October 28, 2014

Ambassador Anna Maj Hultgård  
Embassy of Sweden  
10th floor, Phnom Penh Tower,  
#445, Monivong Blvd.  
Phnom Penh, Cambodia

Trust Fund Administration Agreement between Sweden, Represented by the Swedish International Development Cooperation Authority (SIDA) and the International Development Association for the Public Financial Management Reform Program in Cambodia (TF No. 071696)  
Amendment to Administration Agreement

Dear Excellency:

We refer to the Administration Agreement signed and countersigned on March 30, 2012, on behalf of the International Development Association (the “Bank”) and on behalf of Sweden, represented by the Swedish International Development Cooperation Authority (the “Donor”), (the “Agreement”), as amended, pursuant to which the Donor has made available to the Bank grant funds for the purpose of contributing to the Public Financial Reform Program in Cambodia (the “Trust Fund”).

Pursuant to our recent discussions and the understanding reached between the Donors to the Trust Fund and the Bank, the Bank proposes to amend certain parts of the Agreement as a result of the additional contribution provided by the European Union, represented by the European Commission.

Accordingly, Section E of Annex 1 is amended to read as follows:

“E. ACTIVITIES & COMPONENTS WITH COST BREAKDOWN¹

1) Cofinancing to strengthen MEF’s capacity to (1) mobilize and manage public resources; (2) develop Human Resource (HR); and (3) strengthen NAA’s capacity to develop policy and conduct audits

¹ The cost breakdown is based on a total of $27 million contribution including anticipated future contributions.
Planned Output: Modernized revenue administration; a functioning Integrated Financial Management Information System (IFMIS); capacity building designed and implemented led by MEF and increase audit coverage, timely publication of audit reports by NAA.

Execution By: Recipient Government

Estimated Amount: US$ 12 million

2) Recipient executed technical assistance to support PFMRP Stage Two, and later stages

Planned Output: Repeater projects and activities that will be specifically defined under PFM2 at a later stage.

Execution By: Recipient Government

Estimated Amount: US$ 7.5 million

3) Recipient Executed Trust Fund (RETF) Implementation support (supervision)

Planned Output: Timely and intensive implementation support of RETF; regular aide-memoires and ISRs

Execution By: World Bank

Estimated Amount: US$ 0.5 million

4) Bank operational work, programmatic Analytic and Advisory Activities (AAA) support to the PFMRP, Parliament on PFM related activities, and PFM cross-cutting issues such as Public Administrative Reform (PAR)

Planned Output: Quality and timely advisory support to PFM and PAR stakeholders; donor consultations on PFMRP

Execution By: World Bank

Estimated Amount: US$ 5.92 million

5) Trust Fund Administration and Program Management

Planned Output: Effective Trust Fund administration, monitoring and reporting

Execution By: World Bank

Estimated Amount: US$ 1.08 million*

All the terms and conditions of the Agreement, that have not been hereby amended shall remain unchanged and in full force and effect.

We propose that this amendment to the Agreement shall, upon confirmation in the manner indicated below, constitute an agreement between the Donor and the Bank. This amendment to the Agreement shall become effective upon signature by all donors to the Trust Fund. It is the Bank’s policy to make publicly available the Agreement and any information
related thereto, including this amendment. By confirming below, the Donor consents to disclosure of this amendment to the Agreement after it has become effective.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Ulrich Zachau
Country Director, South East Asia
(Cambodia, Lao PDR, Malaysia, Myanmar, Thailand)
East Asia and Pacific Region

Confirmed and Agreed:
SWEDEN, REPRESENTED BY THE SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AUTHORITY

By:

Name: Anna Maj Hultgård
Title: Ambassador, the Embassy of Sweden in Cambodia
Date: 02/12/2014