- EUR 500,000
(C) By October 2021- EUR 500,000

The period for payment of further Instalments shall be 90 days.
The period for payment of the balance shall be 90 days.

4. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund. If the Bank determines, on the basis of the speed of the implementation of the activities and availability of funds in the Trust Fund, that it is necessary to either bring Installments forward or delay them, the Bank and the Donor will discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

5. When making any deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for the Multi-Donor Trust Fund No. TF073207 (Cambodia Trust Fund for Public Finance Management (PFM) and Service Delivery), the Commission internal

reference number and the date of the Administration Agreement, and the name of the Commission department responsible for the Trust Fund, and the date of the deposit (the "Deposit Instructions"). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank's Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to +1 (202) 614-1315.

6. Except with respect to the Deposit Instructions, any notice, request or other communication to be given or made under this Administration Agreement shall be in writing and delivered by mail, fax or e-mail to the respective Party's address specified below or at such other address as such Party notifies in writing to the other Party from time to time:

For the Bank (the "Bank Contact"):

Inguna Dobraja
Country Manager
The World Bank
Exchange Square Building Floor 10th Streets 51-61 and Streets 102-106,
Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia

Tel: +855 23 261300
Fax: +855-23 261301
E-mail: idobraja@worldbank.org

For the Donor (the "Donor Contact"):

Delegation of the European Union to Cambodia
For the attention of Financial Unit/Section
No. 100A, Preah Norodom Blvd
Chaktomuk, Daun Penh,
12207 Phnom Penh
PO Box 2301
Cambodia

Tel: +855 (0) 23 216996
Fax: +855 (0) 23 216997

7. In the event any amounts are to be returned to the Donor under this Administration Agreement, the Bank shall transfer such amounts to the Donor, unless otherwise agreed with the Bank. When making any deposit, the Bank shall include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Bank in relation to Multi-Donor Trust Fund No. TF073207 (the Cambodia Trust Fund for Public Finance Management (PFM) and Service Delivery), and the date of the deposit. The Bank shall provide a copy of such information to the Donor.

8. Pursuant to Article 13.3 (b) of the Framework Agreement, the Bank shall charge an Indirect Rate (as defined in Annex 1 to this Administration Agreement) of 17% of direct costs of their personnel and consultants directly assigned to the Bank-executed activities, for which the Bank has operational responsibility, as described in Section 2.1 of Annex 1 to this Agreement.

Bank-executed Trust Fund expenditures listed in Annex 1 to this Agreement relate only to those Bank-executed activities for which the Bank has operational implementation responsibility under the Trust Fund. They do not include the cost of Bank corporate services in support of the work carried out by its operational units implementing trust funds.

9. An indicative budget shall be available at *Development Partner Center* website and shall be used for monitoring and reporting purposes only and shall not be binding and may be revised from time to time by the Bank provided the Action is carried out as described in Annex 1 and the Donor is informed beforehand.

10. Expected results and corresponding indicators (including baselines, result goals and sources of data) are set out in the indicative results framework of the Trust Fund and shall be available in Annex 4 to this Agreement and *Development Partner Center* website. Any modifications and/or updates to the indicative results framework shall be reflected in the *Development Partner Center* website. The expected results and indicators shall be used for monitoring and evaluation purposes only and shall not be binding. Progress against such indicative results framework shall not be taken into account to determine the final amount of the Contribution to the Trust Fund by the European Commission.

11. The Implementation Period shall start on the date following that on which the last of the two Parties signs.

12. Individual procurement and grant contracts under this Administration Agreement shall be signed by the Bank no later than 46 months.

13. As allowed by Article 2.6 of the Framework Agreement, the following derogations from the Framework Agreement shall apply:

> Annex 1 and Annex 2 of this Administration Agreement, reflecting differences with the analogous Annexes in the model Administration Agreement attached to the Framework Agreement dated April 15, 2016, apply to all donors to this Trust Fund because the Trust Fund is a joint multi-donor initiative. Nevertheless, in the event of a conflict with the provisions of the Framework Agreement, dated April 15, 2016, the provisions of the Framework Agreement dated April 15, 2016 shall take precedence.
>
> By the way of derogation from Attachment 7 of the Framework Agreement between the European Commission and the World Bank Group and for the purposes of this Administration Agreement, Indirect Management may cover only BETF activities.

14. The measures taken to identify the European Union as a source of financing shall be in accordance with Attachment 4 of the Framework Agreement.

15. All annexes hereto and the Framework Agreement constitute an integral part of this Administration Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Donor and the Bank. In the event of any inconsistency, the Framework Agreement prevails over the Administration Agreement and the Administration Agreement prevails over its Annexes. Unless otherwise specified in an annex hereto, this Administration Agreement may be amended only by written amendment between the Bank and the Donor provided, however, that any annexes to this Administration Agreement may be amended only by written amendment of all donors contributing to the Trust Fund.

16. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Administration Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Administration Agreement, and upon possession by the Bank of this fully signed Administration Agreement, this Administration Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: _____

Name: INGUNA DOBRAJA

Title: COUNTRY MANAGER/

Date: 12/07/2019

EUROPEAN COMMISSION

By: _____

Name: GEORGE EDGAR

Title: AMBASSADOR

Date: 11/07/2019

ANNEX 1

Cambodia Trust Fund for Public Finance Management (PFM) and Service Delivery Description

This Annex shall be applicable to and form an integral part of all administration agreements for the Trust Fund (collectively, the "Administration Agreements" and each an "Administration Agreement") between the Bank and any entities that provide any funds to the Trust Fund (collectively, the "Donors").

1. Objectives

The objective of the Trust Fund is to strengthen public financial management and service delivery performance by supporting the Kingdom of Cambodia's public sector reform programs.

2. Activities

The activities to be financed by the Trust Fund are:

2.1 Bank-executed activities, for which the Bank has implementation responsibility:

(a) Enhancing Domestic Revenue Mobilization

Provision of technical assistance to support advancement and sustainability in domestic revenue mobilization, including improvement of public revenue collection through advising: (i) on improved and new tax policies, and (ii) on strengthening the tax administration systems.

(b) Strengthening Budgeting, Planning and Expenditure Management

Provision of technical assistance (policy notes, just in time advice, and reviews) and capacity building to support the strengthening of budgeting, expenditures, reporting and control mechanisms, and transparency, including technical advice in the areas of (i) change management and monitoring of FMIS implementation phase 2 (ii) public investment management; (iii) sub-national governance; (iv) public procurement; (v) accountability and oversight; (vi) development of PFM systems at national and sub-national level.

(c) Performance Systems for Enhanced Service Delivery

Provision of analytical and technical assistance in the areas of: (i) public expenditure reviews, public expenditure tracking surveys, and/or quality service delivery survey in selected sectors to determine PFM bottlenecks and inform specific reforms; and (ii) performance systems and service delivery improvements, including technical advice in the areas of: (A) development and/or update of a national action plan for public administration reform; (B)adequacy of wages for various levels of service delivery, the impact of the growing wage bill on overall fiscal health, and the existing status of service delivery performance; (C) perception surveys of citizens and morale surveys of public sector employees; (D) setting standards for service delivery, managing feedbacks from service users and complaint handling, and data interoperability (E) business process and functional review.

(d) Supporting Innovation, Monitoring, Coordination, Communication and Capacity Building

Provision of technical assistance to support the execution and change management of the set of reform activities described above in parts (a) through (c) and to build a pipeline of new ideas that could be mainstreamed.

(e) Program management and administration activities for the Trust Fund, including but not limited to, supporting any program governance arrangements and Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program.

3. Eligible Expenditures

3.1. For Bank-executed activities, the Trust Fund funds may be used to finance:

(a) staff costs (excluding short term consultants and temporaries);
(b) short-term consultants and temporaries
(c) contractual services;
(d) media, workshops, conferences and meetings; and
(e) travel expenses.

3.2. For purposes of this paragraph 3: (i) "staff costs (excluding short term consultants and temporaries)" includes salaries, benefits and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (ii) "short term consultants and temporaries" includes fees and the Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures.

3.3. The "Indirect Rate" means the indirect rate, defined as a percentage of personnel costs and available at the *Development Partner Center* website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures.

4. Taxes

4.1. The foregoing activities and categories of expenditures may include the financing of taxes in accordance with the Bank's applicable policies and procedures.

5. Indicative Results Framework

5.1. An indicative Results Framework for the activities financed by the Trust Fund prepared by the Bank (the "Results Framework"), in consultation with the Donors, shall be available at the *Development Partner Center* website. Such Results Framework, may be revised by the Bank from time to time, in consultation with the Donors, and shall be used for monitoring and evaluation purposes only.

6. Indicative Budget

6.1. The Bank shall provide indicative budget information for the Trust Fund at the *Development Partner Center* website, which may be updated periodically by the Bank in consultation with the Donors. Such budget information is for informational purposes only.

ANNEX 2

Standard Provisions

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

1. Administration of the Contributions

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Administration Agreement, including its annexes, and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Administration Agreement shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. Each Donor's Contribution (collectively, the "Contributions") shall be administered in accordance with the Bank's applicable policies and procedures, as the same may be amended from time to time, including its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Donors acknowledge that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a Donor.

2. Management of the Contributions

2.1. The funds deposited in the Trust Fund shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The funds deposited in the Trust Fund may be commingled with other trust fund assets maintained by the Bank. The Bank, in its capacity as trustee, has legal title to the funds deposited in the Trust Fund.

2.2. The currency in which the funds in the Trust Fund shall be held is United States Dollars (the "Holding Currency").

2.3. Donors agree to deposit their Contributions in the Contribution Currency stated in their respective Administration Agreements. In the case of deposits received in a Contribution Currency other than the Holding Currency, promptly upon the receipt of such amounts and the accompanying Deposit Instructions, the Bank shall convert such amounts into the Holding Currency at the exchange rate obtained by the Bank on the date of the conversion. Where deposits prove to be insufficient to complete activities as a result of exchange rate fluctuations, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

2.4. The funds deposited in the Trust Fund may be freely exchanged by the Bank into other currencies as may facilitate their disbursement at the exchange rate obtained by the Bank on the date of the conversion.

2.5. The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank's applicable policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

3. Accounting and Financial Reporting

3.1. The Bank shall maintain separate records and ledger accounts in respect of the funds deposited in the Trust Fund and disbursements made therefrom.

3.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions via the *Development Partner Center* website which will be updated quarterly. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the Donors via the *Development Partner Center* website.

3.3. The Bank shall provide to the Donors via the *Development Partner Center* website, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (i) a management report together with an audit opinion from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the Bank's external auditor's opinion thereon. The cost of the single audit shall be borne by the Bank.

3.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be borne by the requesting Donor.

4. Progress Reporting; Review or Evaluation of Activities; Financial Management

4.1. The Bank shall provide the Donors with annual written progress reports by January 15 of each year. The progress reports shall be provided with reference to the results framework agreed by the Bank and the Donors, as such Results Framework may be reviewed by the Parties from time to time. Within six (6) months of the End Disbursement Date (as defined below), the Bank shall provide to the Donors with a final narrative progress report for the Trust Fund.

4.2. Any Donor may review or evaluate activities financed by the Trust Fund at any time up to closure of the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of the Bank's applicable policies and procedures. All associated costs, including any costs incurred by the Bank, shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

4.3. The Bank shall, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Trust Fund funds, and include provisions in its agreements with Recipients to give full effect to the relevant Bank guidelines on fraud and corruption.

4.4. In the event that the Bank determines that there are credible and material allegations of fraud, corruption, collusion or coercion in relation to Recipient-executed and/or Bank-executed activities financed by the Trust Fund that result in the Bank opening an investigation into such allegations (an "Investigation"), the Bank shall, in accordance with its applicable policies and procedures:

(i) take timely and appropriate action with respect to such allegations and, where relevant, seek appropriate redress, including potential sanctions;

(ii) as soon as practicable, inform the Donors of the outcome of the Investigation, provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2, unless such information is already publicly available;

(iii) on a case by case basis, decide whether to share information with Donors on an active Investigation, and provided that the Donors agree to keep such information confidential pursuant to paragraph 6.3 of Annex 2;

(iv) take all necessary actions to recover funds that are the subject of an Investigation where the Bank has determined it as appropriate; and

(v) to the extent that any funds are refunded to the Trust Fund following an Investigation, the Bank shall use such funds for the same purposes as the Contributions, unless otherwise agreed between the Bank and each Donor.

5. Disbursement; Cancellation; Withholding of Payments

5.1. It is expected that the funds deposited in the Trust Fund will be fully disbursed by the Bank by March 31, 2023 (the "End Disbursement Date"). The Bank shall only disburse funds deposited in the Trust Fund for the purposes of this Administration Agreement (other than returns to Donors) after such date to the extent such date is changed in accordance with amendments made to the Administration Agreements of all the Donors. Following the End Disbursement Date, the Bank shall return any remaining balance of the Trust Fund to each Donor in the Holding Currency in the manner specified in its respective Administration Agreement on a pro rata basis with regard to the total funds deposited in the Trust Fund by such Donor relative to the total funds deposited in the Trust Fund by all Donors, all calculated as Holding Currency amounts.

5.2. Any Donor may cancel all or part of such Donor's pro rata share, and the Bank may cancel all or any Donors' pro rata shares, upon three (3) months' prior written notice, of any Contributions (paid and not yet paid) that are not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Administration Agreement, including any Grant Agreements, prior to the receipt of such notice. In the event of a cancellation, the Bank shall return to the Donor its pro-rata share in the Holding Currency as specified in paragraph 2.2 of this Annex 2; unless otherwise agreed between the Bank and the Donor.

5.3. If in the reasonable opinion of a Donor, the Bank has failed to comply to a material extent with its obligations under this Administration Agreement, the Donor and the Bank agree to discuss the non-compliance with a view to resolving the matter. If the Bank and the Donor fail to agree on the measures to be taken or the Bank fails to take relevant measures as may be agreed between the Donor and the Bank, the Donor may, upon thirty (30) days prior written notice, withhold all or any portion of an Instalment that has not yet been disbursed to the Bank, until such time as the measures have been taken.

6. Disclosure; Visibility

6.1. The Bank and the Donors agree that the Administration Agreements will be made publicly available and that any related information on this Trust Fund in the Bank's and the Donor's possession may be publicly disclosed in accordance with (i) the Bank's policies and procedures with respect to any such information in the Bank's possession; and (ii) the Donors' applicable laws with respect to any such information in the Donors' possession.

6.2. Notwithstanding paragraph 6.1 above, neither the Bank nor any of the Donors shall publicly disclose information in their respective possession related to the Trust Fund that has been indicated or marked in writing by either Party as confidential, unless prior written consent has been obtained from the Party providing the information or the Donors are otherwise obliged to do so under applicable laws with respect to information in their possession.

6.3. Notwithstanding paragraphs 6.1 and 6.2 above, the information provided under paragraphs 4.4 (ii) and 4.4 (iii) shall be subject to the terms of confidentiality accompanying such information, and the Donors shall not disclose such information outside the office to which the information is provided, unless: (i) prior written consent has been obtained from the Bank; or (ii) the Donors are obliged to do so in accordance with applicable laws, in which case the Donors will notify the Bank accordingly prior to such disclosure. If a Donor is not able to commit to keep such information confidential in accordance with its applicable laws, then the Donor shall inform the Bank accordingly.

6.4. Where appropriate to do so, the Bank will acknowledge, the Donors' contributions in references made by the Bank with respect to the Trust Fund in publications, press releases or other similar written materials.

7. Dispute Resolution; Limitation on Donor Liability

7.1. The Donors and the Bank shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of or relating to the Administration Agreements.

7.2. In providing funds under this Administration Agreement, the Donors do not accept any responsibility or liability towards any third parties including any claims, debts, demands, damage or loss as a result of the implementation of the activities under the Trust Fund.

ANNEX 3

Governance

This Annex shall be applicable to and form an integral part of all Administration Agreements between the Bank and the respective Donors.

Partnership Council

1.1. A Partnership Council will be established to: (i) endorse annual work plans and budgets and review indicative calendar of activities/missions presented by the Bank; (ii) review progress reports provided by the Bank based on the results framework described in Section 4.1 of Annex 2; and (iii) provide strategic guidance and direction on the implementation of the Trust Fund activities.

1.2. The Partnership Council will consist of representatives of the Bank, including as Chair, and a representative of each Donor contributing to the Trust Fund. It is envisaged that the Partnership Council will meet annually or more often as required, as convened by the Bank. Meetings may be conducted physically or virtually, with decisions made by consensus.

ANNEX 4

INDICATIVE RESULTS FRAMEWORK INDICATORS

Expected Results ***(logic of intervention)***	**Indicators**	**Baselines**	**Targets** [1]	**Sources of Data**	**Assumption**
Impacts (Overall Objective) To contribute to the strengthening of public financial management and service delivery performance by providing advisory services and analytics to support the government's PFM and cross-cutting public-sector management reforms (including public	Public investment management (PIM) procedures follow good practice and informed by clear legal provisions	Sub-decrees to strengthen public investment management under preparation	Selected line ministries are informed on PIM technical implementation leading to piloting implementation of PIM sub decrees.	Ministry of Economy and Finance (MEF);	Government ownership and further action taken to go forward and pilot recommendations in relevant analytics and advisory service reports delivered.
	Performance system for service delivery enhanced.	Use of Public Expenditure Tracking Survey (PETS), Quality Service Delivery Survey (QSDS), and Public Expenditure Review (PER) to support improvement of policy	Selected line ministries' strategies/policies on service delivery are informed. At least 2 PETS or QSDS, or PER will be implemented in selected line ministries.	Ministry of Economy and Finance	

[1] The government is expected to improve its PFM and public sector performance. Informed strategy and policy will help the government improve its PFM and performance systems. The improvement in PFM and performance systems will contribute to improvement of functions in public sector institutions in charge of public policy and service delivery.

administration) at central, sectoral, and subnational levels.		supporting public service is limited.			
	Public service delivery law adopted and implemented.[2]	Public service delivery law is being drafted	The Ministry of Civil Service's policy on public service delivery is informed. This is expected to contribute to the adoption and implementation of public service delivery law.	Ministry of Civil Service	
	Coordination among the three reforms (Public Administration, PFM, and Decentralization and Deconcentration) improved	Joint action plan for the three reforms exist but each activity under the plan are not integrated and simply represents what each reform secretariat plans to implement.	Joint action plan of the three reform secretariats is reviewed and improved.	MEF, MCS, and Ministry of Interior	

[2] The law will provide a basis for addressing coordination across sectors, data sharing among ministries, setting of standards and ensuring compliance, provision of information, incentives for service delivery providers, performance management of ministries and individuals, conduct of functional reviews to align department structures with service delivery needs etc.